



ANNUAL REPORT 2023



Annual report 2023

This annual financial report of Qrf NV (hereinafter referred to as "Qrf" or the "Company") is a universal registration document within the meaning of the Prospectus Regulation of June 14, 2017.

The Sole Director declares that:

- this annual financial report was filed as a Universal Registration Document with the FSMA on 19/04/2024, as competent authority under Regulation (EU) 2017/1129, without prior approval, pursuant to Article 9 of the aforementioned Regulation;
- the Universal Registration Document may be used for the purpose of an offer of securities to the public or the admission of securities to trading on a regulated market, provided that it has been approved by FSMA, together with any amendments, if any, and a securities note and summary approved in accordance with Regulation (EU) 2017/1129.

Qrf has chosen Dutch as its official language, which means that only the present Dutch-language annual financial report has evidential value. The French¹ and English² versions are translations of the Dutch annual financial report.

Chapters 3, 4, 5 and 12 of this annual financial report constitute the annual report within the meaning of Article 3:6 – 3:8 and Article 3:32 – 3:34 of the Companies and Associations Code.

¹ Ce rapport financier annuel est également disponible en français.

² This financial annual report is also available in English.



Ostend
Adolf Buylstraat
Belgium

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1 Word from the Sole Director



Ghent
Veldstraat
Belgium

1 Word from the Sole Director

Dear fellow shareholder,

The past fiscal year 2023 was a turbulent year for the real estate sector; rapidly rising interest rates and geopolitical uncertainties obviously impacted our company. However, on the one hand the sector in which Qrf operates as well as company-specific risk mitigation measures ensured that 2023 was a positive transition year, with a strong operating result. In addition, the seeds were laid for the realizations (already announced) in early 2024.

Operationally, 2023 was a strong year for Qrf. The net rental result (14.16 MEUR) was 13.04% more than in 2022, the occupancy rate was 99.24% at year end thanks to the hard and focused work of our asset managers.

The focus on long-term relationships with our tenants, as well as the consistently executed and critical asset rotation, have both ensured that we have shielded the property portfolio from major risks. In addition, we kicked off a greening project of our patrimony in 2023. Through the installation and further investment of PV panels, started in 2023 and running until 2025, we will provide 680 MWh/year across six different property sites.

Qrf has always maintained a conservative financing approach with regard to refinancing existing credits on the one hand and entering into interest rate hedging instruments on the other.

Thanks to the existing credit lines and taking into account the current nominal debt level and expected, after execution of realizations in 2024, the Company is not forced to extend expiring credits in the next 24 months. This strategic choice will also be maintained into the future in order to minimize refinancing risk.

The interest coverage (89.25% of the total loan portfolio at December 31, 2023) ensured that the financial cost only increased to 2.78%. In addition, the increase compared to 2022 is mainly due to the acquisition of the property on the Korenmarkt, Ghent at the end of 2022, for which a ten-year fixed financing cost was entered into.

In recent years, but certainly also in 2023, the seeds were laid for some important realizations that we were able to announce in February 2024.

First, the new construction part of the Century Center was sold on March 2024; as well as a long-term lease agreement was concluded for the renovated part of the Century Center that will generate rental income starting in 2024. Second, the Dutch property portfolio was sold. Third, a suburban retail cluster was sold opportunistically.

Together, these realizations provide a reduction in the debt ratio from 52.19% at year-end 2023, to an expected level of 43.32% by mid-2024; an increase in the EPRA NTA of EUR 0.49 per share; interest coverage of 100% on average through mid-2027. In addition, these realizations have no negative impact on the expected EPRA earnings per share.

These realizations have dramatically increased Qrf's ability to respond to opportunities. Qrf has room to invest 30 MEUR in new projects or properties before reaching the 50% debt ratio limit. However, as always in recent years, we are going to maintain the strict investment criteria, with a focus on shareholder value.

As in previous years, the Board of Directors proposes to the General Meeting a gross dividend of EUR 0.80 per share, in line with expectations and the current dividend policy. For 2024, Qrf will maintain its target of paying out at least EUR 0.80 per share to its shareholders.

Thank you for your confidence.

A handwritten signature in black ink, consisting of a series of connected loops and a sharp peak, followed by a small dot.

William Vanmoerkerke

Permanent Representative of Qrf Management NV,
Sole Director of Qrf NV

2 Consolidated key figures



Antwerp
Boomsesteenweg
Belgium

2 Consolidated key figures

Financial year 2023 covers the period from January 1, 2023 to December 31, 2023.

CONSOLIDATED KEY FIGURES

REAL ESTATE PORTFOLIO		31/12/2023	31/12/2022
Fair value of investment properties including assets held for sale ^{1 2}	(KEUR)	224,406	233,254 ³
Total gross surface area	(m ²)	77,436	80,338
Contractual Rents on an annual basis ⁴	(KEUR)	14,092	14,777
Estimated rental value of vacant premises	(KEUR)	104	643
Gross rental yield ⁵		6.43%	6.34%
Occupancy rate ⁶		99.24%	99.35%

BALANCE SHEET		31/12/2023	31/12/2022
Shareholders' Equity (excluding minority interests)	(KEUR)	118,899	125,380
Debt ratio (RREC Law) ⁷		52.19%	53.64%

PROFIT AND LOSS STATEMENT		31/12/2023	31/12/2022
Net rental income	(KEUR)	14,164	12,530
Operating result before result on portfolio	(KEUR)	11,529	9,731
Operating margin ⁸		81.4%	77.7%
Portfolio result (including share of joint ventures)	(KEUR)	-4,656	-972
Financial result	(KEUR)	-7,833	3,876
Taxes	(KEUR)	-1,495	-38
Net result (Group share)	(KEUR)	-2,455	12,598
Adjustment for portfolio result (including share of joint ventures)	(KEUR)	4,656	972
Adjustment for changes in fair value of financial assets and liabilities (ineffective part of interest rate hedges)	(KEUR)	4,066	-6,023
Adjustment for result on realisation of shares in real estate companies	(KEUR)	0	0
Adjustment for deferred taxes in respect of EPRA adjustments	(KEUR)	1,409	-99
EPRA result ⁹	(KEUR)	7,676	7,447

1 Fair value of the investment properties is the investment value as determined by an independent real estate expert, from which the transaction costs have been deducted. The Fair Value corresponds to the book value under IFRS.

2 Includes the "right of use" on a long-term lease in Ghent, Korenmarkt as provided in IFRS16.

3 As of 31/12/2022: excluding MEUR 6.4 held as Assets held for sale related to the participation in the Bond 58 joint venture.

4 Contractual Rents on an annual basis = The indexed base rents as contractually stipulated in the rental agreements before deduction of gratuities or other benefits granted to the tenants.

5 Gross rental yield = (Annualised contractual rents) / Fair value of investment properties).

6 Occupancy rate = (Annualised Contractual Rents excluding development properties) / (Annualised Contractual Rents plus the Estimated Rental Value of vacant space, excluding development properties).

7 Calculated according to the R.D. of 13 July 2014 in implementation of the Law of 12 May 2014 on Regulated Real Estate Companies.

8 Operating margin = (Operating result before result on portfolio) / (Net rental result).

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

CONSOLIDATED KEY FIGURES

KEY FIGURES PER SHARE		31/12/2023	31/12/2022
Number of shares outstanding at end of the financial year		7,798,886	7,582,737
Weighted average number of shares ¹⁰		7,704,136	7,479,258
Net result per share	(EUR)	-0.32	1.68
EPRA result per share	(EUR)	1.00	1.00
Closing price of the share at the end of the financial year	(EUR)	10.10	9.14
IFRS NAV per share ¹¹	(EUR)	15.25	16.53
Premium/discount versus IFRS NAV ¹² (end of the financial year)		-33.8%	-44.7%
EPRA NTA per share ¹³	(EUR)	15.09	15.65
Premium/Discount with regard to EPRA NAV ¹⁴ (end of the financial year)		-33.1%	-41.6%

10 Shares are counted *pro rata temporis* from the moment of issue. The moment of issue may differ from the moment of profit sharing.

11 IFRS NAV per share = *Net Asset Value* or *Net Asset Value* per share according to IFRS.

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

13 EPRA NTA per share = *Net Tangible Assets* or *Net Asset Value* per share according to EPRA *Best Practices Recommendations*.

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

3 Notes to consolidated results 2023

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Antwerp
Wiegstraat 4
Belgium

3 Notes to consolidated results 2023

3.1 RESULTS

The **Net rental result** amounts to MEUR 14.16, an increase of 13.04% or MEUR 1.63 compared to 2022 (MEUR 12.53 in 2022). This increase is due to the investment in Korenmarkt 1, Ghent at the end of 2022 (MEUR +1.74) and to the indexations of current leases (MEUR +0.75); partially offset by the negative impact of renegotiated contracts (MEUR -0.40), disinvestments realized (MEUR -0.35) and vacancy (MEUR -0.11).

In line with the evolution in the net rental result, the **property result** increases by 13.59% to MEUR 14.10 (MEUR 12.42 in 2022). The **operating result before the portfolio result** is MEUR 11.53, up 18.47% compared to 2022 (MEUR 9.73).

The **portfolio result (including the share of joint ventures)** in 2023 amounts to MEUR -4.66 (vs. MEUR -0.97 in 2022) and is the result of the capitalizations of investments on the properties in the portfolio (MEUR -1.78), of the negative variations in the Fair Value of the investment properties based on the estimates of the Property Expert (MEUR -7.78), of the positive result on sales of investment properties (MEUR +0.22) and of the variations in the share of joint venture companies (MEUR +4.68). The activations of investments on existing properties mainly relate to the properties in Huy, Shopping Mosan (MEUR -0.55) and Ghent, Korenmarkt (MEUR -0.69¹). The negative variations in the Fair Value of investment properties are mainly due to an increase in the capitalization rates used by the Property Expert, as a result of increased interest rates. The positive variation in the share of joint ventures stems, on the one hand, from the fact that these projects were almost completely finished by December 31, 2023, and, on the other hand, from the concluded leases that are consistently higher than market rents.

The **financial result** amounts to MEUR -7.83 in 2023 (compared to MEUR 3.88 in 2022). The variation in the Fair Value of the authorized hedging instruments amounts to MEUR -4.07 (vs. MEUR +6.02 in 2022). The net interest cost is MEUR 3.67 (vs. MEUR 1.99 in 2022). The average interest cost increases from 1.75% in 2022 to 2.78% in 2023. The increase in net interest expense is explained, on the one hand, by the purchase of Korenmarkt 1, Ghent at the end of 2022. This MEUR 21.0 purchase was fully financed by drawing on the existing credit lines and was fully hedged at the end of November 2022 for a period of 10 years by the purchase of an Interest Rate Swap at 2.79%. The financing cost for this purchase, including margin for the lender, therefore amounts to 4.02%. Furthermore, net interest charges also increased due to the application of IFRS 16 to a right of use linked to the property at Korenmarkt 1, Ghent.

The increase in **Taxes** (MEUR -1.50 in 2023) is mainly the result of the reversal of deferred tax assets in view of the sale of the portfolio in the Netherlands (see 3.5 Events after the balance sheet date).

The **Net income (Group share)** decreased from MEUR 12.59 in 2022 to MEUR -2.45 in 2023, or from EUR 1.68 per share in 2022 to EUR -0.32 per share in 2023.

¹ Including adjustments to the lease agreement in the context of IFRS16 (0.4 MEUR)

After adjusting for the portfolio result (including the share of joint ventures) of MEUR 4.66, for the variations in the Fair Value of financial assets and liabilities (MEUR 4.07) and for the taxes expended relating to EPRA corrections (MEUR 1.41), Qrf records an increase in the **EPRA result** of 3.07% to MEUR 7.68 in 2023 (compared to MEUR 7.45 in 2022). This increase is mainly due to the increase in the net rental result and ongoing cost control.

EPRA earnings per share remain stable at EUR 1.00 in 2023 (up from EUR 1.00 in 2022).

The Board of Directors of the Sole Director proposes a gross dividend of EUR 0.80 per share (MEUR 6.24) to the General Shareholders' Meeting. This reflects a distribution rate of the EPRA result of 81.28%.

3.2 BALANCE SHEET

On December 31, 2023, the **Fair Value of the investment properties**² is MEUR 218.36, compared to MEUR 233.25 on December 31, 2022, a decrease of MEUR 14.90 or 6.39%:

- » the impact of the estimation by the Property Expert on the Fair Value of the investment properties amounted to MEUR -7.78. In addition, capitalized investments of MEUR 1.76³ on the various properties were written down;
- » the value of the Veldstraat redevelopment project, Ghent increased by MEUR 5.49, mainly because of CAPEX, compared to December 31, 2022;
- » through 2023, the real estate portfolio was reduced with the sales of the properties in Dendermonde (MEUR -3.16), Liège (MEUR -1.03) and Namur (MEUR -2.61);
- » furthermore, a binding sale agreement was concluded for the property in Boncelles, Route du Condroz 42-44, the most recent Fair Value amounted to MEUR 5.73;
- » for the above sales together, a capital gain of MEUR 0.22 was recorded with respect to the last Fair Value;

making the Fair Value of the portfolio MEUR 218.36 as of December 31, 2023.

Overall, the portfolio is valued by the Property Expert at a gross rental rate of 6.43%. The portfolio includes 30 properties as of December 31, 2023.

In addition to real estate investments, Qrf holds significant financial positions in joint venture partnerships. The participation for the redevelopment of the Century Center in Antwerp amounts to MEUR 23.87⁴ as of December 31, 2023. Furthermore, the Company holds MEUR 6.05 as Assets held for sale (Boncelles).

Group Equity decreased by 5.17% from MEUR 125.38 at December 31, 2022 to MEUR 118.90 at December 31, 2023.

EPRA NTA per share decreased 3.58% from EUR 15.65 at December 31, 2022 to EUR 15.09 at December 31, 2023. **IFRS NAV** per share decreased 7.74% from EUR 16.53 to EUR 15.25 over the same period.

The **Debt ratio** decreased to 52.19% at December 31, 2023 (compared to 53.64% at December 31, 2022). Taking into account the debt reduction resulting from the sale of the Boncelles property and the sales of Pelican and the portfolio in the Netherlands (see 3.5 Events after the balance sheet date), the Debt Ratio is expected to decrease to 43.32%.

² Excluding Assets held for sale

³ Including adjustments to the lease agreement in the context of IFRS16 (0.4 MEUR)

⁴ Participations of 30% in the project company Ardeno BV and of 30% in the project company Pelican BV together with long-term receivables of MEUR 0.62.

3.3 FUNDING STRUCTURE

As of December 31, 2023, Qrf has MEUR 123.25 of financial debt⁵ consisting of:

- » bilateral credit lines drawn for an amount of MEUR 122.25. The bilateral credit lines drawn were concluded with 7 different financial institutions with well-spaced maturities between 2024 and 2030. The weighted average remaining maturity of these drawn credit lines is 2.7 years;
- » Commercial Paper (treasury bills) in the amount of MEUR 1.00. The full amount of outstanding short-term treasury bills is covered by available long-term credit lines (back-up lines).

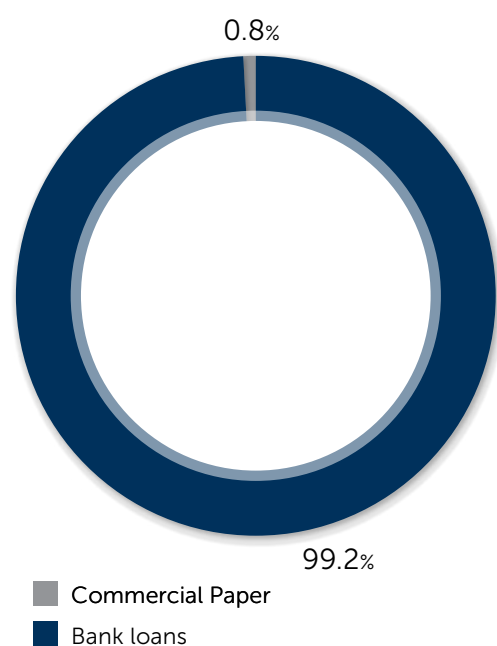
Qrf has MEUR 159 of credit lines at December 31, 2023, of which 1 credit line of MEUR 10 serves exclusively to cover the issued Commercial Paper. The undrawn portion of the available credit lines amounts to MEUR 36.75 at December 31, 2023.

During 2023, the Company refinanced MEUR 35 lines of credit that would expire during 2023 until 2028 (MEUR 20), 2029 (MEUR 10) and 2030 (MEUR 5). In addition, the Company has already extended one line of credit due to mature in 2024 until 2029 (MEUR 10) and concluded one additional additional line of credit until 2029 (MEUR 10).

The Average Borrowing Cost is 2.78% in 2023 (up from 1.75% in 2022) and has increased on the one hand due to the purchase of Korenmarkt 1, Ghent at the end of 2022; on the other hand due to the impact of increased market interest rates on the unhedged portion of debt.

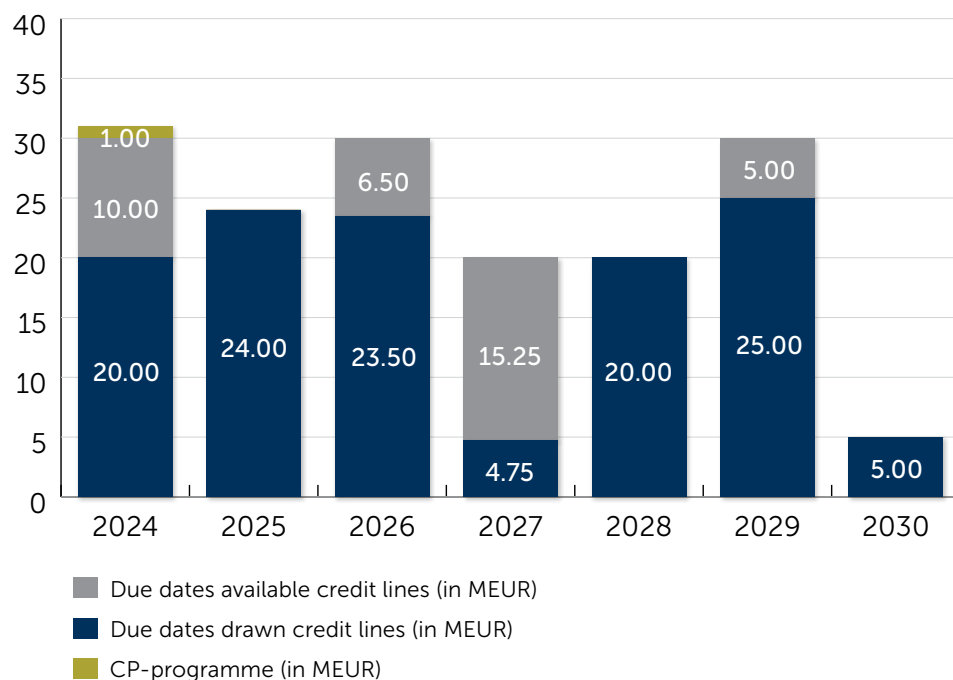
At December 31, 2023, the composition of financial debt is as follows:

GRAPHIC 1 COMPOSITION OF FINANCIAL DEBT



⁵ Excluding the right to use part of the premises in the Korenmarkt, Ghent as provided in IFRS 16.

GRAPHIC 2 MATURITIES OF FINANCIAL DEBTS



At December 31, 2023, 89.25% of the financial debt (total of credit lines drawn and commercial paper outstanding) consists of fixed-rate debt, including through the use of Interest Rate Swaps as a hedging instrument. The fixed rate debt has a weighted average remaining maturity of 3.7 years.

The total value of hedges at closing date was positive for an amount of MEUR 1.23, down from the position at 31 December 2022 (MEUR 5.29), due among other things to the expiration of hedging instruments in 2023 amounting to MEUR 35.00. The Executive Management of Qrf points out that through an active hedging strategy it wishes to maximally protect the Company against a possible interest rate fluctuation. To this end, two new forward hedging contracts were concluded in 2023 for a total amount of MEUR 20.

3.4 EVENTS AFTER THE BALANCE SHEET DATE

On February 22, Qrf formalized several realizations that fundamentally lower the Company's risk profile, making Qrf a best-in-class inner-city real estate investor.

At December 31, 2023, the debt ratio is 52.19% (compared to 53.64% at December 31, 2022), the EPRA result is MEUR 7.68 (compared to MEUR 7.45 in 2022) and the EPRA NTA per share is EUR 15.09 (compared to EUR 15.65 at December 31, 2022).

Thanks to realizations within the existing real estate portfolio, a decrease in the debt ratio is expected from 52.19% to 43.32%⁶, combined with an increase in the net asset value per share (EPRA NTA) by EUR 0.49 to EUR 15.58 per share. These realizations, thanks to the reduction in the debt ratio and corresponding expected interest cost, have no direct negative impact on the expected EPRA earnings per share for 2024.

In addition, Qrf has only limited future investment obligations (MEUR 5.4 for the further completion of the Veldstraat 88 development project, Ghent) and the Company also has MEUR 24 of investment capacity to respond to market opportunities in order to achieve a debt ratio of up to 50%.

3.4.1 OVERVIEW OF REALIZATIONS

3.4.1.1 Century Center, Antwerp: Sale of Pelican and long term rental Ardeno

First, Qrf, together with joint-venture partner Baltisse, is realizing the sale of the entire new construction project within the Pelican sub-area, as well as the open public parking garage operated by Q-Park (Parking Century Center) and 53 private parking spaces through a transfer of the shares in the project company, subject to the suspensive condition of provisional completion. At closing, expected at the end of March 2024, Qrf will receive MEUR 10.60⁷.

With the sale, Qrf realizes a capital gain of MEUR 4.36 (+72.86%) on the last known Fair Value (MEUR 5.98), and a capital gain of MEUR 3.80 on the initial contribution value of MEUR 6.54 (+58.06%).

Since the establishment of the project company, Qrf has generated an annual rate of return (IRR) of 15.13% with Pelican.

Secondly, an important long-term lease was concluded for the Ardeno sub-area (the former Century Center) for the lease of 4,711 m² of office space on market terms. Extensive talks are also in progress on the leasing of the remaining retail units (1,220 m²).

As the completion took place at the beginning of 2024, the joint venture company Ardeno will contribute to the EPRA result from 2024. The positive impact on the EPRA result for 2024 is estimated at a minimum of EUR 0.05 per share.

The valuation of Qrf's stake (30%) in the company Ardeno at the end of 2023 is MEUR 17.62.⁸

⁶ Under equal valuation of the property portfolio after realizations

⁷ Based on the provisional price calculation and including a receivable of MEUR 0.28 against the project company

⁸ Including a claim of MEUR 0.26 against the project company.

3.4.1.2 Sale of the real estate portfolio in the Netherlands

Qrf sold the entire real estate portfolio in the Netherlands on February 22, 2024. The Fair Value of the property portfolio was estimated at MEUR 20.25 as of December 31, 2023, and the Contractual Rent was MEUR 1.41. Given the small size of the portfolio and the higher fixed costs associated with managing the portfolio, the net margin of the properties was lower compared to the Belgian property portfolio.

Qrf realizes a value in line with the most recent Fair Value with the sale and will use the proceeds for further debt reduction.

Overview of sold properties

- » Den Bosch – Hinthamerstraat 41-45
- » Enschede – Kalandersstraat 2-4 9
- » Maastricht – Grote Staat 58
- » Nijmegen – Broerstraat 49
- » Zwolle – Diezerstraat 60

3.4.1.3 Opportunistic sale of out-of-town retail cluster in Boncelles

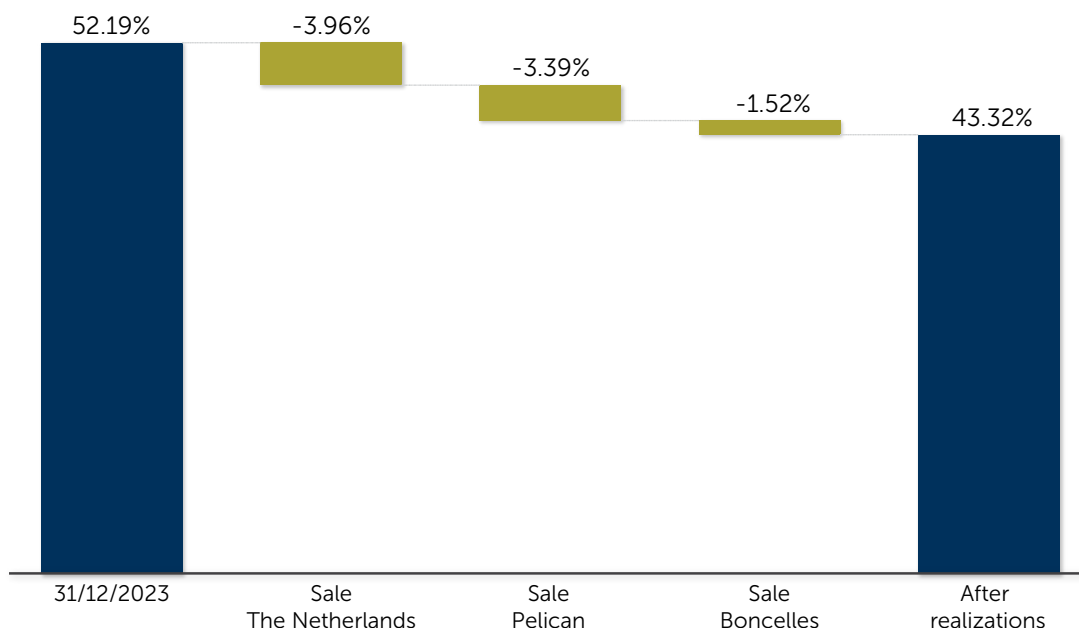
Qrf has entered into a binding sales agreement for the sale of four out-of-town retail units in Boncelles. The most recent Fair Value of the property before the sale was MEUR 5.73 and the realized net sales proceeds amounted to MEUR 6.00 (+4.71% compared to the Fair Value).

3.5 IMPACT OF REALIZATIONS

The strength of the realizations lies in their collective impact and the potential for Qrf to move quickly in the coming months and years when potential market opportunities arise within its positioning as an inner-city commercial real estate investor.

3.5.1 Debt ratio falls 9%

With these realizations, the Company expects the debt ratio to decrease by 8.86% to 43.32%.



3.5.2 EPRA NTA increases by EUR 0.49 per share

The realizations have a positive effect on the net asset value per share of EUR 0.49.

3.5.3 Limited impact on EPRA result (like-for-like)

The impact of the sales of Pelican, Boncelles and the real estate portfolio in the Netherlands will not have a direct impact on the expected EPRA result in 2024, due to the decrease in expected interest costs and since Pelican was only delivered in 2024, and therefore did not contribute in the past to the EPRA result. Moreover, thanks to the completion of the Ardeno sub-area, an additional positive impact of at least EUR 0.05 per share is expected.

3.5.4 High hedging ratio and predictability of financial costs

The lower debt ratio and the lower nominal debt level, after these realizations, at constant debt, provides an average hedge ratio of 100% until mid-2027. Thanks to this hedging position, the impact of increased interest rates on the average financial cost remains limited and increases the predictability of future cash flows.

4 Transactions and achievements

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Hasselt
Koning Albertstraat
Belgium

4 Transactions and achievements

4.1 ACQUISITIONS, DIVESTITURES AND OTHER ACTIVITIES

4.1.1 Acquisitions and divestitures

During 2023, a binding sale agreement was signed for four sites for net proceeds of MEUR 12.79, with a capital gain of MEUR 0.22 on the most recent Fair Value.

» The property located at Oude Vest 19-37 in Dendermonde, consisting of 8 commercial units, was sold for MEUR 3.24. Furthermore, the property located at Rue de Fer 10 in Namur, consisting of one commercial unit, was sold for MEUR 2.80. The property located at Rue de la Cathédrale 87-93 in Liège, consisting of 4 commercial units, was sold for MEUR 0.75.

» Finally, during the last quarter, a binding sales agreement was concluded for the retail park located at Route du Condroz 42-44 in Bonnelles for net proceeds of MEUR 6.00.

The final sale of Dendermonde was completed during the second quarter, and the finalization of sales in Liège and Namur were completed in the third and fourth quarters of 2023, respectively.

During 2023, Qrf made no acquisitions.

TABLE 1 OVERVIEW OF DIVESTMENTS QRF 2023

COUNTRY	TOWN	STREET	TENANTS	TOTAL GROSS RENTAL AREA
BE	Dendermonde	Oude Vest 19-37	8 commercial tenants	1.758 m ²
BE	Namur	Rue de Fer 10	Atf Belgium SA	192 m ²
BE	Liège	Rue de la Cathédrale 87-93	1 commercial tenant and void	952 m ²
BE	Bonnelles	Route du Coudrez 42-44	4 commercial tenants	3.246 m ²

4.1.2 Redevelopments

Qrf today has a two-sided focus on redevelopment projects. On the one hand, it participates in joint venture projects for large-scale inner-city redevelopment projects; on the other hand, it manages developments itself.

In Antwerp, Qrf owns 30% of companies that redeveloped the former Century Center. This concerns 32,000 m² of offices and retail. On December 31, 2023, Qrf's participation (30%) in the joint venture was valued at 23.86 MEUR.

The property Veldstraat 88 in Ghent is undergoing a redevelopment process. At the end of 2023, Nike opened its European concept RISE on the ground floor for a contractual rent of EUR 450,000. It is also in the midst of a redevelopment of 3,000 m² of office space. Completion is scheduled for the end of 2024. The additional investment is estimated today at MEUR 5.00.

4.2 OUTLOOK FOR 2024

Thanks to active asset management, rollout of the ESG program and long-term strategy, Qrf expects to achieve its 2024 internal target for rental income, regardless of any underlying macroeconomic impact.

The realizations announced in February 2024 will all be completed by midyear 2024, leaving the company with a substantially lower debt ratio. It is expected to reach 43.32%, assuming constant property valuation.

Thanks to a full coverage ratio for 2024, the effect of the already known increase in the interest cost in 2023 is known for 2024.

Qrf maintains its medium-term dividend policy of at least EUR 0.80 per share for 2024

5 Who is Qrf

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Antwerp
Kammenstraat 34
Belgium

5 Who is Qrf

5.1 ID

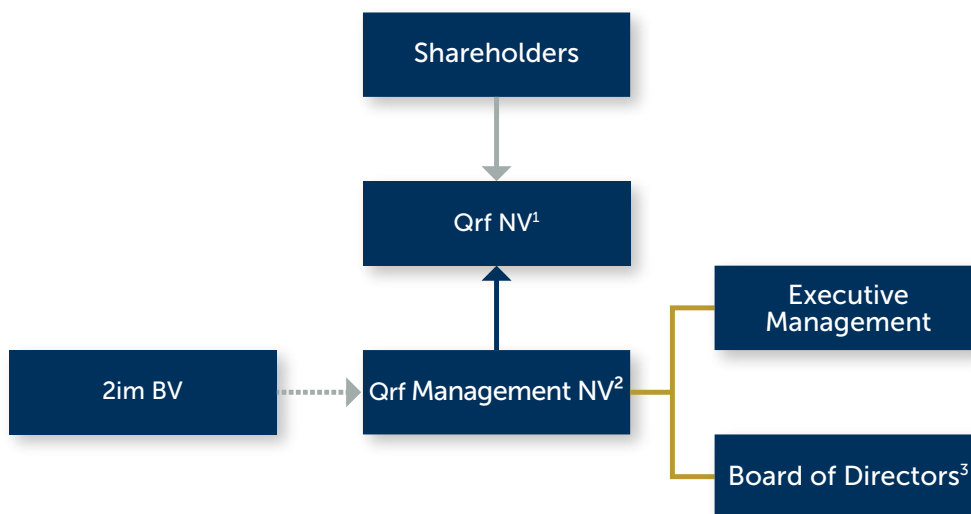
Qrf is a Belgian public regulated real estate company (RREC or BE-REIT) that invests in inner city real estate in Belgium and the Netherlands. The company focuses on the acquisition, redevelopment and leasing of commercial real estate focused on retail, leisure and hospitality.

Through active portfolio management, in addition to the basic objective of maintaining the value of its properties, Qrf also strives to create value through a conservative, yet active and focused investment policy and the activation of redevelopment opportunities within the existing property portfolio.

Qrf was incorporated for an indefinite term by deed before notary public Vroninks on September 3, 2013 in the form of a limited partnership on shares and was converted into a limited liability company by deed before notary public Vroninks on May 18, 2021. The company is managed by its Sole Director, Qrf Management NV.

On November 7, 2014, Qrf adopted the statute of public RREC. As of December 31, 2023, Qrf's team consisted of 7 employees.

GRAPHIC 1 STRUCTURE AFFILIATION QRF AS OF DECEMBER 31, 2023



5.2 PERIMETER COMPANIES

As of December 31, 2023, Qrf has 6 Perimeter Companies.

GRAPHIC 2 PERIMETER COMPANIES QRF (DIRECT OR INDIRECT PARTICIPATION)

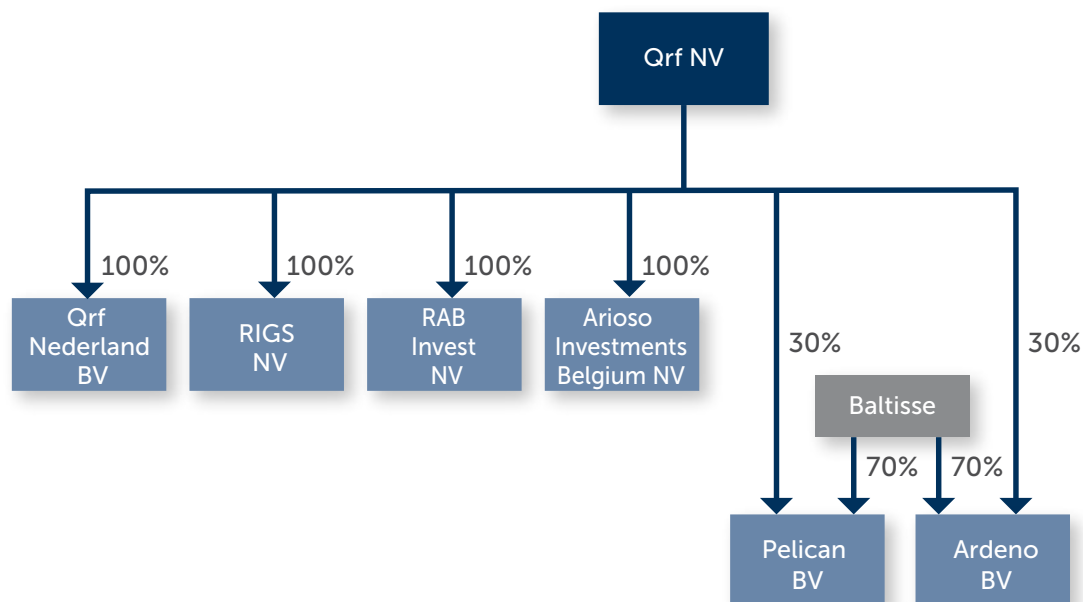
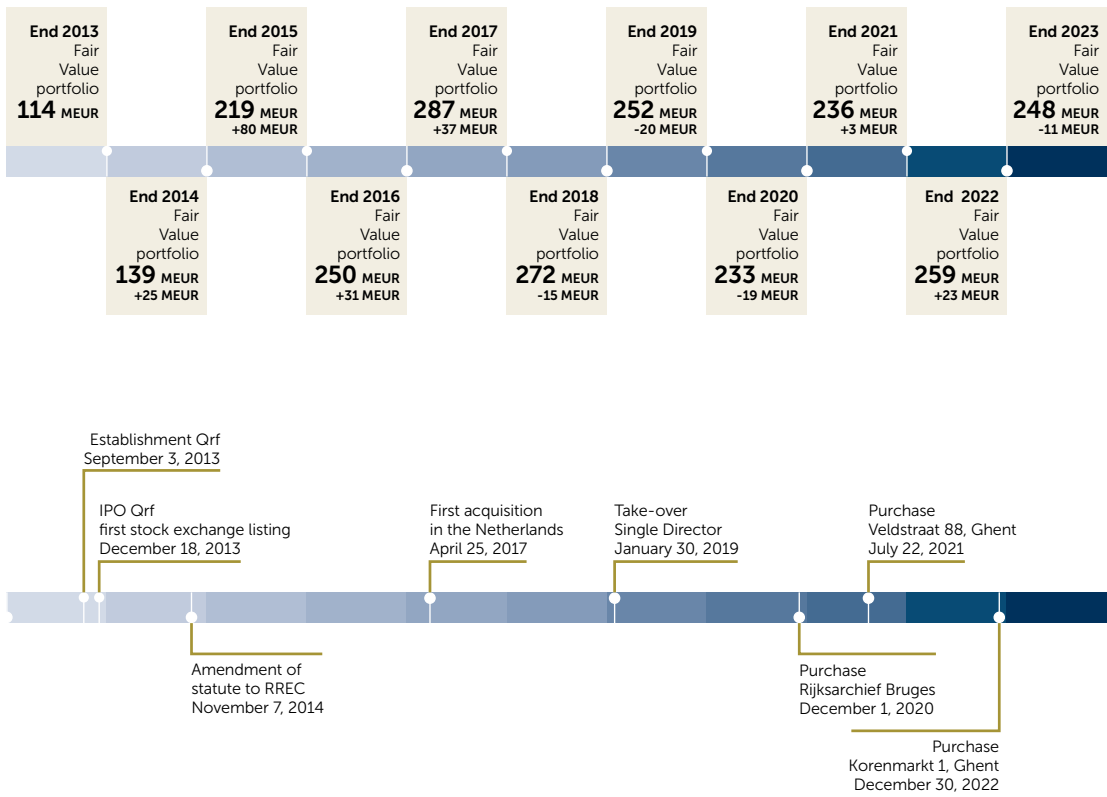


TABLE 1 LIST OF QRF'S PERIMETER COMPANIES AT DEC. 31, 2023

PERIMETER COMPANY	SHAREHOLDING	DIRECTORS	STATUTORY AUDITOR
Qrf The Netherlands BV Registered office: Emmalaan 25 1075AT Amsterdam, The Netherlands	100% of the shares are held directly or indirectly by Qrf	William Vanmoerkerke	/
RIGS NV (CFPF) Registered office: Gaston Crommenlaan	100% of the shares are held directly or indirectly by Qrf	Qrf Management SA Arthur Lesaffre	KPMG Bedrijfsrevisoren BV
RAB Invest NV (CFPF) Registered office: Gaston Crommenlaan 8 9050 Ghent, Belgium	100% of the shares are held directly or indirectly by Qrf	Qrf Management SA Arthur Lesaffre	KPMG Bedrijfsrevisoren BV
Arioso Investments Belgium NV Registered office: Gaston Crommenlaan 8 9050 Ghent, Belgium	100% of the shares are held directly or indirectly by Qrf	Qrf Management SA Arthur Lesaffre	KPMG Bedrijfsrevisoren BV
Pelican BV Registered office: Pauline Van Pottelsberghelaan 10 9051 Ghent, Belgium	30% Qrf 70% Baltisse	Qrf Management SA Assets Invest BV Baltissimo SA	Finvision
Ardeno BV Registered office: Pauline Van Pottelsberghelaan 10 9051 Ghent, Belgium	30% Qrf 70% Baltisse	Qrf Management SA Assets Invest BV Baltissimo SA	Finvision

5.3 HISTORY OF QRF



5.4 STRATEGY

5.4.1 Asset class and investment strategy

Qrf's sharpened focus is on quality real estate in a limited number of key center cities. In addition, Qrf is no longer limiting itself to exclusively retail properties, but as of now is looking to further diversify its assets into leisure and hospitality properties.

Qrf thus draws the card of the freely available income of end consumers and aims to build a property portfolio that reflects the current and future spending patterns of residents, residential tourists and day visitors of center cities.

Over the past decade, consumer spending patterns have changed so much that a solitary focus on retail real estate does not provide the necessary protection against long-term market trends.

In the past, the lion's share of freely available income (excluding life necessities or durable "white goods") went to physical shopping. The supply of stores (retail) changed enormously over the past 20 years: from local middle class to large international chains. However, today the market teaches us that the commute has gone the other way: a saturation of the inner-city shopping area has manifested itself since 2016. In addition, a greater share of online purchases has been recorded in Belgium in recent years, a trend that will continue for several more years to stabilize on an omni-channel model where retailers integrate both channels (traditional stores and e-commerce) in order to respond to the economic, environmental and social challenges of our time.

Retail real estate remains an important investment market for Qrf. However, Qrf applies stricter investment criteria with respect to existing and new investments in retail real estate. Strict criteria are maintained with respect to the city; the location in the shopping area; the physical structure of the store as well as with respect to the valuation which is based on a sustainable rent level and conservative return.

In addition and based on the aforementioned strategy, Qrf aims to eventually have a property portfolio that diversifies between retail, leisure and hospitality properties.

5.4.2 Financing Strategy

Qrf has established a financing strategy in accordance with the following principles:

- » Qrf targets a Debt Ratio of around 50%, although the maximum authorized Debt Ratio under the Law of May 12, 2014 on Regulated Real Estate Companies is 65%. At December 31, 2023, the Debt Ratio was 52.19%. Consequently, in order to finance opportunistic investments, Qrf has the possibility of temporarily increasing the Debt Ratio to 55%;
- » Qrf pursues an active hedging policy, which is always based on conservatively assessing the long-term risks of interest rate risk.

5.4.3 Development Strategy

Qrf recognizes that a key pillar to creating value within the real estate portfolio is asset redevelopment. Both within the existing property portfolio for underutilized properties, as well as when making investment decisions, the redevelopment opportunity can be a driver of added value.

6 Risk factors

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6.4	Risks associated with climate change	39



Ghent
Korenmarkt 1
Belgium

6 Risk factors

The Executive Management and the Board of Directors of the Sole Director of Qrf are aware of the specific risks associated with managing a property portfolio.

Due to the entry into force on July 21, 2019 of the Prospectus Regulation, a summary of the main risks specific and material to the company is presented below. As a result, more general risks applicable to any company are not included herein, these are of course also monitored and controlled as best as possible. We refer to Chapter 7.2.5 in which the internal control system is described.

6.1 OPERATIONAL RISKS

6.1.1 Tenant solvency risk

a. Description of risk

This risk can be described as the risk of (partial) tenant default or bankruptcy.

b. Potential impact for the Company

The potential impact involves, on the one hand, an unexpected drop in rental income due to a deterioration in collection rates or due to a decline in occupancy rates and, on the other hand, the incurring of commercial costs for finding a new tenant if tenant insolvency would lead to vacancy.

There is a risk that if the tenants in question default, the security deposit will not be sufficient and the Company consequently bears the risk of not being able to recover anything or not enough. All this has an impact on the Company's profitability and consequently on its earnings per share and ability to pay dividends.

The Company intrinsically estimates the probability of this risk as medium and the potential impact as medium.

c. Limiting factors and control of risk.

The Company mitigates tenant solvency risk in several ways. Before entering into a contract with a new tenant, a preliminary investigation is made of the financial health of this potential client. Subsequently, a rent guarantee is usually requested at the conclusion of the contract. Should payment problems arise after the conclusion of the lease, the Company has an internal procedure for following up and collecting outstanding receivables.

6.1.2 Concentration risk of tenants and investments

a. Description of risk

This risk can be described as the risk of excessive concentration of one or more tenants or investments in one or more buildings relative to the entire property portfolio.

b. Potential impact for the Company

An excessive concentration of one or more tenants relative to total Rental Income may result in a material decline in Rental Income in the event of a tenant's departure, bankruptcy or decline in collection. A decline in revenues or cash flows could impact the Company's profitability and, consequently, its earnings per share and ability to pay dividends.

An excessive concentration of investments in one or more properties may result in a decrease in the net asset value due to a decrease in the Fair Value of the property.

The Company intrinsically estimates the probability of this risk as medium and the potential impact as medium.

c. Limiting factors and control of risk.

The Company mitigates concentration risk through diversification of generated revenues by tenant, in compliance with legal provisions in this regard. The largest tenant for the year ended accounts for 11.38% of total Rental Income. Through active portfolio management, the Company also strives to diversify its property portfolio. The building with the largest value represents MEUR 28.16 or 12.90% of the Fair Value of the investment properties.

The Company estimates the residual risk, taking into account the limiting factors and management of risk as described above, associated with tenant concentration risk and investments as average in both probability and magnitude.

6.2 FINANCIAL RISKS

6.2.1 Risks associated with the cost of external financing

a. Description of risk

This risk can be described as the risk of an increase in the cost of debt.

b. Potential impact for the Company

A potential material increase in the cost of debt has an impact on the cost structure and consequently the profitability of the Company, and consequently on earnings per share and the ability to pay dividends.

The Company's debt ratio was 52.19% as of December 31, 2023. The total financial debt consisted of 10.75% contracted variable rate debt and 89.25% contracted fixed rate debt or variable rate debt that is fixed rate by hedging.

A 1% increase in financing cost would result in an increase of KEUR 132 in total financing cost for the situation as of December 31, 2023. The increase in financing cost for a 1% increase in interest would result in a decrease of EUR 0.02 EPRA earnings per share.

The Company incurs a large portion of its financial debt at variable interest rates and could therefore benefit, where appropriate, from low interest rates on the unsecured portion of its borrowings. The risk of rising variable interest rates is mitigated by exercising an active hedging policy on interest rate risk. In addition to financing part of the debt at fixed interest rates, the Company also enters into IRS-type financial instruments or CAP/FLOOR options on part of the debt at variable interest rates, taking into account market conditions.

The Company intrinsically estimates the probability of this risk, due to the current market situation with rising interest rates, as medium and the potential impact as high.

c. Limiting factors and control of risk.

The Company protects itself against a rise in interest rates by using fixed-rate debt and entering into IRS-type financial instruments or CAP/FLOOR options on part of the debt at variable interest rates. Further explanations regarding the credit lines are given in 5.4.2 Financing strategy. Chapter 12, Note 12 provides a detailed overview of the financial instruments as of December 31, 2023.

6.2.2 Risks associated with the evolution of the debt ratio

a. Description of risk

This risk can be described as the risk of a debt ratio that is not permitted by regulations or contractual provisions.

b. Potential impact for the Company

The Company is bound by the statutory maximum debt ratio of 65% imposed by the RREC legislation. In addition, most financing agreements with financial institutions stipulate a maximum debt ratio of 60%.

If the debt ratio were to increase above 65%, the Company risks sanctions, such as the prohibition to pay dividends or the loss of RREC status through revocation by FSMA. Above a debt ratio of 60%, the Company risks a loss of confidence on the part of financial institutions or even early repayment of financing contracts, due to non-compliance with the financial ratios included in the covenants.

As of December 31, 2023, the debt ratio was 52.19%. I.e., the Company has an additional debt capacity of MEUR 48.91 before reaching a debt ratio of 60% and an additional debt capacity of MEUR 91.71 before reaching a debt ratio of 65%.

In addition to total debt, the value of the property portfolio also has a significant impact on the debt ratio. Taking into account the total debts as of December 31, 2023, a debt ratio of 60% would be reached at a decrease in value of MEUR 32.62 or 14.53% compared to the Fair Value of the investment properties. A debt ratio of 65% would be achieved at a decrease in value of MEUR 49.38 or 22.01% compared to the Fair Value of the investment properties.

c. Limiting factors and control of risk.

The Company actively monitors debt levels and takes thresholds into account in its policies. This constant monitoring takes into account, among other things, planned investments and divestments, earnings expectations and the payment of an optional dividend.

The Company intrinsically assesses the probability of this risk as low and the potential impact as high.

6.2.3 Risks associated with the use of derivative financial products

a. Description of risk

This risk can be described as the risk when using derivative financial products to hedge interest rate risk. The Fair Values of these derivatives are affected by fluctuations in interest rates on the financial markets.

b. Potential impact for the Company

On the one hand, there is a potential impact for the Company due to the complexity and volatility of the fair value of the derivative financial products; on the other hand, there is the counterparty risk vis-à-vis the financial institutions with which these products are concluded.

The Fair Value of the derivative financial products concluded by the Company was MEUR 1.23 at December 31, 2023 compared to MEUR 5.29 at December 31, 2022.

The decrease of MEUR 4.06 in the Fair Value of the derivative financial products represents a decrease in the net asset value and net income of EUR 0.53 per share, without, however, having an impact on the EPRA result and therefore the Company's capacity to pay dividends.

c. Limiting factors and control of risk.

The Company only enters into derivative financial products to hedge interest rate risk in variable rate loans. No products are held for speculative purposes.

When entering into derivative financial products, a counterparty risk arises on the financial institution in the event of its default. The Company mitigates this risk by using several reputable European banks and diversifying the counterparties for these hedging instruments. The main counterparties for these hedging instruments are, in descending order of importance, BNP Paribas Fortis, KBC and Caisse d'Epargne.

The Company intrinsically rates the probability of this risk as medium and the potential impact as high.

6.3 REGULATORY AND OTHER RISKS

6.3.1 Risks associated with the Statute

a. Description of risk

This risk can be described as the risk that the Company will no longer be able to enjoy the RREC status, either due to failure to comply with applicable regulations for RRECs or due to changing regulations.

b. Potential impact for the Company

Thanks to its RREC status, the Company benefits from a specific tax regime whereby its results (rental income and capital gains from sales, adjusted for operating expenses and financial charges) are exempt from corporate income tax. In other words, the Company is only taxed at the standard tax rate on the sum of non-deductible expenses and costs (excluding depreciation and capital losses on shares) and abnormal or gratuitous benefits.

In case the Company were to lose its status of RREC, an additional corporate tax would be due for Financial year. In addition, the loss of recognition as a public RREC in credit agreements is generally considered to trigger the early repayment of bank loans, which could reduce the Company's liquidity.

c. Limiting factors and control of risk.

The Company permanently monitors compliance with legal requirements. The Company is further in regular contact, both individually and at the sector level through the non-profit organization BE-REIT Association, with the authorities and other stakeholders.

The Company intrinsically assesses the probability of this risk as low and the potential impact as high.

The list of risks is not exhaustive and has been prepared on the basis of information known at this time. Other unknown or improbable risks may exist, as well as risks which, at the date of this registration document, are not believed to have an adverse effect on the Company, its business or its financial situation should they occur in the future. The permanent evolutions in the property and financial markets require continuous monitoring of the strategic, operational, financial and compliance risks to monitor the results and financial situation of Qrf.

6.4 RISKS ASSOCIATED WITH CLIMATE CHANGE

6.4.1 Physical risks of climate change

a. Description and potential impact of the risk

Physical risks to the real estate sector are related to property damage caused by weather events exacerbated by climate change. The frequency and severity is expected to increase in the coming years.

Extreme weather events pose major risks to the real estate industry. These extreme weather events include exceptionally high rainfall and floods, forest fires, as well as risks such as subsidence and sea level rise in low-lying areas. Taking into account the climate in Belgium and the Netherlands, we have identified the following risks:

- » Sea level rise and coastal flooding will become more frequent and severe, increasing property damage and increasing repair and maintenance costs;
- » Inland flooding due to the greater frequency and severity of coastal storms or extreme precipitation can increase property damage;
- » Increased severity and frequency of extreme winds and storms can cause property damage to the properties in real estate portfolio;
- » Rising heat will create new cooling requirements for buildings, increasing operating costs. Water stress will also increase operating costs due to higher water prices, the need to improve water efficiency and regulation of water use.

b. Limiting factors and control of risk.

During 2023, the Company prepared a risk analysis of each of its properties to analyze the risks described above at the property level. The Company will actively monitor these risk analyses in the coming years.

Concerning the coastal, river or pluvial flood risk, the Company consulted the flood risk map of relevant areas. According to the flood risk maps, no significant coastal, river or pluvial flood risk is detected under future climate projections. Therefore, the flood risk can be considered non-material for the Company's held properties.

Regarding the risk of extreme storms, based on a technical report¹, the Company can conclude that the intensity and frequency of extreme storms will not increase due to climate change. Furthermore, we can also conclude that the extreme wind storms are often of minor importance for most locations, this due to the inner-city nature. Therefore, the risk can be considered non-material for Qrf.

Concerns the risk of increasing heat and new cooling needs, this risk is associated with a financial impact rather than an operational impact. As heat waves become more frequent and intense, the need for cooling of buildings increases, increasing property operating costs. The Company therefore recognizes the increasing impact of sustainable properties with up-to-date and compliant EPC certificates. The Company is currently mapping all properties in terms of a sustainability score (based on an Energy Performance Certificate or EPC). Based on this, the Company tries to draw up a plan to make the properties more sustainable. For (large) renovation projects, such as in Veldstraat 88, Ghent, great attention is paid to the sustainability of the entire property, for more information we refer to Chapter 11 regarding the sustainability declaration.

¹ Technical report "Global warming and windstorm impacts in the EU" by the Joint Research Centre (JRC) and the European Commission from 2020.

6.4.2 Business risks associated with climate change

a. Description and potential impact of the risk

The real estate sector's role in constructing and operating buildings around the world makes it responsible for about 40% of global greenhouse gas emissions. As a result, the ambition to achieve climate neutrality by 2050 requires major changes in the sector and brings with it various transition risks, such as declining market attractiveness, increasing regulation and reputational risks.

» Increasing regulations focused on climate change, such as disclosure of climate risks and stricter construction standards have a strong impact on the Company's operational and financial policies. For example, non-compliance with regulations could cause reputational damage and/or more expensive credit.

b. Limiting factors and control of risk.

Concerning the additional obligations related to the disclosure of climate risks, since 2022 the Company has an ESG reporting where tenants' consumption is systematically monitored more and more. For more information, please refer to Chapter 11.

The stricter building standards are causing an increased focus on 'future-proofing' our real estate portfolio and budgeting for these sustainable investment needs. By mapping the EPC values of our properties, Qrf will be able to draw up concrete plans to make its portfolio more sustainable. The Company is currently taking very strong account of the stricter (future-oriented) building standards in its decision-making process for (large) renovations.

The Company is very much aware that it can contribute in terms of climate control. Concrete actions, such as improving insulation or installing heat pumps, are therefore being examined. Work is also being done on a smart energy management system so that the Company can also monitor the consumption of its tenants and work with them on energy efficiency.

2023 also saw work on Project Solar, where Qrf provided solar panel installations on 7 properties, allowing a property to feed energy back into the grid and protect itself from potential volatility in energy markets. Partly as a result of all these initiatives, the transition to a sustainable economy, to limit global warming to 1.5°C in line with the Paris Agreement and the goal of achieving climate neutrality by 2050, has begun.

7 Corporate Governance Statement

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Ostend
Kapellestraat
Belgium

7 Corporate Governance Statement

7.1 GENERAL INFORMATION

7.1.1 Corporate Governance Principles

For financial year 2023, the Belgian *Corporate Governance Code 2020* (the “Code”) is used as the reference code by Qrf. This Code is available on the website of the Belgian Official Gazette and that of the Corporate Governance Committee (www.corporategovernancecommittee.be). Furthermore, the provisions of the applicable corporate legislation relating to Corporate Governance are complied with.

In accordance with Article 17, § 6 of the RREC Act, Qrf has developed an appropriate integrity policy. Listed below are the rules and principles on the basis of which Qrf’s corporate governance is organized.

This statement contains the main rules adopted by Qrf in application of corporate governance legislation and recommendations. The statement also forms part of the annual report, in accordance with Article 3:6, § 2 and § 3 of the Companies and Associations Code.

The Governance Code 2020 is based on the “*comply or explain*” principle: Belgian listed companies must comply with the Governance Code 2020, but may deviate from its provisions and guidelines (but not its principles), provided that they disclose the reasons for such deviations in their corporate governance statement.

The Sole Director fully supports the principles of the 2020 Governance Code, but believes that certain (limited) deviations from its provisions are justified in light of Qrf’s particular situation.

More specifically, Qrf departed from the following Governance Code 2020 recommendation:

- » In deviations of principles 3.19 to 3.21 of the 2020 Governance Code, no formal secretary is appointed given the size of Qrf, its activities and the efficiency of its decision-making process. For the same reasons, it also has no in-house legal counsel and will seek specialized external legal advice whenever it deems it useful and necessary;
- » notwithstanding recommendation 7.6 of the Governance Code 2020, non-executive Directors do not receive variable performance-based remuneration directly linked to the Company’s results such as bonuses or stock-related long-term incentive programs, nor benefits in kind or benefits linked to pension plans. The Company justifies this deviation by the fact that such remuneration in shares of non-executive Directors is new in the 2020 Code and is also not well established in Belgian listed companies in general or more specifically in the RREC sector. The Company believes that the judgment of these Directors – particularly as non-executive Directors – is not affected by the absence of share-based compensation. Nor, to the Company’s knowledge, is there yet an international consensus that share-based compensation ensures that the interests of non-executive Directors are aligned with shareholder interests. The Company decides to await the evolution of the practice of Belgian listed companies in general, or more specifically in the RREC sector, and to regularly reassess whether it may be in the interest of the Company and its shareholders to proceed with (partial) payment of non-executive Directors in shares;

» contrary to recommendation 7.9 of the Governance Code 2020, no minimum threshold of shares to be held by members of executive management is set. The Company did implement a long-term incentive plan for executive management, whereby the incentive is granted following the assessment of critical performance indicators (KPIs) over a three-year period (the performance cycle). After the incentive is granted, the recipient is required to hold shares in the amount of the value of the long-term incentive paid for a minimum of two years. Qrf believes that the legal framework of the Company (RREC statute), the general policy and operation of the Company adequately comply with provision 7.9 of the Governance Code 2020 (in particular, to have the executive management act with the perspective of a long-term shareholder). Indeed, the perspective of pursuing long-term value creation for its shareholders has been ingrained in Qrf's strategy for several years. The results and major acquisitions of the recent past also demonstrate this. Qrf is therefore of the opinion that management has already proven that this perspective is sufficiently present, even without holding a minimum threshold of shares. Furthermore, even before the allocation of a first long-term incentive, the members of the executive management do individually hold a shareholding in Qrf NV, without being obliged to do so;

» contrary to recommendation 7.12 of the Governance Code 2020, there are no specific provisions in the contracts with the CEO and the other members of the Executive Management, with the exception of the long-term incentive plan, allowing the Company to reclaim or withhold variable remuneration paid. The Company deviates from the recommendation by the fact that the Company will invoke the possibilities under common law in this respect if necessary.

Qrf's integrity policy was summarized in the *Corporate Governance Charter*. The *Corporate Governance Charter* addresses, among other things, the Company's governing bodies, conflicts of interest, code of ethics and sustainable business practices. Qrf's *Corporate Governance Charter* was approved by the Board of Directors of the Sole Director in accordance with the recommendations in the Governance Code 2020. The Sole Director will review Qrf's *Corporate Governance Charter* from time to time.

The Board of Directors of the Sole Director initially adopted this Charter at its meeting on November 26, 2013. The Charter was last revised on May 18, 2021.

The most recent version of Qrf's *Corporate Governance Charter* can always be consulted on the [qrf.be](https://www.qrf.be) website, under the *Corporate Governance* section, and can be obtained free of charge upon request at Qrf's registered office (Gaston Crommenlaan 8, 9050 Ghent).

For the information referred to in Article 14, 4th paragraph of the Law of May 2, 2007 on the disclosure of major shareholdings in issuers whose shares are admitted to trading on a regulated market, see Chapter 8 "Qrf on the Stock Exchange."

The procedure for appointing and replacing the Sole Director and members of his Board of Directors is described in Sections 7.2.1 and 7.2.2.1, respectively. Reference is made to Chapter 8.4 of this Annual Report for a description of the holders of securities to which special control rights are attached (as well as a description of these rights). There is no legal or statutory restriction on the exercise of voting rights except that the voting rights of any Qrf treasury shares are suspended.

Section 13 of this annual report contains a copy of Qrf's coordinated articles of association. Any amendment to Qrf's Articles of Association must be made in accordance with the rules set out in the Companies and Associations Code, the RREC Act and the RREC-RD. For an overview of the authority of the Sole Director to issue shares or repurchase own shares, please refer to Chapter 12 (Notes 17.2 and 17.3) of this annual report.

7.1.2 Diversity Policy

Qrf applies the following diversity policy in accordance with Article 3:6, § 2, 6° of the Companies and Associations Code:

- » Board of Directors currently has 6 members, 2 of whom are women;
- » Qrf's diversity policy aims to find the best possible complementarity among Board members to achieve sound governance;
- » when reviewing applications for positions on the Board of Directors and proposing a candidate for a vote at the General Meeting, the Remuneration and Nomination Committee and the Board of Directors ensure that appropriate diversity is maintained within the Board of Directors based on the age, gender, qualifications and professional experience of its members, as well as that the required minimum presence of independent directors is met.

7.2 DECISION-MAKING BODIES

7.2.1 Sole Director

In accordance with Article 10 of the Articles of Association, Qrf is managed by a Sole Director appointed in the Articles of Association. In accordance with Article 10 of Qrf's Articles of Association, Qrf Management NV, with registered office at Oud Vliegveld 12, 8400 Oostende, was appointed as the Sole Director of Qrf without term limitation.

As Sole Director, Qrf Management NV is authorized to perform all acts useful or required for the achievement of Qrf's corporate purpose, except those reserved by law or by Qrf's Articles of Association to the General Meeting of Shareholders.

The mandate of the Sole Director is for an indefinite term, as provided for in Qrf's Articles of Association. The appointment of the Sole Director is not revocable, except with his consent, except for lawful reasons in accordance with the Companies and Associations Code.

The Sole Director may resign only if such resignation is possible within the framework of his commitments made to Qrf and to the extent that he does not bring Qrf into difficulties. In this case, the General Meeting will meet within one month to proceed with the permanent appointment of a new Sole Director.

Qrf Management NV, in performing its management duties as Sole Director, acts in the Single interest of the shareholders of Qrf.

The Sole Director appoints a permanent representative in accordance with Article 2:55, paragraph 1 of the Companies and Associations Code. Mr. William Vanmoerkerke was designated as permanent representative of Qrf Management NV.

7.2.2 Board of Directors of the Sole Director

7.2.2.1 Structure

Since Qrf has taken the form of a Limited Liability Company, which is managed by a legal person as Sole Director, the RREC Law and the RREC RD impose the following special obligations on the management of the Sole Director, among others:

- » in accordance with Article 13 of the RREC Law, the Board of Directors of the public RREC or, as the case may be, of the Sole Director of the public RREC must be composed in such a way as to enable the public RREC to be managed in accordance with Article 4 of the RREC Law. The Articles of Association of the Sole Director shall provide that its Board of Directors includes at least three independent members within the meaning of Article 7:87 of the Companies and Associations Code;
- » the Articles of Association of the Sole Director should provide that compliance with the criteria referred to in Article 7:87 of the Belgian Companies and Associations Code shall also be assessed as if the relevant independent member of the Board of Directors of the Sole Director were himself a director of the public RREC;
- » the directors of the Sole Director must also comply with Sections 14 and 15 of the RREC Act; and
- » according to the chosen policy structure and in accordance with Article 18 of the RREC Act, the Sole Director himself complies with Article 17 of the RREC Act;

The directors are appointed by the Sole Director General Meeting by simple majority from a list of candidates proposed by the Board of Directors, on the advice of the Remuneration and Nomination Committee.

7.2.2.2 Tasks of the Board of Directors

The role of the Board of Directors is to pursue the long-term success of Qrf by ensuring entrepreneurial leadership and ensuring that risks can be assessed and managed.

The Board of Directors decides on Qrf's values and strategy, risk policies and key policies. In addition, the Board of Directors ensures that Qrf's obligations to its shareholders are clear and that these obligations are met, taking into account the interests of other stakeholders.

In particular, the Board of Directors has the following, non-exhaustively listed core tasks:

- » defining the strategy, risk profile and, in particular, the definition of Qrf's sectors and geographical area of activity, in accordance with the relevant legal requirements;
- » approval of all significant investments and operations of Qrf, in line with relevant legal requirements;
- » follow-up and approval of periodic financial information from Qrf;
- » oversight of Executive Management, and in particular in light of strategy monitoring;
- » approval of Qrf's publicly disseminated information;
- » proposals of profit appropriation regarding Qrf;
- » determine the structure, powers and duties entrusted to Executive Management;
- » oversight of the Auditor's performance and the internal audit function;
- » monitoring and assessing the effectiveness of the committees and the Board of Directors (such as the Audit Committee, the Remuneration and Nomination Committee and the Investment Committee);
- » approval and review of the implementation of the internal control and risk management framework as established by Executive Management; and
- » the other duties expressly assigned by the Belgian Companies and Associations Code to the Sole Director.

In 2023, the Board of Directors in its capacity as Sole Director of Qrf met 4 times (physically or digitally), 4 were physical.

In 2023, the Board of Directors consisted of the following members: William Vanmoerkerke, Inge Boets, Jan Brouwers, Frank De Moor, Francis Vanderhoydonck and Stefanie Vanden Broucke. As announced in the annual report for fiscal year 2022, in order to ensure a proper handover to succeed Mr. Jan Brouwers, Mr. Alex van Ravels already attended the meeting in 2023 as Non-Voting Observer.



From left to right: Jan Brouwers, Frank De Moor, William Vanmoerkerke, Inge Boets, Stefanie Vanden Broucke and Francis Vanderhoydonck

TABLE 1 ATTENDANCES OF BOARD OF DIRECTORS

BOARD OF DIRECTORS

NAME	FUNCTION	PRESENCE
Inge Boets	Independent director and Chairman of the Board of Directors	4/4
Jan Brouwers	Independent director	3/4
Frank De Moor	Independent director	4/4
Stefanie Vanden Broucke	Non-independent, non-executive director	3/4
Francis Vanderhoydonck	Non-independent, non-executive director	4/4
William Vanmoerkerke	Non-independent, executive director	4/4
Alex van Ravels	Observer without voting rights	4/4

7.2.2.3 Power of the Board of Directors and activities during 2023

In addition to reciprocal issues, the Board of Directors expressed its views on several dossiers including:

- » discussion of the market outlook for Qrf, including sustainability issues;
- » discussing various strategic options for Qrf;
- » discussion of legal cases;
- » the discussion and approval of various investment and divestment files;
- » discussion of an amendment to the bylaws, including making issue premiums available for distribution.

7.2.2.4 Composition

As of the date of this annual report, the Board of Directors of the Sole Director consists of six members, specifically:

- » one executive director;
- » two non-executive, non-independent directors; and
- » three non-executive independent directors.

The law of July 28, 2011 and Article 7:86 of the Belgian Companies and Associations Code aims to increase the presence of women on the Board of Directors of listed companies. Qrf meets the requirement as of the date of this annual report.

As of February 24, 2021, the Ordinary General Meeting of Qrf Management NV appointed the following person as director for the period from February 24, 2021 until the conclusion of the Ordinary General Meeting of Qrf Management NV that will decide on the financial statements for the Financial year ended December 31, 2023:

- » Ms. Stefanie Vanden Broucke.

The Ordinary General Meeting of Qrf Management NV on September 15, 2021 reappointed the following persons as directors for the period from September 15, 2021 until the conclusion of the Ordinary General Meeting of Qrf Management NV that will decide on the financial statements for the Financial year ended December 31, 2025:

- » Ms. Inge Boets;
- » Mr. Jan Brouwers;
- » Mr. Frank De Moor.

As of September 21, 2022, the Ordinary General Meeting of Qrf Management NV appointed the following persons as directors for the period from September 21, 2022 until the conclusion of the Ordinary General Meeting of Qrf Management NV that will decide on the financial statements for the Financial year ended December 31, 2026:

- » Mr. William Vanmoerkerke;
- » Mr. Francis Vanderhoydonck.

The independent directors of Qrf were reappointed in 2021 for a third period of four years. In accordance with the Belgian Corporate Governance Code 2020, the term of an independent directorship is limited to three periods of four years. In order to ensure continuity, the Board of Directors decided to replace one independent director each year from the second to the fourth year of this last mandate.

Replacing Mr. Jan Brouwers, Mr. Alex van Ravels has been appointed as an independent director. The mandate takes effect at the beginning of 2024, in order to ensure a proper handover, Mr. Van Ravels has sat on the Board of Directors as an Observer during fiscal year 2023, without voting rights.

TABLE 2 FUNCTIONS AND MANDATES OF THE DIRECTORS OF THE BOARD OF DIRECTORS AND/OR ITS COMMITTEES

NAME FUNCTION	YEAR OF BIRTH	M/F	START OF MANDATE	END OF MANDATE
Inge Boets » Chairman of the Board » Non-executive, independent director as referred to in Article 7:87 of the Companies and Associations Code » Member of the Audit Committee » Member of the Remuneration and Nomination Committee » Ultimately responsible for internal audit	1962	F	September 20, 2021	At the close of the Ordinary General Meeting of Qrf Management NV that will decide on the financial statements for the financial year ending on December 31, 2025
Jan Brouwers » Non-executive, independent director as referred to in Article 7:87 of the Companies and Associations Code » Chairman of the Remuneration and Nomination Committee	1974	M	September 20, 2021	At the close of the Ordinary General Meeting of Qrf Management NV that will decide on the financial statements for the financial year ending on December 31, 2025
Frank De Moor » Non-executive, independent director as referred to in Article 7:87 of the Companies and Associations Code » Chairman of the Audit Committee	1962	M	September 20, 2021	At the close of the Ordinary General Meeting of Qrf Management NV that will decide on the financial statements for the financial year ending on December 31, 2025
William Vanmoerkerke » Executive, non-independent director » Chairman of the Investment Committee	1983	M	January 30, 2019	At the close of the Ordinary General Meeting of Qrf Management NV that will decide on the financial statements for the financial year ending on December 31, 2026
Francis Vanderhoydonck » Non-executive, non-independent director » Member of the Audit Committee » Member of the Remuneration and Nomination Committee	1958	M	January 30, 2019	At the close of the Ordinary General Meeting of Qrf Management NV that will decide on the financial statements for the financial year ending on December 31, 2026
Stefanie Vanden Broucke » Non-executive, non-independent director	1978	F	February 24, 2021	At the close of the Ordinary General Meeting of Qrf Management NV that will decide on the financial statements for the financial year ending on December 31, 2023
Alex van Ravels » Non-executive, independent director as referred to in Article 7:87 of the Companies and Associations Code » Chairman of the Remuneration and Nomination Committee	1983	M	January 1, 2024	At the close of the Ordinary General Meeting of Qrf Management NV that will decide on the financial statements for the financial year ending on December 31, 2027

In accordance with Article 14 of the RREC Law, directors must permanently possess the professional reliability and appropriate expertise required for the performance of their duties.

Other positions and mandates held by the directors of the Qrf Board of Directors currently or during the past five years:

TABLE 3 POSITIONS AND MANDATES HELD BY THE DIRECTORS OF QRF DURING THE PAST 5 YEARS

NAME CURRENT POSITION	CURRENT MANDATES	MANDATES EXERCISED AND TERMINATED IN THE LAST 5 YEARS
Inge Boets Current position: director at various companies (Onderheide 28, 2930 Brasschaat)	» Econopolis Wealth Management NV, chairman (2013-present); » Inge Boets BVBA, managing director (1996-present); » La Scoperta BVBA, shareholder/managing director (2011-present); » Euroclear SA, independent director and chairman of the Audit Committee (2014-present); » Euroclear Holding NV (2021-present); » Ontex*, independent director and chairman of the Audit Committee (2014-present); » Econoholding NV, chairman (2019-present); » Euroclear Investments NV, independent director and chairman of the Audit Committee (2023-present); » Ter Wind Invest NV, independent director and member of the Audit Committee (2023-present).	» Euroclear Holding NV, independent director (2018-2019); » Guberna, Advisor Board Effectiveness (2011-2019); » Van Breda Risk & Benefits, independent director and chairman of the Audit Committee (2015-2019); » Triginta, chairman (2017-2020); » VZW Altijd Vrouw, director (2012-2021).
Jan Brouwers Current position: director Alt Fund SA (11 Rue Aldringen, L-1118 Luxembourg)	» JJJ Moore LTD, director (2020-present)	» Alt Investments BV The Netherlands, director (2013-present); » Alt Fund, director (2016-present).
Frank De Moor Current position: CEO Q-Park BV (Stationsplein 8E, 6221 BT Maastricht)		
William Vanmoerkerke Current position: director CEO Qrf (Gaston Crommenlaan 8, 9050 Ghent)	» Hotel Bel EUR NV, director (2015-present); » Restotel NV, director (2015-present); » Ampla House Properties, director (2016-present); » Noordzee Investments BV, director (2016-present); » WVM Projects, director (2016-present); » Horizon Retail Investeren WP BV, director (2016-present); » Horizon Retail Investeren MVV NV, director (2016-present); » Qrf Management NV, director (2019-present); » Ampla House Properties, director (2016-present); » 2IM BV, bestuurder (2023-present); » LTI Sarl (Luxembourg), director (2023-present); » Las Palmeras SL (Spanje), director (2022-present); » Torre Sotogrande SL, director (2022-present); » Keignaert Invest NV, director (2022-present).	» Horizon Retail Investeren DMB, director (2016-2019); » Faminvest NV, director (2023-2023); » VMK Assur, director (2023-2023); » VMK NV, director (2023-2023).

NAME CURRENT POSITION	CURRENT MANDATES	MANDATES EXERCISED AND TERMINATED IN THE LAST 5 YEARS
Francis Vanderhoydonck Current position: managing director Danae Group (Louisalaan 6, 8421 Vlissegem)	<ul style="list-style-type: none"> » Integrate NV, director (2014-present); » Mintjens Group NV, director (2000-present); » Resilux NV*, director (2000-present). » W Beheer, director (2018-present) » Danae Beheer Groep, director (2010-present) » Noordzee Investments, director (2018-present). 	<ul style="list-style-type: none"> » Agilitas Groep NV, director (2017-2020); » Alro NV, director (2003-2019); » Denderland-Martin NV, director (2001-2022); » Essers Group BVBA, director (1999-2021); » Polyscope Holding BV, director (2009-2022); » Jezet International NV, director (2016-2022); » Jansen Group NV, director (2011-2023).
Stefanie Vanden Broucke Current position: managing director Ulnate BV (Mellestraat 430, 8510 Kortrijk)	<ul style="list-style-type: none"> » Ulnate BV, director (2011-present); » Chapter George NV Managing Director (2021-present). 	<ul style="list-style-type: none"> » CAAAP NV, CEO (2018 – 2021)
Alexander van Ravels Current position: partner Baltisse Real Estate NV (Pauline Van Pottelsberghelaan 10 9051 Ghent)	<ul style="list-style-type: none"> » Alexander van Ravels BV, director (2010-present); » NIAL Construct BV, director (2021-present); » Sirenuse BV, director (2022-present); » Baltisse Real Estate Investments BV, director (2022-present); » Puvast BV, director (2023-present). 	

Companies marked with an * are listed companies.

Chairmanship of the Board of Directors of the Sole Director

Ms. Inge Boets was reappointed as the Chairman of the Board of Directors for an indefinite term at the meeting of the Board of Directors of the Sole Director held on September 20, 2017. Ms. Inge Boets' mandate as Chairman will come to an end when her current term as Director comes to an end, subject to express renewal by the Board of Directors upon the advice of the Remuneration and Nomination Committee.

7.2.3 Specialized committees of the Board of Directors.

7.2.3.1 Audit Committee

Duties and powers of the audit committee

The Audit Committee is charged with the statutory duties described in Article 7:99 of the Companies and Associations Code. The duties of the audit committee include:

- » assisting the Board of Directors in its oversight responsibilities, specifically with respect to providing information to shareholders and third parties;
- » monitoring the financial reporting process, specifically quarterly, semi-annual and annual results;
- » monitoring the statutory audit of the statutory financial statements and the consolidated financial statements;
- » monitoring the effectiveness of the Company's internal control and risk management systems;
- » monitoring internal audit and its effectiveness;

- » assessing and monitoring the independence of the Auditor, as well as approving the remuneration of such Auditor;
- » analyzing the observations made by the Auditor and where necessary, formulating recommendations for the Board of Directors;
- » ensuring that all legal regulations regarding any conflicting interests are strictly applied.

The duties and powers of the Audit Committee are described in Articles 4.3 and 4.5 to 4.8 of Qrf's *Corporate Governance Charter*.

In 2023, the Audit Committee consisted of the following members: Inge Boets, Frank De Moor, Francis Vanderhoydonck.

Composition of the Audit Committee

As of the date of this annual report, the Audit Committee consists of 3 members:

- » one non-executive, non-independent director; and
- » two non-executive independent directors.

TABLE 4 AUDIT COMMITTEE COMPOSITION – PERIODICITY – PURPOSE

TYPE OF COMMITTEE	PERIODICITY	PURPOSE	COMPOSITION
Audit Committee	Min. 4 per year	Verifying the integrity of public financial information	Two non-executive and independent directors: 1) Inge Boets; 2) Frank De Moor.
		Examination of internal control and risk management systems set up by Executive Management	One non-executive and non-independent director: 1) Francis Vanderhoydonck.

The detailed rules regarding the composition of the audit committee are set out in Article 4.2 of Qrf's *Corporate Governance Charter*. All members of the audit committee are non-executive directors, the majority of whom are independent. The members of the audit committee have a collective expertise in relation to Qrf's activities as well as accounting and auditing expertise.

Operation of the audit committee

The Audit Committee meets as many times as necessary to perform its duties properly, and no less than four times per Financial year. Meetings are convened by the Chairman of the audit committee, Mr. Frank De Moor. He is obliged to convene a meeting whenever a member of the audit committee so requests. The audit committee may, at its discretion, invite non-members (such as, for example, the CEO, the CFO, the internal auditor or the Auditor of Qrf) to attend its meetings.

At least a majority of audit committee members must be present or represented for the meetings to be validly constituted.

The audit committee meets at least twice a year with the Auditor of Qrf and the internal auditor to discuss with them matters relating to the internal regulations and any matters arising from the audit process and, in particular, the significant internal control weaknesses.

The Qrf Auditor has direct and unrestricted access to the Chairman of the Audit Committee and to the Chairman of the Board of Directors.

The audit committee has the option of seeking external professional advice at Qrf's expense, after informing the Chairman of the Board of Directors. The audit committee annually evaluates its operation, effectiveness and internal regulations. After the evaluation, the committee makes recommendations to the Board of Directors regarding any changes.

In 2023, the audit committee met four times. In it the topics within the scope of its mission were discussed, in particular the monitoring of the accuracy of the reporting of Qrf's semi-annual and annual figures.

TABLE 5 ATTENDANCE OF AUDIT COMMITTEE

AUDIT COMMITTEE

NAME	FUNCTION	PRESENCE
Frank De Moor	Non-executive, independent director and Chairman of the Audit Committee	4/4
Inge Boets	Non-executive, independent director	4/4
Francis Vanderhoydonck	Non-executive, non-independent director	4/4

7.2.3.2 Remuneration and nomination committee

Duties and powers of the remuneration and nomination committee

The Remuneration and Nomination Committee, established by the Board of Directors of the Sole Director, makes proposals and provides advice to the Board of Directors on remuneration policy as well as individual remuneration of directors and members of Executive Management. It advises on recruitments and promotions and evaluates the size and composition of the Board of Directors. It ensures the competence of the members of the Board of Directors and the Executive Management and monitors an appropriate remuneration system.

More specifically, the Remuneration and Nomination Committee is tasked with:

- » make proposals to the Board of Directors of the Sole Director on the remuneration policy of directors and the members of the Executive Management, as well as, where applicable, on the resulting proposals to be submitted by the Board of Directors of the Sole Director to the shareholders;
- » make proposals to the Board of Directors of the Sole Director (i) on the individual remuneration of the directors and members of the Executive Management, including variable remuneration and long-term performance bonuses whether or not tied to Shares, in the form of stock options or other financial instruments, (ii) on severance payments, and (iii) where applicable, on the resulting proposals to be submitted by the Board of Directors to the shareholders;
- » the preparation of the remuneration report to be included by the Board of Directors of the Sole Director in the corporate governance statement in the annual report;
- » explaining the remuneration report at the Annual General Meeting of Shareholders;
- » advise the Board of Directors of the Sole Director on (re)appointments proposed to the General Assembly, based on objective criteria and in a professional manner;
- » advise on recruitments/promotions of members of the Executive Management, even when not subject to approval by the General Assembly;

- » establishing procedures for appointing the directors of the Sole Director, the CEO and other members of Executive Management;
- » periodically evaluate the size and composition of the Board of Directors of the Sole Director and make recommendations to the Board of Directors regarding changes in this regard;
- » if there are open directorships, seek and present candidates for approval by the Board of Directors of the Sole Director;
- » advise on proposals to appoint directors who come from shareholders; and
- » succession issues to be given due consideration.

The Remuneration and Nomination Committee considers proposals made by relevant parties, including management (including the CEO) and shareholders. The CEO also has the opportunity to submit proposals to the remuneration and nomination committee through which he is adequately advised by the remuneration and nomination committee, especially when it discusses issues related to executive directors or the Executive Management of the Sole Director.

The duties and powers of the Remuneration and Nomination Committee are described in Article 5.3 of Qrf's *Corporate Governance Charter*.

In 2023, the Remuneration and Nomination Committee consisted of the following members: Inge Boets, Jan Brouwers, Francis Vanderhoydonck.

Composition of the remuneration and nomination committee

At the date of this annual report, the Remuneration and Nomination Committee consists of 3 members:

- » one non-executive, non-independent director; and
- » two non-executive independent directors.

TABLE 6 COMPOSITION OF REMUNERATION AND NOMINATION COMMITTEE – PERIODICITY – PURPOSE

TYPE OF COMMITTEE	PERIODICITY	PURPOSE	COMPOSITION
Remuneration and Nomination Committee	Min. 2x per year	Drafting a remuneration report on the remuneration policy and the individual remuneration of its Sole Director, analysis of new effective leaders, ...	Non-executive, independent directors: 1) Inge Boets; 2) Jan Brouwers. ¹
			Non-executive, non-independent director: 1) Francis Vanderhoydonck.

The detailed rules regarding the composition of the remuneration and nomination committee are contained in Article 5.2 of Qrf's *Corporate Governance Charter*.

Functioning of the remuneration and nomination committee

The Remuneration and Nomination Committee meets as much as necessary to properly fulfill its obligations no less than twice per Financial year. Meetings are convened by the Chairman of the remuneration and nomination committee, Mr. Jan Brouwers. He is obliged to convene a meeting whenever a member of the remuneration and nomination committee requests it. The remuneration and nomination committee may, at its discretion, invite non-members to attend its meetings.

¹ Mr. Jan Brouwers will be succeeded by Mr. Alex van Ravels from financial year 2024.

At least a majority of the members of the remuneration and nomination committee must be present or represented for the meetings to be valid.

No one decides/advises on his/her own compensation. Therefore, the director concerned leaves the meeting of the remuneration and nomination committee when his/her own remuneration is discussed. This practice is not applied when the remuneration and nomination committee discusses the general -remuneration policy and the policy regarding categories of directors. The CEO participates in the meetings of the remuneration and nomination committee when it deals with the remuneration of other members of the Executive Management.

Annually, the Remuneration and Nomination Committee reviews its composition and operation, evaluates its own effectiveness and makes recommendations to the Board of Directors regarding necessary changes.

TABLE 7 ATTENDANCE REMUNERATION AND NOMINATION COMMITTEE.

REMUNERATION AND NOMINATION COMMITTEE

NAME	FUNCTION	PRESENCE
Jan Brouwers	Non-executive, independent director and Chairman of the Remuneration and Nomination Committee	2/2
Inge Boets	Non-executive, independent director	2/2
Francis Vanderhoydonck	Non-executive, non-independent director	2/2

7.2.4 Executive Management

The Executive Management of Qrf consists of the effective leaders being the CEO and the CFO.

7.2.4.1 Duties and powers of the Executive Management

The CEO is primarily ultimately responsible for:

- » general management, in other words, the day-to-day management of the team;
- » coordinating reporting to the Board of Directors;
- » marketing, in particular the development of commercial actions towards existing and potential clients, in collaboration with the COO;
- » the ICT, namely finding, studying and negotiating the right ICT tools and backup plans. This is done together with the COO;
- » HRM, specifically attracting, integrating and retaining (new) employees;
- » the commercial strategy, i.e. outlining the approach to maximize the Occupancy Rate in the long term, focusing on both existing and potential customers. This is done together with the COO;
- » the investment strategy, namely the search, study and negotiation of new acquisition files in the regions where Qrf operates. This is done together with the COO;
- » investor relations, namely communication to retail and institutional investors through contacts with financial analysts and journalists, as well as directly with investors through road shows and other initiatives, together with the CFO;
- » Business Development, being expansion of the network of customers/suppliers and stakeholders;
- » follow-up and possible support to the Risk Manager & Compliance Officer.

The CFO is primarily responsible for:

- » financial strategy, day-to-day financial management, internal and external reporting. This includes cash management, accounts receivable and accounts payable management, loan and interest expense management, and reporting to various levels. This is done with support from the Finance Manager;
- » the guidance of investment files from a financial perspective;
- » the financial organization;
- » investor relations activity, namely communication to retail and institutional investors through contacts with financial analysts and journalists, as well as directly with investors through road shows and other initiatives, together with the CEO;
- » Compliance and Risk Management (within his position of Compliance Officer & Risk Manager).

7.2.4.2 Composition of the effective leadership and Executive Management

Mr. William Vanmoerkerke and Mr. Arthur Lesaffre made up the effective leadership of Qrf in 2023.

TABLE 8 COMPOSITION OF EXECUTIVE MANAGEMENT – FUNCTION – TERM OF OFFICE

NAME FUNCTION	DATE OF BIRTH	M/F	START OF MANDATE	END OF MANDATE
William Vanmoerkerke CEO Effective Leader Executive director Member of the Board of Directors Office address: Gaston Crommenlaan 8, 9050 Ghent	December 7, 1983	M	January 30, 2019	Indefinite duration
Arthur Lesaffre CFO Effective Leader Compliance Officer and Risk Manager Office address: Gaston Crommenlaan 8, 9050 Ghent	September 14, 1990	M	July 1, 2022	Indefinite duration



William **Vanmoerkerke**, CEO

(°07/12/1983) received his Master's degree in Applied Economics from the University of Ghent (2005), a Masters in Marketing Management from the Vlerick Leuven Ghent Management School (2006) and a Masters of Business Administration from New York University (2012).

He started his career at eBay as a Segment Manager. In 2008, he joined Roland Berger Strategy Consultants as a consultant, before continuing in this role at The Boston Consulting Group in 2012. In 2013, he continued his career as Senior Director of Strategy & Business Development at Elsevier Inc.

Since 2014, together with Olivia and Mark Vanmoerkerke, he has been representing the family's interests in various companies and holdings.



Arthur **Lesaffre**, CFO

(°14/09/1990) graduated as a Master in Commercial Sciences from the University of Ghent, majoring in accountancy and taxation.

He started his career in 2013 at KPMG Bedrijfsrevisoren where he spent 6 years in Audit. In 2019 he started as Compliance Manager at Club Brugge where he later also held the position of Investor Relations Manager. He has been working for Qrf since 2021 where he started as Finance Manager, after which he remained further active within the company as Chief Financial Officer since August 2022.

7.2.5 Description of the independent control functions and information on the responsible persons

7.2.5.1 Overview of control functions

In accordance with *Corporate Governance* rules and the legal obligations concerning the RREC Law, Qrf has established several independent audit functions, in accordance with the RREC Law and in particular Articles 14, 15, 16 and 17 of the RREC Law.

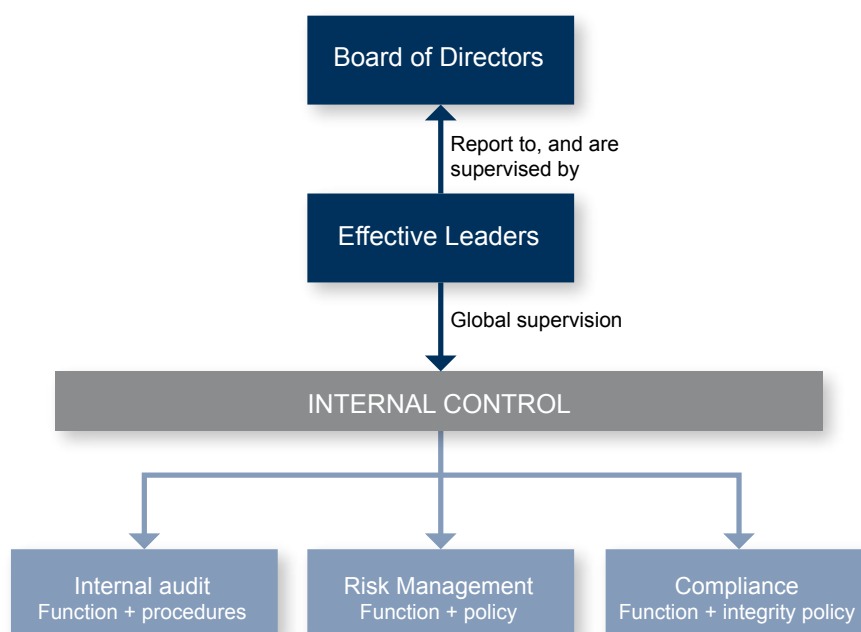
TABLE 9 OVERVIEW OF INDEPENDENT CONTROL FUNCTIONS

FUNCTION	PERSON	START OF MANDATE	END OF MANDATE	REIMBURSEMENT
Internal Auditor	EY with Michel Brabants as representative and the Chairman of the Board of Directors as ultimate responsible party	February 2, 2015	Indefinite	Discussed under Chapter 13
Compliance Officer	Arthur Lesaffre CFO	July 1, 2022	Indefinite	Included in total wage package
Risk Manager	Arthur Lesaffre CFO	July 1, 2022	Indefinite	Included in total wage package

7.2.5.2 Function and risk management policy

The internal control system and discussion of risks to Qrf are part of the agenda of both the Audit Committee and the Board of Directors annually.

GRAPHIC 1 INTERNAL CONTROL SYSTEM QRF



This structure responds to the principle of the *3 lines of defense* in which the organization of risk management and internal control is the competence of the effective leaders and their teams. Internal audit monitors the organization of these activities and tests the quality of internal control. The Audit Committee and the Board of Directors receive reports from both effective leadership and internal audit and ensure that the system of risk management and internal control is adequate.

7.2.5.3 Internal control

In accordance with *Corporate Governance* rules and Article 17, § 2 of the RREC Law, Qrf has developed an internal control system that provides reasonable assurance on the reliability of the financial reporting process. As a result, in particular, the annual and semi-annual financial statements, as well as the annual report and semi-annual report, comply with the applicable accounting regulations. In addition, Qrf has extensively identified its risks.

The list of risks is not exhaustive and has been drawn up on the basis of the information known at present. Other unknown or improbable risks may exist, or risks which, at the date of preparation of this document, are not believed to have an adverse effect on the Company, its business or its financial situation should they occur in the future. The permanent evolutions in the property and financial markets require continuous monitoring of the strategic, operational, financial and compliance risks to monitor the results and financial situation of Qrf.

7.2.5.4 Risk management and the function of Risk Manager

Given the independence of operating company activities and given Qrf's small structure, the CFO is the most appropriate person to do this in an independent manner.

The major risks at Qrf are divided into market risks, operational and property-related risks, legal and tax risks, and financial risks. The CFO takes the lead in identifying these risks and determining appropriate control measures.

In addition, he will alert Qrf employees to risks present in the internal and external environment and help ensure that the good example and *Corporate Governance Charter* are followed. He will report at least annually to the Audit Committee, the Internal Auditor and the Statutory Auditor.

7.2.5.5 Independent compliance function

Rules regarding compliance and integrity are included in the Compliance Officer position.

In accordance with principles of the Governance Code 2020, Arthur Lesaffre, as CFO of Qrf, has been appointed by the Board of Directors as Compliance Officer. In doing so, he is charged with the supervision of the laws, regulations and rules of conduct applicable to Qrf, including compliance with the rules on market abuse, as these rules are imposed, among others, by the Law of August 2, 2002 on the supervision of the financial sector and financial services, on the one hand, and the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (as amended from time to time), on the other hand.

The Compliance Officer makes every effort to supervise Qrf to the best of his ability to ensure compliance with, among other things, the RREC legislation, the Trading Leases legislation, the *Corporate Governance Charter* and market abuse legislation. We refer to the Trading Rules in Appendix 2 of the *Corporate Governance Charter*. Given the independence of the operating company activities and given the small structure of Qrf, the CFO is the most appropriate person to do this in an independent manner.

7.2.5.6 Internal Auditor

Internal audit can be understood as an independent evaluation function aimed at evaluating the operation and efficiency of the Company's internal processes. This evaluation may extend over several areas, including, among others, the Company's financial, operational, accounting and reporting processes, as well as the quality of management of these processes, compliance and the risk management function.

Qrf relies on a specialized party regarding the independent Internal Audit function. EY, represented by Michel Brabants, was appointed as Internal Auditor.

EY is a market leader in risk advisory, including internal control, internal audit and risk management. Its internal audit methodology is in line with the International Standards for the Professional Practice of Internal Auditing of the IIA (*Institute of International Auditors*). EY also has a sound risk management methodology based on the international COSO standard and on the "ISO: 31000 2009 *Risk Management Principle & Guidelines*" standard. In addition, EY does not currently perform any other consulting functions or External Audit function for Qrf.

Reporting on daily operations is done directly to Ms. Inge Boets, Chairman of the Board of Directors and also the person ultimately responsible for the Internal Audit function. In addition, there is direct access to the Chairman of the Audit Committee to ensure independence.

Qrf chooses as its frame of reference the *Enterprise Risk Management (ERM)* model as developed by COSO (*Committee of Sponsoring Organizations of the Treadway Commission*) for its internal audit.

In this context, the Internal Auditor drew up an internal audit plan in which he proposed an approach, based on a risk analysis, to examine the internal control and risk management systems set up by Executive Management. In 2023, the initial risk analysis for the company was reviewed and updated where necessary, following the significant changes in Executive Management as well as in the future management of the Belgian property portfolio. Together with the Board of Directors, an audit plan for the next three years was drawn up in 2022. This plan is reviewed annually together with any changes in the risk matrix.

7.2.6 Statements of the Company regarding its Board of Directors and Executive Management

Sections 14 and 15 of the RREC Act impose specific obligations on the directors of the Sole Director regarding professional reliability and appropriate competence (fit and proper testing of directors).

In connection with these obligations, the Company declares that:

- I. The directors, Executive Management and Effective Management have not been convicted of fraud offenses during the previous five years, they have not been involved in any bankruptcy, receivership or receivership during the previous five years as a member of an administrative, management or supervisory body, and that they have not been subject to any official or publicly expressed accusations and/or sanctions imposed by any legal or supervisory authority nor that they have been disqualified by a court from acting (i) as a member of the administrative, management or supervisory body of an issuer of financial instruments or (ii) for the purpose of managing or carrying on the business of an issuer of financial instruments.
- II. The non-executive directors confirmed not to accumulate more than five mandates in listed companies.
- III. There are no family ties between the members of the governing, management or supervisory bodies.
- IV. The Directors, Executive Management and Effective Management, in accordance with Article 14 of the RREC Law, permanently possess the professional reliability and appropriate expertise required for the performance of their duties.

7.3 PREVENTION OF CONFLICTS OF INTEREST

7.3.1 Preventive measures related to managing and detecting conflicts of interest

Qrf builds in checkpoints and detection systems with the goal of preventing, detecting and minimizing potential conflicts of interest or incompatibilities.

The following means are used to preemptively detect conflicts of interest:

- » the members of the Board of Directors must at the time of their appointment (i) provide an overview of all their current mandates, as well as mandates that have already ended during a period of five years prior to their appointment to Qrf, and (ii) disclose the companies of which they have been a partner during a period of five years prior to their appointment to Qrf (except if the shareholding in the company concerned was less than 1% of the total number of shares issued by such company);
- » at each Board meeting, confirmation will be sought from Board members as to whether there are any conflicts of interest (standing agenda item);
- » the *Corporate Governance Charter* contains the measures concerning conflicts of interest. For example, it states that each member of the Board of Directors must give prior notice of a possible absorption of a new mandate;
- » the audit committee will list transactions with members of the Board of Directors and their related parties at each meeting and verify that these transactions were reported.

7.3.2 Corporate opportunities

Given that Sole Director' directors are appointed on the basis of their competencies and experience in property, it is common for them to hold directorships in other property companies or in companies that control property companies, or to engage in property activities as natural persons.

Qrf and the Sole Director comply with the recommendations of the Governance Code 2020 and the legal provisions on *Corporate Governance* by applying them *mutatis mutandis* to the organization of governance within the Sole Director. Indeed, as the governing body of the Sole Director of Qrf, it is the Board of Directors of this Sole Director that collegially decides on Qrf's values and strategy, on its willingness to take risks and on key policies, and that collegially supervises Qrf.

It may happen that a transaction submitted to the Board of Directors (for example, the purchase of a building as part of an auction) may arouse the interest of another company in which a director holds a mandate. For such cases, which can sometimes lead to conflicts of interest, Qrf has decided to apply a procedure largely borrowed from that provided by Article 7:96 of the Belgian Companies and Associations Code on conflicts of interest.

The director concerned immediately reports the existence of such a situation to the Chairman of the Board of Directors. The CEO and/or the Compliance Officer also see to it that the existence of such a situation is identified.

Once the risk has been identified, the director concerned and the Chairman or the CEO jointly examine whether the existing Chinese Walls procedures within Qrf allow the director to assume that he/she can participate, without challenge and on his/her own responsibility, in Board meetings. If such procedures are not in place or if the director concerned or the Board of Directors would consider that it is wiser for the director concerned to abstain, the latter shall withdraw from the deliberation and decision-making process concerning the transaction.

The preparatory notes are not sent to him/her in this case and he/she removes himself/herself from the Board meeting as soon as the item in question is discussed. However, compliance with this procedure does not relieve the director concerned of his/her obligation of confidentiality with respect to Qrf.

Board minutes establish compliance with this procedure or explain the reasons why it was not applied.

Once the risk no longer exists, this procedure no longer applies.

The Commissioner of Qrf is informed of a conflict of interest that has occurred through the minutes of the meeting.

In 2023, this procedure did not apply.

7.3.3 Conflicts of interest during the financial year

In accordance with Articles 36, 37 and 38 of the RREC Act, Qrf together with the Sole Director has incorporated a number of procedures with a view to risk mitigating any adverse impact of conflicts of interest on Qrf.

Conflicts of interest with, among others, (i) the persons controlling or owning a shareholding in Qrf, (ii) persons related to or having a shareholding relationship with Qrf, a Perimeter Company of Qrf, the Sole Director, the Promoter, etc., (iii) the Sole Director, (iv) the other shareholders of Perimeter Companies, (v) the Executive Management of Qrf and the Sole Director, (vi) the directors of the Sole Director, etc. shall be notified to the FSMA in accordance with Article 37 of the RREC Law. In its notification to the FSMA, Qrf must demonstrate that the planned transaction is of interest to it and that such transaction is within its strategy. If the FSMA considers that the information contained in the prior communication is insufficient, incomplete, inadequate or irrelevant, it will notify Qrf accordingly.

It may make its position public if Qrf does not take its comments into account. In accordance with Article 8 of the RREC RD, this notification to the FSMA is made public and the transactions involving a conflict of interest must be specifically mentioned in the annual report and, if applicable, in the semi-annual report as well as in the Statutory Auditor's report.

In accordance with Article 38 of the RREC Law, Articles 36 and 37 of the RREC Law do not apply in the following cases:

- » in the case of a transaction whose value is less than the lesser of 1% of Qrf's consolidated assets and EUR 2,500,000;
- » in case of acquisition of securities by Qrf or one of its Perimeter companies in the context of a public issue by a third-party issuer, in which the Promoter and the persons referred to in Article 37, § 1 of the RREC Law act as intermediaries within the meaning of Article 2, 10° of the Law of August 2, 2012 on the supervision of the financial sector and financial markets;
- » in case of acquisition of or subscription to Shares of Qrf, issued as a result of a decision of the General Assembly, by the persons referred to in Article 37, § 1 of the RREC Law; and
- » in the case of transactions involving the liquid assets of Qrf or one of its Perimeter Companies, provided that the person acting as counterparty has the status of intermediary within the meaning of Article 2, 10° of the aforementioned Law of August 2, 2002 and that these transactions are carried out at market conditions.

In application of Article 37, § 3 and 49, § 2 of the RREC Law, if the counterparty is one of the persons referred to in Article 37, § 1 or if one of those persons obtains any advantage in the transaction, the Fair Value of the property in question must be valued regardless of the value of the transaction:

- » if Qrf or its Perimeter Companies transfer property in any of the aforementioned cases, the Fair Value determined by the expert shall be the minimum price at which the property can be disposed of;
- » if Qrf or its Perimeter Companies acquire property in any of the aforementioned cases, the Fair Value determined by the expert is the maximum price at which the property can be acquired.

In accordance with Article 37 § 3 of the RREC Law, the operations referred to in Article 37 § 1 of the RREC Law must be carried out under normal market conditions.

In addition, Articles 7:96 and 7:97 of the Code of Companies and Associations apply to Qrf and the Sole Director without prejudice.

7.3.3.1 Conflicts of interest for directors

Potential conflicts of interest may arise on the part of some members of the Board of Directors. In this case, Qrf will seek to minimize the impact of these conflicts by complying with legal conflict of interest procedures. Transactions between Qrf and the directors should take place at customary market conditions.

The legal rules on conflicts of interest that must be applied are Article 7:96 of the Belgian Companies and Associations Code and Articles 36, 37 and 38 of the RREC Act which provide for the obligation to inform the FSMA in advance in certain cases. A conflict of interest of a director with Qrf will be considered to constitute a conflict of interest of that director with the Sole Director.

In 2023, no conflicts of interest occurred at Qrf on the part of the directors.

7.3.3.2 Conflicts of interest for members of Executive Management

Outside the framework of its obligations under Article 37 of the CR Act, Qrf also requires each member of the Executive Management to avoid, as far as possible, the emergence of conflicts of interest. If a conflict of interest nevertheless arises with respect to a matter falling within the competence of the Executive Management or the Board of Directors, and on which it must take a decision, the member concerned will inform his colleagues. They will then decide whether or not the member concerned can vote on the matter to which the conflict of interest relates and whether or not he can attend the discussion of this matter. The Executive Management then submits this to the Board of Directors.

A conflict of interest exists on the part of a member of Executive Management when:

- » the member or one of his or her close relatives in the first degree has an interest of a patrimonial nature that conflicts with a decision or an operation to be decided by the Executive Management of Qrf;
- » a company that is not part of the Group, and in which the member or one of his or her close relatives to the first degree holds a directorship or management position, has an interest of a patrimonial nature that conflicts with a decision or transaction to be decided by Qrf's Executive Management.

In 2023, apart from the conflicts of interest already included in the annual report for the 2022 financial year, no additional conflicts of interest occurred at Qrf on the part of the Executive Management.

7.3.3.3 Conflicts of interest for affiliates

Qrf complies with the procedure laid down in Article 7:97 of the Code of Companies and Associations in the case of:

- » relations of Qrf with any company related thereto, except its Perimeter Companies;
- » relations between a Perimeter Company of Qrf and a company that is affiliated with that Perimeter Company but is not a Perimeter Company of the Perimeter Company.

Decisions on such matters must first be submitted to the evaluation of a committee of three independent directors assisted by one or more independent experts appointed by the committee. The committee's reasoned opinion in writing (reporting the information provided for in Article 7:97 § 3 of the Companies and Associations Code) is submitted to the Board of Directors, which then deliberates on the proposed transaction. The Board of Directors states in its minutes whether the procedure described has been complied with and, if so, whether and on what grounds the committee's opinion is deviated from. The Statutory Auditor gives an opinion on the fairness of the information given in the committee's opinion and in the minutes of the Board of Directors meeting. This opinion is attached to the minutes of the Board of Directors. The Committee's decision, an extract from the minutes of the Board of Directors and the External Auditor's opinion are printed in the annual report.

7.3.4 Conflicts of interest during financial year 2024

7.3.4.1 Conflicts of interest for directors

Qrf applied the conflict of interest procedure of Article 7:96 of the Belgian Companies and Associations Code on one occasion during the period from January 1, 2024 to the date of this annual report:

- » Excerpt from the minutes of the February 21, 2024 Board of Directors meeting:

"Following the provisions of the RREC Act and Article 7:96 of the Belgian Companies and Associations Code (BCAC), a director with a conflict of interest in property law must disclose it to his/her fellow directors. This director must then abstain from the deliberation and decision.

William Vanmoerkerke declares that he has a proprietary interest that is potentially conflicting with that of the Company within the meaning of Article 7:96 of the CCIP in the decision regarding the approval of the variable remuneration 2023 as he is a member of the executive management of Qrf. He will leave the meeting when the Board of Directors deliberates and decides on this matter.

In accordance with Article 7:96 BCAC, the auditor was informed of the conflict of interest, and the annual report relating to the current financial year will include an excerpt of these minutes.

Pursuant to Article 7:96 of the Code, Mr. William Vanmoerkerke left the meeting in order for the Board of Directors to deliberate and decide on the present item on the agenda.

The Board of Directors notes the report of the Nomination and Remuneration Committee dated February 21, 2024 regarding the 2023 evaluation and variable compensation of executive management, consisting of William Vanmoerkerke and Arthur Lesaffre.

The evaluation was done using the following criteria: evolution of results, evolution of portfolio, communication, team management and comparison with the peer group.

DECISION: The Board of Directors resolves to grant the following variable compensation to executive management:

- » *William Vanmoerkerke: EUR 87,786"*

7.4 REMUNERATION REPORT

Pursuant to Article 3:6, § 3 of the Companies and Associations Code, Qrf prepares a remuneration report on the remuneration policy and individual remuneration of its Sole Director, its directors and its Executive Management.

7.4.1 Board of Directors of the Sole Director

The Sole Director shall receive compensation determined according to the modalities described below, in accordance with Article 35 of the RREC Law.

The net compensation of the Sole Director (i.e. after reimbursement of all expenses directly related to the day-to-day operation of Qrf) is calculated each year based on the net current result before expenses of the Sole Director, before taxes and excluding portfolio result.

The net remuneration is equal to 4% of the net current result before expenses of the Sole Director, before taxes and excluding portfolio result. The remuneration thus calculated is due on the last day of the Financial year in question, but is only payable upon approval of the calculation at the General Meeting of Shareholders of Qrf. The calculation of the Sole Director's compensation is controlled by the Statutory Auditor. Since the Sole Director's compensation is linked to Qrf's results, the Sole Director's interest corresponds to the shareholders' interest, in accordance with Article 35 of the RREC Law

The Sole Director of Qrf is also entitled to the reimbursement of all expenses directly related to the day-to-day operation of Qrf, including the compensation of the members of the Board of Directors and the effective leaders.

7.4.2 Principles for developing a remuneration policy and determining individual remuneration

The Sole Director receives compensation determined according to the modalities described above and in accordance with Qrf's bylaws.

Regarding the directors' compensation policy, Qrf distinguishes between two types of directors: the executive director and the non-executive director, whether independent or not.

The Chairman of the Board receives additional compensation for preparing for all meetings.

The non-executive directors receive a fixed annual fee. This covers four physical/virtual meetings per year as well as all telephone and written meetings of the Board of Directors. The non-executive directors are also entitled to an attendance fee for each physical/virtual meeting of the Board of Directors that they attended in addition to the four aforementioned physical/virtual meetings, to the extent that the agenda of additional meetings is considered full at the start of the meeting.

All members of the Board of Directors are also covered by a director's civil liability policy whose premium is paid by Qrf. Premiums for 2024 are set at EUR 25,676. Directors do not enjoy other benefits (company car, pension, options, cell phone, etc.).

For Executive Management, the remuneration consists of fixed remuneration and the possibility of variable remuneration. The amount of these two components is set by the Board of Directors, taking into account the responsibilities and time required to carry out these functions, as well as industry practices.

The Remuneration and Nomination Committee analyzes annually the remuneration policy applied and examines whether any changes should be made. This committee makes the necessary recommendations in this respect to the Board of Directors.

In accordance with the provisions of the Second Shareholders' Directive ("SRD II"), the Code of Companies and Associations ("CCC"), the Law on Regulated Property Companies ("RREC Law") and the Belgian *Corporate Governance Code 2020* ("Code 2020"), the remuneration policy was submitted for approval at the Annual General Meeting of Shareholders on May 18, 2021. This approved remuneration policy applies to the remuneration of the Board and the members of the Executive Management as of financial year 2021 and is intended to be applied through financial year 2024. The remuneration policy will be resubmitted to the general meeting for approval at the time of any material change to it and at least every four years.

7.4.3 Fees 2023

The Sole Director

The remuneration for the Sole Director was EUR 323.196 in 2023.

In addition, the expenses of the Sole Director were reimbursed. These costs include the remuneration of the Sole Director's directors, committees and Executive Management and totaled EUR 609.734 for financial year 2023 (including VAT where applicable).

Board of Directors of the Sole Director

Board members met 4 times in 2023, either physically or digitally/by phone.

Directors received a fixed annual fee of EUR 10,000 in 2023. This covers four physical/virtual meetings per year as well as all telephone and written meetings of the Board of Directors. The paid directors are entitled to an attendance fee of EUR 2,000 for each physical or digital meetings of the Board of Directors they attended in addition to the four aforementioned meetings. As four meetings took place physically, it was decided that no additional fees were paid.

The Chairman of the Board of Directors, Ms. Inge Boets, received an additional remuneration of EUR 10,000 for the financial year 2023.

Members of the remuneration and nomination committee received a fixed annual fee of EUR 1,750 for financial year 2023; members of the audit committee received a fixed annual fee of EUR 3,500.

Two meetings of the Remuneration and Nomination Committee took place during 2023; the Audit Committee met four times in 2023.

TABLE 10 ATTENDANCE AND REMUNERATION OF THE BOARD OF DIRECTORS

DIRECTOR	PRESENCES			REMUNERATION			TOTAL
	BOARD OF DIRECTORS	AUDIT COMMITTEE	REMU-NERATION COMMITTEE	BOARD OF DIRECTORS	AUDIT COMMITTEE	REMU-NERATION COMMITTEE	
Inge Boets	4/4	4/4	2/2	20,000 EUR	3,500 EUR	1,750 EUR	25,250 EUR
Jan Brouwers	3/4		2/2	10,000 EUR		1,750 EUR	11,750 EUR
Frank De Moor	4/4	4/4		10,000 EUR	3,500 EUR		13,500 EUR
Stefanie Vanden Broucke	3/4			10,000 EUR			10,000 EUR
Francis Vanderhoydonck	4/4	4/4	2/2	10,000 EUR	3,500 EUR	1,750 EUR	15,250 EUR
William Vanmoerkerke	4/4						
Alex van Ravels	4/4			10,000 EUR			10,000 EUR
TOTAL				70,000 EUR	10,500 EUR	5,250 EUR	85,750 EUR

No Shares, options on Shares or any other arrangement were granted to the members of the Board of Directors.

The Executive Management

The amount of fixed remuneration for the Executive Management was in 2023, EUR 475,154, of which EUR 292,615 for the CEO and EUR 182,539 for the other members of the Executive Management.

For 2023, variable compensation of EUR 87,786 was granted to the CEO and EUR 45,635 to the other members of executive management.

Payment of variable compensation for financial year 2023 was subject to the following criteria:

TABLE 11 REMUNERATION CRITERIA FOR VARIABLE REMUNERATION FOR FINANCIAL YEAR 2023

PERCENTAGE OF VARIABLE REMUNERATION

PARAMETER	CEO	PERFORMANCE
Quantitative criteria	40%	Obtained
Implementation strategy	40%	Obtained
Communication and team management	10%	Obtained
Comparison relative to peer group	10%	Obtained

PERCENTAGE OF VARIABLE REMUNERATION

PARAMETER	CFO	PERFORMANCE
Quantitative criteria	65%	Obtained
Implementation strategy	15%	Obtained
Communication and team management	10%	Obtained
Comparison relative to peer group	10%	Obtained

The Remuneration and Nomination Committee checks annually whether or not (and to what extent) the remuneration criteria have been met and makes recommendations in this respect to the Board of Directors, which takes a decision on the matter. The variable remuneration for a criterion is granted when the objective has been met in full.

No Shares or options on Shares were granted to members of Executive Management.

TABLE 12 OVERVIEW OF FIXED AND VARIABLE COMPENSATION MEMBERS OF EXECUTIVE MANAGEMENT (2023)

FUNCTION NAME	FIXED COMPENSATION			VARIABLE COMPENSATION		EXCEP- TIONAL ITEMS	PENSION COST	TOTAL REMUNE- RATION	RATIO OF FIXED AND VARIABLE COMPENSATION	
	BASIC COMPEN- SATION	DIRECTOR'S COMPENSATION	ADDITIONAL BENEFITS	ONE YEAR VARIABLE	MORE YEARS VARIABLE				FIXED	VARIABLE
William Vanmoerkerke, Executive (CEO)	292.615	0	0	87.786	0	0	0	380.401	76,9%	23,1%
Other members of the Executive Management	182.539	0	0	45.635	0	0	0	228.174	80,0%	20,0%

The ratio between the highest compensation awarded to a member of Executive Management and the lowest compensation awarded to an employee is 1:4.7 for financial year 2023. The following assumptions were used for the calculation:

- » full remuneration package of the Executive Management member with the highest compensation;
- » the full cost to the Company of the employee with the lowest compensation based on full-time employment. The cost also includes social security contributions and additional legal benefits granted to this employee. If the employee was not employed for a full financial year, then this employee's compensation is extrapolated to a full financial year.

7.4.4 Fees 2024

The Remuneration and Nomination Committee conducts an annual analysis of the remuneration policy applicable to the effective leaders and the Executive Management and, on the basis of a benchmarking exercise, examines whether the remuneration of the Executive Management is still appropriate and in line with market practices. It also examines whether it is comparable to other Belgian listed companies (in the property sector).

In addition, it evaluates whether, given the size of the company and the associated responsibilities, compensation is always sufficiently intrinsically motivating to retain Executive Management.

The following changes were made to the compensation of Executive Management, taking into account previous elements and in addition to the usual annual indexation:

- » the fixed remuneration for the CEO will be for financial year 2024, EUR 350,000;
- » the fixed remuneration for the CFO will be for financial year 2024, EUR 190,000.

Payment of variable compensation for financial year 2024 for Executive Management is subject to criteria and targets set by the Remuneration and Nomination Committee and approved by the Board of Directors.

On the basis of a comparative study, the performance criteria for the coming financial year were analyzed in order to best fit the implementation of the -strategy chosen, taking into account the interests for shareholders.

To this end, the following criteria were established for 2024 and weighted by relevance:

TABLE 13 REMUNERATION CRITERIA FOR VARIABLE COMPENSATION FOR FINANCIAL YEAR 2024

PERCENTAGE OF VARIABLE COMPENSATION

PARAMETER	CEO	CFO
Quantitative criteria	40%	65%
Communication and team management	10%	10%
Implementation of the strategy	40%	15%
Comparison relative to peer group	10%	10%
TOTAL	100%	100%

A separate weighting has been assigned to each member of the Executive Management depending on his position and responsibilities. Variable compensation in 2024 will be a maximum of EUR 105,000 for the CEO and a maximum of EUR 57,000 for the CFO.

7.4.5 Severance payments

In the context of an early termination of a management agreement with a current member of Executive Management, the severance payment may not exceed four months' base compensation. The current management agreement of the CEO and the CFO provides for a severance payment of four months. Article 7:92 of the Belgian Companies and Associations Code is thus not applicable.

7.4.6 Recovery right

There is no provision for a right of recovery in favour of the Company of variable compensation granted on the basis of inaccurate financial data.

8 Qrf on the stock exchange

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Bruges
Predikherenrei
Belgium

8 Qrf on the stock exchange

8.1 THE QRF SHARE

Qrf offers private and institutional investors the opportunity to access commercial real estate investments in a diversified manner without having to worry about 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 December 18, 2013. Qrf is part of the BEL Small index.

As of December 31, 2023 and at the time of publication of this registration document, the total capital of Qrf was EUR 7,798,886. As of December 31, 2023, the capital was represented by 7,798,886 fully paid ordinary shares.

For more information surrounding movements in capital and number of shares, please refer to Chapter 12, Note 17.1 of this Annual Report.

Each of these shares confers one vote at the General Meeting. The shares have no par value. Neither Qrf nor any of its Perimeter companies held any shares of Qrf as of December 31, 2023.

8.2 SHARE PRICE EVOLUTION AND VOLUME TRADED

TABLE 1 OVERVIEW EVOLUTION SHARE QRF

	2023	2022
Number of shares in issue at year-end	7,798,886	7,582,737
Registered shares	3,234,230	3,090,488
Dematerialised shares	4,564,656	4,492,249
Market capitalisation at the end of the financial year (in EUR)	78,768,749	69,306,216
Free float ¹	49.5%	49.3%
Share price (in EUR)		
Highest	11.60	12.50
Lowest	9.04	8.90
At the end of the financial year	10.10	9.14
Average	10.08	10.39
Volume (in number of shares)		
Average daily volume	2,986	3,702
Year volume	761,445	951,602
Turnover rate ²	9.76%	12.5%
IFRS NAV per share ³	15.25	16.53
Premium/discount compared to IFRS NAV (at year-end)	-33.8%	-44.7%
EPRA NTA per share ⁴	15.09	15.65
Premium/discount compared to EPRA NTA (at year-end)	-33.1%	-41.6%
Gross dividend per share (in EUR)	0.80	0.80
Net dividend per share (in EUR) ⁵	0.56	0.56
Gross dividend yield (based on year-end closing price)	7.92%	8.75%
Net dividend yield (based on year-end closing price)	5.54%	6.13%
Benefit rate ⁶	81%	81%

Qrf's share price ended December 31, 2023 at EUR 10.10 (compared to EUR 9.14 on December 31, 2022). The highest price in 2023 of EUR 11.60 was recorded May 19, 2023, and the lowest price of EUR 9.04 was recorded January 2, 2023.

As of December 31, 2023, Qrf's market capitalization was MEUR 78.77.

1 Free float = [(Number of shares at year-end) – (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)]/[Number of shares at year-end].

2 Turnover rate = (Annual volume) / (Number of shares in circulation at the end of the financial year).

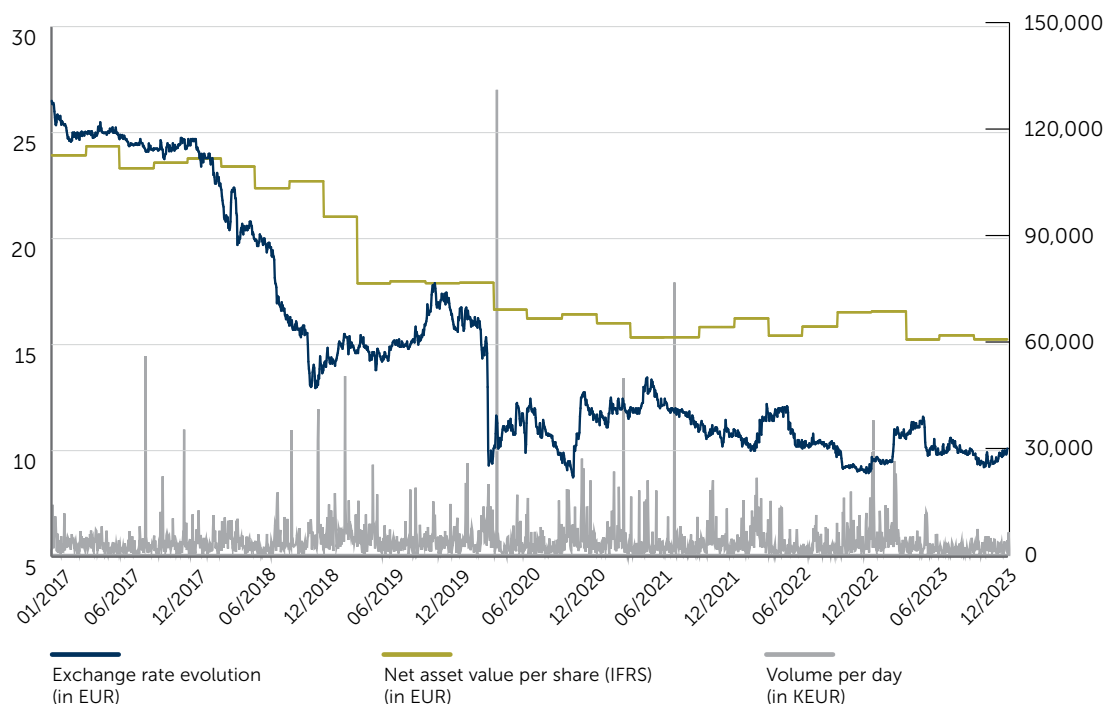
3 IFRS NAV per share = *Net Asset Value* or Net Asset Value per share according to IFRS.

4 EPRA NTA per share = *Net Tangible Assets* or Net Asset Value per share according to EPRA *Best Practices Recommendations*.

5 Taking into account a withholding tax of 30%.

6 Payout ratio = (Gross dividend per share) / (EPRA result per share).

GRAPHIC 1 SHARE PRICE EVOLUTION QRF



Volumes traded decreased in 2023. The average daily volume decreased from 3,702 shares per day in 2022 to 2,986 shares per day in 2023. The Turnover rate, i.e. the proportion of capital traded over 2023, was 9.8% (compared to 12.5% in 2022). A total of 761,445 shares were traded in 2023 for an amount of MEUR 7.65.

The Executive Management of Qrf makes continuous efforts to increase the liquidity of the stock by participating in road shows, organizing meetings with retail and institutional investors, as well as providing communication with analysts.

In addition, Qrf has entered into a liquidity agreement with KBC Securities NV to promote the market-ability of the stock.

8.3 DIVIDEND AND RETURN

The Board of Directors of the Sole Director will propose to the Ordinary General Meeting of May 21, 2024 a gross dividend distribution of EUR 0.80 per share.

The gross dividend yield is 7.92%, calculated at the December 31, 2023 closing price.

The withholding tax on dividends awarded is 30%.

The right to the dividend in respect of the full fiscal year 2023 (January 1, 2023 – December 31, 2023) is represented by coupon number 10.

8.4 SHAREHOLDING

Based on the transparency notifications received by Qrf, Qrf's shareholder structure as of December 31, 2023 is as follows:

TABLE 2 REFERENCE SHAREHOLDERS QRF AS OF DECEMBER 31, 2023

SHAREHOLDERS	SHARES	PERCENTAGE
Quintet Private Bank	446,479	5.7%
Etienne Kaesteker ⁷	488,235	6.3%
AXA SA	633,680	8.1%
Vanmoerkerke family	2,371,733	30.4%
Free float ⁸	3,858,759	49.5%
TOTAL	7,798,886	100.0%

TABLE 3 SHARES HELD BY EFFECTIVE LEADERS AND MEMBERS OF THE BOARD OF DIRECTORS

DIRECTORS AND EFFECTIVE LEADERS	NUMBER OF SHARES HELD ON DECEMBER 31, 2023
Inge Boets	0
Jan Brouwers	0
Frank De Moor	0
Stefanie Vanden Broucke	0
Francis Vanderhoydonck	1,150
Arthur Lesaffre	6,894
William Vanmoerkerke	0

When Qrf is informed of important participations, these will be announced on <http://Qrf.be/aandeelhoudersstructuur> in accordance with the transparency legislation. Any notified changes can also be found there.

No special control rights have been granted to certain categories of shareholders. Thus, all shareholders have the same voting rights.

⁷ The 488.235 voting rights are held as follows, directly (13,235) and indirectly as UBO of Shopinvest NV (475,000).

⁸ Free float = [(Number of Shares at year-end) – (total number of Shares held by parties that have made themselves known through a transparency notification in accordance with the Law of 2 May 2007)] / [number of Shares at year-end].

8.5 FINANCIAL CALENDAR FOR 2024

TABLE 4 FINANCIAL CALENDAR QRF

	DATE
Publication of quarterly update Q1	25/04/2024
General Meeting of Shareholders	21/05/2024
Dividend (ex date)	24/05/2024
Dividend (record date)	27/05/2024
Dividend (payment date)	28/05/2024
Publication of half-yearly results and half-yearly report	22/08/2024
Publication of quarterly update Q3	24/10/2024

The above publications are always after-hours. For possible calendar changes, please refer to “financial calendar” on the website <http://Qrf.be/aandeelhoudersstructuur>.

9 Property Report

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9 Property Report

9.1 DISCUSSION OF THE CONSOLIDATED PROPERTY PORTFOLIO

9.1.1 Discussion of property portfolio at December 31, 2023

As of December 31, 2023, the consolidated real estate portfolio consisted of 30 sites¹ with a total gross area of 74,190 m² and a Fair Value of MEUR 218.36². The portfolio generates MEUR 13.69 of Contractual Rents on an annual basis, of which MEUR 12.28 in Belgium and MEUR 1.41 in the Netherlands.

Expressed in Fair Value, at December 31, 2023, 91% of the portfolio was located in Belgium and 9% in the Netherlands.

The Gross Rental Yield based on the Contractual Rents is 6.43% as of December 31, 2023.

TABLE 1 SUMMARY PORTFOLIO AT THE GEOGRAPHIC LEVEL

PORTFOLIO	# SITES	FV 31/12/2023	ERV 31/12/2023	CONTRACTUAL RENTS	GROSS RENTAL YIELD BASED ON CONTRACTUEL RENTS
Belgium	25	198,106,551	10,990,097	12,276,647	6.38% ³
The Netherlands	5	20,250,000	1,176,989	1,409,238	6.96%
TOTAL	30	218,356,551	12,167,085	13,685,886	6.43%

1 Excludes the property held as Assets held for sale in Boncelles.

2 Includes the right of use on a long-term lease in Ghent, Korenmarkt (in application of IFRS 16).

3 The Fair Value of the offices in Veldstraat Ghent exclusive (offices in development)

PORTFOLIO

Aalst – Nieuwstraat 29 – 31 – 33	Ostend – Adolf Buylstraat 1A
Antwerp – Kammenstraat 34	Ostend – Adolf Buylstraat 33
Antwerp – Meir 107	Ostend – Adolf Buylstraat 42
Antwerp – Meirbrug 2 / Schoenmarkt 22	Ostend – Adolf Buylstraat 44
Antwerp – Schuttershofstraat 53	Ostend – Kapellestraat 65
Antwerp – Wiegstraat 4	Ostend – Kapellestraat 105
Antwerp – Wiegstraat 6	Wilrijk – Boomsesteenweg 894-898
Bonnelles – Route du Condroz 42-44 (1)	Tongeren – Maastrichterstraat 20a-20b
Ghent – Langemunt 61-63	Uccle – Chaussée d'Alsebergse 767
Ghent – Korenmarkt 1-3	Sint-Truiden – Luikerstraat 49-51
Ghent – Veldstraat 88	Den Bosch – Hinthamerstraat 41-45 (NL)
Brugge – Predikherenrei 4	Enschede – Kalandersstraat 2-4 9 (NL)
Hasselt – Demerstraat 21-25	Maastricht – Grote Staat 58 (NL)
Hasselt – Koning Albertstraat 48-50	Nijmegen – Broerstraat 49 (NL)
Huy – Shopping Mosan	Zwolle – Diezerstraat 60 (NL)
Mechelen – Bruul 15	

(1) As of December 31, 2023, this property is held as Assets held for sale. A buy-sell agreement was entered into for the property located in Bonnelles and the final sale will be completed in May 2024.

TABLE 2 SUMMARY OF VALUES BY COUNTRY AS OF DECEMBER 31, 2023

CONSOLIDATED PROPERTY PORTFOLIO

COUNTRY	ACQUISITION VALUE	FAIR VALUE	CONTRACTUAL RENTS ON AN ANNUAL BASIS	INSURED VALUE
Belgium	MEUR 230.41	MEUR 198.11	MEUR 12.28	MEUR 117.31
The Netherlands	MEUR 26.60	MEUR 20.25	MEUR 1.41	MEUR 7.18
GRAND TOTAL	MEUR 257.01	MEUR 218.36	MEUR 13.69	MEUR 124.49

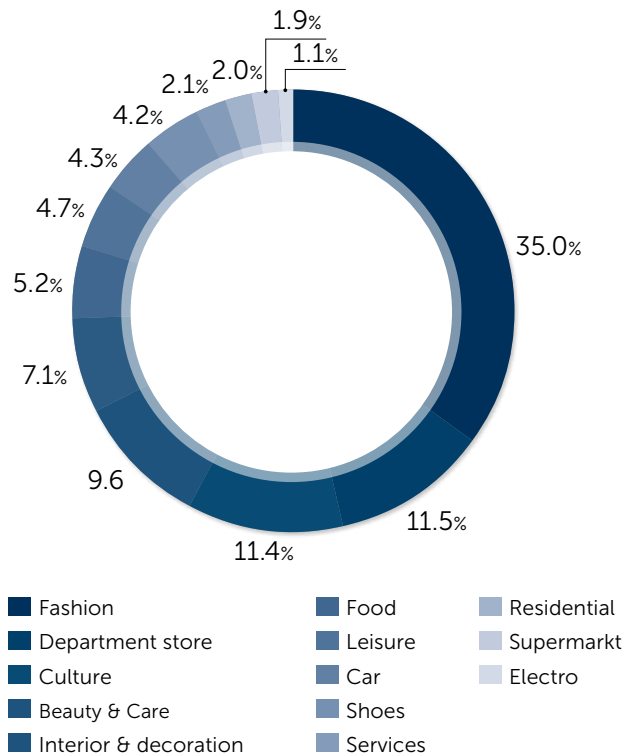
The insured value amount is based on the estimated new construction value (excluding land value) of the portfolio (plus VAT). This amount represents approximately 57% of the Fair Value of the investment properties on December 31, 2023. The premiums paid in 2023 total KEUR 49.

The concentration of the property portfolio by value of the five largest properties at December 31, 2023 was 46.88% (at December 31, 2022 it was 45.10%).

TABLE 3 FIVE PRINCIPAL PROPERTIES IN QRF'S PORTFOLIO AS OF DECEMBER 31, 2023
(EXPRESSED AS A PERCENTAGE OF FAIR VALUE)

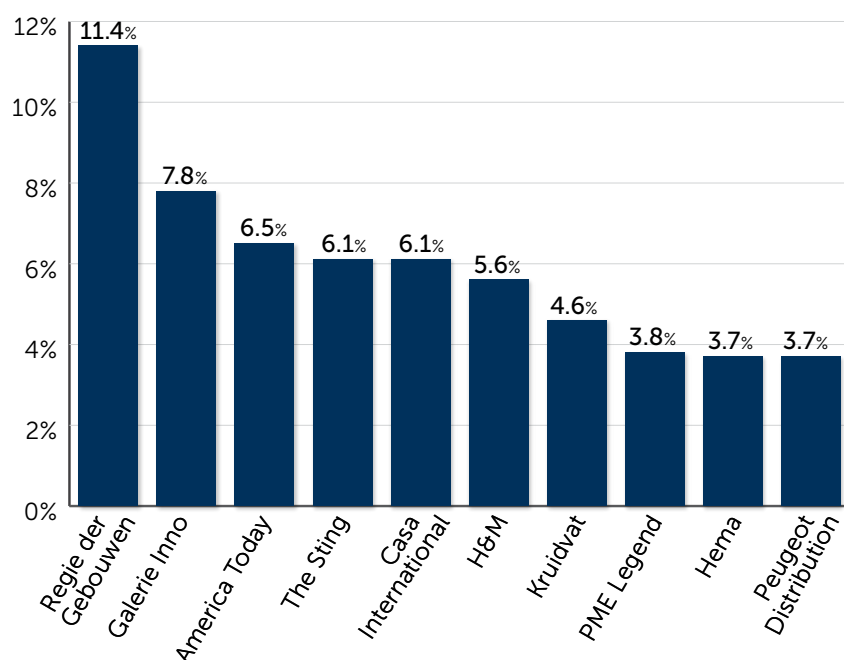
PREMISES LOCATION	PERCENTAGE OF CONSOLIDATED ASSETS
9000 Ghent – Korenmarkt 1-3	12.90%
8000 Bruges – Predikherenrei 4	10.26%
3500 Hasselt – Koning Albertstraat 48-50	9.59%
9300 Aalst – Nieuwstraat 29-31-33	7.07%
9000 Ghent – Veldstraat 88	7.07%

GRAPHIC 1 SECTORAL DISTRIBUTION OF THE PROPERTY PORTFOLIO AS OF DECEMBER 31, 2023
(EXPRESSED AS A PERCENTAGE OF CONTRACTUAL RENTS ON AN ANNUAL BASIS)



The strong presence of retailers within the fashion segment in Qrf's customer base stems from the historical acquisition policy. The 'Fashion' share increases from 31.9% in 2022 to 35.0% in 2023, this is mainly due to the leasing of the retail part of Veldstraat, Ghent to Nike. As explained, the current strategy focuses more on reflecting consumer behavior in the spending of disposable income. Following the implementation of this strategy, a first diversification has already been obtained through the acquisition of the State Archives, which was classified under Culture and represents 11.4% of the Contractual Rents. The graph below further breaks down the Contractual Rents on an annual basis by Qrf's main tenants.

GRAPHIC 2 DISTRIBUTION OF PROPERTY PORTFOLIO BY TENANTS AS OF DECEMBER 31, 2023
(EXPRESSED AS A PERCENTAGE OF CONTRACTUAL RENTS ON AN ANNUAL BASIS)



Qrf's top ten tenants represent 59.09% of Contractual Rents on an annual basis.

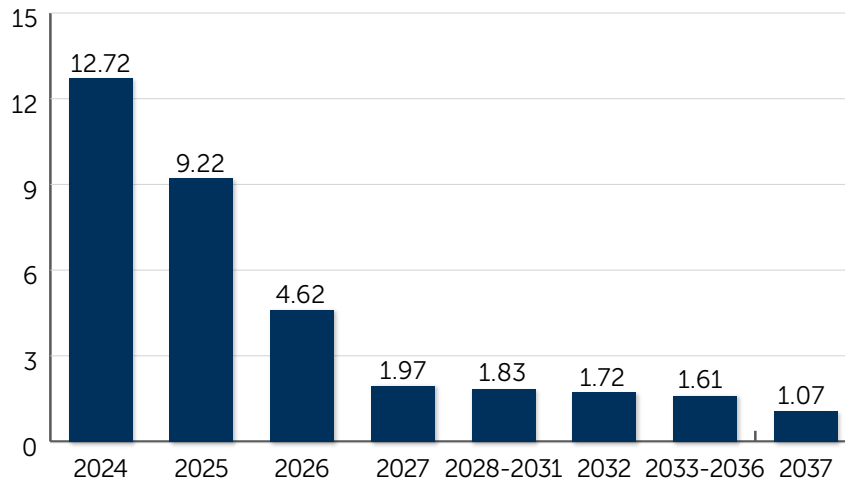
In **Belgium**, commercial leases are usually concluded for a period of 9 years, 18 years or 27 years.

However, the nuance must be made that under a commercial lease, the tenant can terminate the contract every 3 years in Belgium. This break option on the part of the tenant is of mandatory law. In addition, the tenant has a legal right to renew the commercial lease up to three times after the expiration of the commercial lease.

In the **Netherlands**, Commercial Lease Agreements are usually concluded for a fixed period of 5 years, with an extension option for another fixed period of 5 or 10 years. Neither the tenant nor the landlord, during a fixed-term lease, has the legal option to terminate before the end of the agreement. In case an option to renew was provided, usually only the tenant has the right to exercise his or her notice at the end of the first period.

In the Netherlands, an option to extend may be granted contractually, but is not a legal right on the part of the tenant.

GRAPHIC 3 CONTRACTUALLY GUARANTEED RENTAL INCOME UNTIL FIRST POSSIBLE TERMINATION DATE
(IN MEUR)



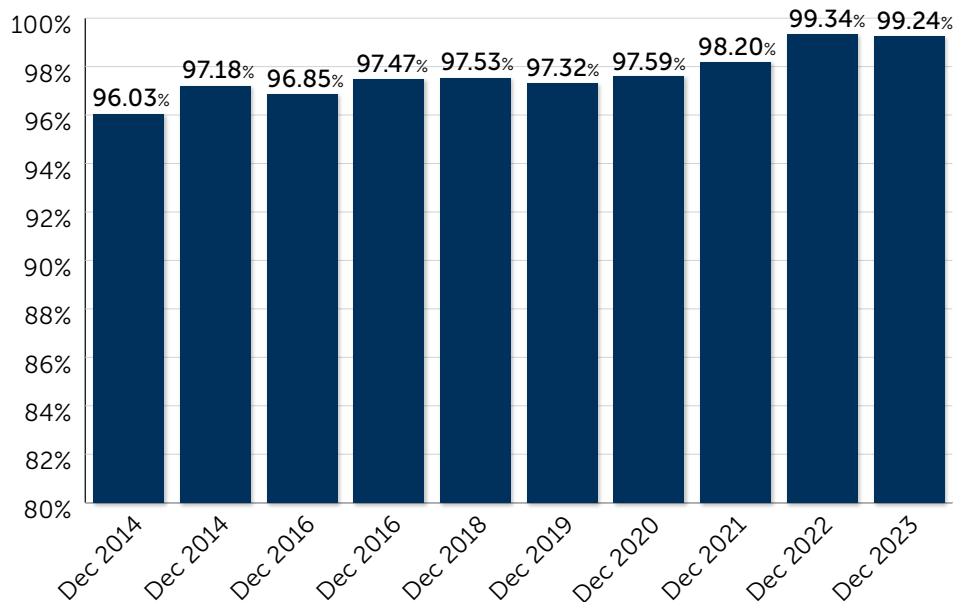
The WALL (*Weighted Average Lease Length*) at publication date is 3.21 years, mainly due to the renegotiation of some important longer-term leases already conducted, as well as the long-term lease for State Archives in Bruges, which has a term until mid-2037.

Commercial leases always contain contractual termination options for the tenant every three years. It is therefore the Company's strategy to overcome these termination options through negotiation with tenants.

9.1.2 Occupancy

At December 31, 2023, the Occupancy Rate (excluding redevelopments) was 99.24% (compared to 99.35% at December 31, 2022).

GRAPHIC 4 EVOLUTION OCCUPANCY RATE



9.1.3 Operational management

Qrf aims to optimize the value of its portfolio and build lasting tenant relationships through active management of its real estate. By internalizing the management of the Belgian real estate portfolio since January 1, 2020 (previously the technical assistance as well as the administrative and accounting management was outsourced to the Quares group), not only significant cost savings were achieved, but Qrf also recruited and implemented the relevant profiles and systems on technical management as well as billing and collection.

Today, technical management is the responsibility of the CEO and administrative and accounting management is the responsibility of the CFO.

9.1.4 Property portfolio as of December 31, 2023

ADDRESS	CONTRACTUAL RENTS (i) (IN EUR)	ESTIMATED RENTAL VALUE FOR VACANT PREMISES NOT COVERED BY A RENTAL GUARANTEE (ii) (IN EUR)	ESTIMATED ANNUALISED RENTAL VALUE (iii) (IN EUR)
BELGIUM			
PROVINCE OF ANTWERP	2,488,415	0	2,287,393
Antwerp – Kammenstraat 34			
Antwerp – Meir 107			
Antwerp – Schuttershofstraat 53			
Antwerp – Wiegstraat 4			
Antwerp – Wiegstraat 6			
Antwerp – Meirbrug 22			
Mechelen – Bruul 15			
Wilrijk – Boomsesteenweg 894-898			
PROVINCE OF LIMBURG	2,589,212	0	2,561,350
Hasselt – Demerstraat 21-25			
Hasselt – Koning Albertstraat 48-50			
Tongeren – Maastrichterstraat 20			
Sint-Truiden – Luikerstraat 49-51			
PROVINCE OF LIÈGE	888,468	82,800	906,728
Huy – Shopping Mosan			
PROVINCE OF EAST FLANDERS	3,665,606	21,330	3,630,550
Aalst – Nieuwstraat 29 – 31 – 33			
Ghent – Lange Munt 61-63			
Ghent – Veldstraat 88			
Ghent – Korenmarkt 1-3			
PROVINCE OF WEST FLANDERS	2,395,124	0	1,369,075
Ostend – Adolf Buylstraat 1A			
Ostend – Adolf Buylstraat 42			
Ostend – Adolf Buylstraat 44			
Ostend – Kapellestraat 65			
Ostend – Adolf Buylstraat 33			
Bruges – Predikherenrei 4			
Ostend – Kapellestraat 105			
BRUSSELS-CAPITAL REGION	249,822	0	235,000
Uccle – Alsembergsesteenweg 767			
THE NETHERLANDS	1,409,238	0	1,176,989
Den Bosch, Hinthamerstraat 41-45			
Nijmegen, Broerstraat 49			
Zwolle, Diezerstraat 60			
Enschede, Kalandersstraat 2-4,			
Maastricht, Grote Staat 58			
GRAND TOTAL	13,685,886	104,130	12,167,085

- (i) Annual Contractual Rents = The indexed basic rental prices as contractually determined in the lease contracts before deducting the gratuities or other benefits granted to the tenants.
- (ii) Estimated Rental Value of vacant spaces = This is the estimated annual rental value of the vacant spaces that is used by the independent Real Estate Expert in the valuation reports.
- (iii) Total Estimated Rental Value = This is the total estimated annual rental value used by the independent Real Estate Expert in the valuation reports. (iv) Where applicable, including parent offices or residential units, and excluding parking units.

ADDRESS	TOTAL GROSS RENTAL AREA (iv) (IN M ²)	TOTAL NUMBER OF RENTABLE UNITS	CONSTRUCTION OR RENOVATION YEAR (v)	OCCUPANCY RATE (vi) (IN %)
BELGIUM				
PROVINCE OF ANTWERP	10,309	21		100%
Antwerp – Kammenstraat 34			2014	
Antwerp – Meir 107			2000	
Antwerp – Schuttershofstraat 53			2016	
Antwerp – Wiegstraat 4			1998	
Antwerp – Wiegstraat 6			1998	
Antwerp – Meirbrug 22			2018	
Mechelen – Bruul 15			1994	
Wilrijk – Boomsesteenweg 894-898			2002	
PROVINCE OF LIMBURG	16,460	8		100%
Hasselt – Demerstraat 21-25			2010	
Hasselt – Koning Albertstraat 48-50			2014	
Tongeren – Maastrichterstraat 20			2000	
Sint-Truiden – Luikerstraat 49-51			2009	
PROVINCE OF LIÈGE	7,858	16		91%
Huy – Shopping Mosan			2010	
PROVINCE OF EAST FLANDERS	23,635	21		98%
Aalst – Nieuwstraat 29 – 31 – 33			2003	
Ghent – Lange Munt 61-63			2010	
Ghent – Veldstraat 88			1965	
Ghent – Korenmarkt 1-3			1960	
PROVINCE OF WEST FLANDERS	9,438	8		100%
Ostend – Adolf Buylstraat 1A			1964	
Ostend – Adolf Buylstraat 42			2016	
Ostend – Adolf Buylstraat 44			2016	
Ostend – Kapellestraat 65			2012	
Ostend – Adolf Buylstraat 33			2012	
Bruges – Predikherenrei 4			2012	
Ostend – Kapellestraat 105			2009	
BRUSSELS-CAPITAL REGION	2,122	1		100%
Uccle – Alsebergsesteenweg 767			2009	
THE NETHERLANDS	4,369	18		100%
Den Bosch, Hinthamerstraat 41-45			1970	
Nijmegen, Broerstraat 49			1955	
Zwolle, Diezerstraat 60			1992	
Enschede, Kalanderstraat 2-4,			2015	
Maastricht, Grote Staat 58			1987	
GRAND TOTAL	74,190	93		99.24%

(iv) Where applicable, including parent offices or residential units, and excluding parking units.

(v) In the case of major renovation or renewal works on real estate, these will be considered new from the completion of the aforementioned works.

(vi) Occupancy Rate = (Annual Contractual Rentals)/(Annual Contractual Rentals increased by the Estimated Rental Value of vacant spaces).

9.2 DEVELOPMENTS IN THE RETAIL REAL ESTATE MARKET

The discussion below should be read in conjunction with Qrf's strategic vision and the further diversification of the property portfolio explained earlier in this annual report.

As the current real estate portfolio consists largely of retail properties, the following is a market overview of the retail real estate market in Belgium and the Netherlands.

Retailers have taken significant steps in recent years to accelerate the conversion of their business model to an effective and efficient omni-channel model. While in the short term this has had a negative impact on the physical store, today we are noticing a renewed confidence in the physical store. The need for the combination between the physical store and an online sales channel has now been confirmed in practice.

The retailer of the future has a high-performing store network combined with a professional online presence that he addresses as both a physical shopping experience, but equally as urban logistics centers where consumers can pick up, return or exchange purchased products.

9.2.1 Retail real estate in 2023

9.2.1.1 Retail real estate in Belgium⁴

For 2023, "take-up" (so-called leasing activity) was 419,000 sq. ft., which is significantly lower than the post-COVID year 2022 (-28%). Unlike past years, the High Street segment has outperformed the Out-of-Town segment in number of transactions. This confirms the attraction of downtown for shopping and experiences.

The retail rental market has performed strongly, thanks to the success of Food & Beverage, Apparel and Beauty retailers.

Prime rents (so-called Prime Rents) increased in the fourth and last quarter of 2023. In the High Street segment, prime rents are EUR 1,700/m²/year on the Meir and EUR 1,650/m²/year on rue Neuve in Brussels. A stabilization is expected for 2024.

In 2023, the total investment volume in the inner-city segment was around EUR 151 million which represented a major slowdown compared to 2022, driven by rising interest rates and uncertainty in the market over the year.

9.2.1.2 Retail real estate in the Netherlands⁵

Qrf sold its entire portfolio in the Netherlands on February 23, 2024, and has no plans in the short term to undertake another geographic expansion towards the Netherlands.

⁴ Cushman & Wakefield, Market Beat Q4 2023, Retail.

⁵ Cushman & Wakefield, Market Beat Q4 2023.

9.3 CONCLUSIONS OF THE REAL ESTATE EXPERT

Qrf’s real estate portfolio is valued by Cushman & Wakefield. Stadim has been in charge of the valuation of Korenmarkt 1-3, Ghent since the acquisition in late December 2022.

ACTUALIZATION VALUATION AT DECEMBER 31, 2023

We are honored to communicate to you our estimate of the fair value of Qrf’s real estate portfolio at December 31, 2023.

Our estimates were prepared based on the information provided by you, which were assumed to be accurate. The values were determined taking into account current market parameters.

Taking into account all the comments, definitions and reserves, which are included in the appraisal report and its appendices and are an integral part of it, and based on the current values at December 31, 2023, we assign the following values to the existing property portfolio:

Fair market value (rounded), net of mutation rights:

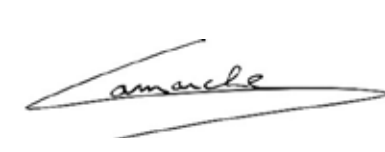
Total:	Belgium:	The Netherlands:
218,356,551	198,106,551	20,250,000

For the portion of the property portfolio located in Belgium

Stan Deback
Valuer
Valuation & Advisory



Gregory Lamarche MRICS
Partner – Head of
Valuation & Advisory



Ellen Piron
Valuer
STADIM BV



Céline Janssens, MRE, MRICS
Partner
STADIM BV



For the portion of the property portfolio located in the Netherlands

Cushman & Wakefield V.O.F.



Hannes de Bruijn
Head of Retail
Valuation & Advisory



10 EPRA & APM

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Ostend

Adolf Buylstraat 42

Belgium

10 EPRA & APM

10.1 EPRA – EPRA – KEY PERFORMANCE INDICATORS

EPRA, the European Public Property Association, is a non-profit organization representing listed property companies in Europe. EPRA represents 450 billion in property assets. EPRA publishes recommendations for determining key performance indicators for listed property companies. Publication of these data is not required by regulations on public RRECs.

These numerical data were not audited by the Auditor

TABLE	EPRA – INDICATORS	EPRA DEFINITIONS		31/12/2023	31/12/2022
1	EPRA earnings	Result from operating activities.	(EUR/share)	1.00	1.00
2	EPRA NAV	The Net Asset Value, adjusted to include real estate and other investments at their Fair Value, excluding certain items that are not expected to materialise in a long-term business model.	(EUR/share)	15.09	15.65
	EPRA NTA	The Net Asset Value in a business model with long-term investment properties.	(EUR/share)	15.09	15.65
	EPRA NDV	The Net Asset Value in the scenario of a sale of the assets of the company.	(EUR/share)	15.25	16.53
	EPRA NRV	The Net Asset Value that would be required to reconstitute the company.	(EUR/share)	16.03	16.64
3	EPRA NNNNAV	The EPRA Net Asset Value, adjusted to include the Fair Value of financial instruments, debt and deferred taxes.	(EUR/share)	15.25	16.53
4	EPRA NIY	Annualized gross rental income, based on cash rents at the balance sheet date, excluding non-recoverable property expenses, divided by the market value of the property, including estimated acquisition costs.		6.2%	6.3%
	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).		6.2%	6.3%
5	EPRA vacancy rate	The Estimated Rental Value of vacant spaces, divided by the estimated rental value of the entire portfolio.		0.9%	0.8%
6	EPRA cost ratio (including direct vacancy costs)	Administrative and operational costs (including direct vacancy costs) divided by gross rental income.		18.5%	18.3%
	EPRA cost ratio (excluding direct vacancy costs)	Administrative and operational costs (excluding direct vacancy costs) divided by gross rental income.		17.9%	17.8%
7	EPRA LTV	The debt divided by the market value of the property		53.9%	53.6%

10.1.1 EPRA result

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
IFRS result (shareholders of the real group)	-2,455	12,598
(i) Changes in the value of investment property (including share of joint ventures)	9,553	1,534
(ii) Profit or loss on disposal of investment property	-216	-222
(iii) Changes in the Fair Value of financial Instruments	4,066	-6,023
(iv) Deferred tax in respect of EPRA amendments	1,409	-99
(ix) Result in the share of associated companies and joint ventures	-4,681	-340
EPRA result	7,676	7,447
Weighted average number of shares	7,704,136	7,479,258
EPRA result per share (in EUR)	1.00	1.00

10.1.2 EPRA NAV

	31/12/2023		
FIGURES IN THOUSANDS OF EUR	EPRA NRV	EPRA NTA	EPRA NDV
IFRS NAV	118,899	118,899	118,899
IFRS NAV/share (in EUR)	15.25	15.25	15.25
Diluted NAV at fair value	118,899	118,899	118,899
Exclude:			
(v) Deferred taxes related to the revaluation of investment properties	-	-	
(vi) Fair Value of financial Instruments	-1,225	-1,225	
(vii.b) Intangible assets according to the IFRS balance sheet		-3	
Subtotal	117,673	117,670	118,899
Includes:			
(xi) Real estate transfer tax	7,332		
NAV	125,005	117,670	118,899
Number of shares	7,798,886	7,798,886	7,798,886
NAV/share (in EUR)	16.03	15.09	15.25

	31/12/2022		
FIGURES IN THOUSANDS OF EUR	EPRA NRV	EPRA NTA	EPRA NDV
IFRS NAV	125,380	125,380	125,380
IFRS NAV/share (in EUR)	16,53	16,53	16,53
Diluted NAV at fair value	125,380	125,380	125,380
Exclude:			
(v) Deferred taxes related to the revaluation of investment properties	-1,409	-1,409	
(vi) Fair Value of financial Instruments	-5,291	-5,291	
(vii.b) Intangible assets according to the IFRS balance sheet		-35	
Subtotal	118,680	118,645	125,380
Includes:			
(xi) Real estate transfer tax	7,496		
NAV	126,177	118,645	125,380
Number of shares	7,582,737	7,582,737	7,582,737
NAV/share (in EUR)	16.64	15.65	16.53

10.1.3 EPRA NNNAV

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
EPRA NAV	117,673	118,680
(i) Fair Value of financial instruments	1,225	5,291
(ii) Fair Value revaluations of fixed rate financings	0	0
(iii) Deferred taxes	0	1,409
Minority interests relating to deferred tax	0	0
EPRA NNNAV	118,899	125,380
Number of shares	7,798,886	7,582,737
EPRA NNNAV per share (in EUR)	15.25	16.53

10.1.4 EPRA NIY and EPRA topped-up NIY

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
Investment property	218,356	233,254
Assets held for sale	6,050	-
Project developments	-5,530	-9,944
Right of use under IFRS16	-5,325	-5,020
Estimated mutation rights and costs on hypothetical disposal of investment properties	5,179	5,607
Investment value of property portfolio available for lease	218,730	223,897
Annualized gross rental income	14,092	14,777
Property costs	-609	-690
Annualized net rental income	13,483	14,087
Notional amount upon expiration of rent-free period	-	-
Adjusted annualized net rental income	13,483	14,087
EPRA NIY	6.2%	6.3%
EPRA topped-up NIY	6.2%	6.3%

The property located in Boncelles is included as Assets held for sale. The redevelopment in Veldstraat 88, Ghent is included as project development for the office portion, the retail portion is already leased. The right of use according to IFRS16 concerns the part of the property located in Korenmarkt, Ghent.

10.1.5 EPRA vacancy rate

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
Estimated rental value of vacant premises	104	96
Estimated rental value of the entire portfolio	12,167	12,431
EPRA vacancy rate	0.9%	0.8%

The Estimated Rental Value of the entire portfolio decreased slightly, due to sales (see Chapter 4). The Estimated Rental Value of vacant spaces concerns 2 commercial spaces located in the retail park in Huy and additional vacancy of the apartment above the commercial unit in Ghent, Langemunt 61-63.

10.1.6 EPRA cost ratio

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
Including		
(i) Operating expenses (property expenses and overheads) as in the IFRS income statement	2,574	2,685
(iv) Other operating income/transactions, intended to cover general expenses, excluding profit margin	-	-
Exclusive (if including in the above)		
(vi) Depreciation	-34	-41
EPRA costs (including direct vacancy costs)	2,540	2,644
(ix) Direct vacancy costs	-78	-85
EPRA costs (excluding direct vacancy costs)	2,462	2,559
(x) Gross rental income less rent payable on leased land ¹	13,725	14,413
Gross rental income	13,725	14,413
EPRA cost ratio (including direct vacancy costs)	18.51%	18.34%
EPRA cost ratio (excluding direct vacancy costs)	17.94%	17.75%

All costs directly related to the purchase or development and all subsequent investments that are recognized as transaction costs (costs of new and/or renovation works, including the acquisition value of the site and preparing the site for construction) are included on the balance sheet. Internal costs of management or follow-up can be partly activated. For example, the attributable personnel costs relating to the development of Veldstraat 88, Ghent are activated.

10.1.7 EPRA LTV

	Proportional Consolidation				
	Group € M	Share of joint ventures € M	Share of participations € M	Non- controlling interests € M	Total € M
Including:					
Accounts payable to credit institutions	122.3	9.0	-	-	131.3
Commercial paper	1.0	-	-	-	1.0
Net liabilities	7.9	1.5	-	-	9.4
Without the cash:					
Cash and cash equivalents	0.5	2.3	-	-	2.8
Net debt (a)	131	8.2	-	-	138.9
Including:					
Investment property	212.8	-	-	-	212.8
Assets held for sale	6.1	-	-	-	6.1
Project developments	5.5	31.5	-	-	37.0
Financial fixed assets	1.9	-	-	-	1.9
Total property related assets	226	31.5	-	-	257.7
			0	0	
LTV (a/b)	57.8%	26.0%	0	0	53.9%

¹ Includes the cost associated with the right of use on a long-term lease in Ghent, Korenmarkt.

10.1.8 EPRA Evolution of rental income at constant portfolio²

Evolution of rental income at constant portfolio (excluding acquisitions/sales of last Financial year)

FIGURES IN THOUSANDS OF EUR

	31/12/2023				31/12/2022			Evolution	
	Fair Value	Belgium	The Netherlands	Total	Belgium	The Netherlands	Total	kEUR	%
Rental income	196,250	12,608	1,354	13,962	10,962	1,369	12,331	1,231	13.2%
Acquisitions and developments*	28,157	-1,741	-	-1,741	-	-	-	-	
Divestments**	-6,800	346	-	346	199	-	199	199	
Gross revenue at constant portfolio		11,213	1,354	12,567	11,161	1,369	12,530	1,430	1.9%
Explained by									
Indexation		603	151	754	-	-	-	754	
Renegotiated contracts		-301	-102	-403	-	-	-	-403	
Filling vacant properties		31	-	31	-	-	-	31	
Void		-154	-63	-217	-	-	-	-217	
Other		-	-	71	-	-	-	71	

* Acquisitions and developments: the purchase of the property located at Korenmarkt 1, Ghent had no impact on the net rental result in 2022 as the purchase was completed on December 30, 2022.

** Disposals: the Fair Value was recognized based on the last known Fair Value.

10.1.9 EPRA CAPEX

	31/12/2023		
FIGURES IN THOUSANDS OF EURO	Group (exc. JV's)	JV's (proportionate share)	Total Group
Purchases	0		0
Development – additional leasable area	5,194	5,272	10,466
Capex – no additional leasable area	1,775		1,775
Tenant incentives	0		0
Capitalized interest	220		220
TOTAL CAPEX	7,189	5,272	12,461

	31/12/2022		
FIGURES IN THOUSANDS OF EURO	Group (exc. JV's)	JV's (proportionate share)	Total Group
Purchases	20,917		20,917
Development – additional leasable area	682	4,185	4,867
Capex – no additional leasable area	1,257		1,257
Tenant incentives	719		719
Capitalized interest	92		92
TOTAL CAPEX	23,667	4,185	27,852

The development - additional lettable area concerns the CAPEX made in the context of the redevelopment project in Veldstraat, Ghent. The CAPEX - no additional lettable area concerns the CAPEX for which no additional lettable area is created, this mainly concerns CAPEX in the buildings in Korenmarkt, Ghent and Huy. The capitalized interest is interest costs on Veldstraat, Ghent. The purchase in 2022 concerns the purchase of the property located in Korenmarkt 1, Ghent. For the JV we refer to Chapter 4.

² All sales are generated in the retail segment, therefore no further division is made by segment.

10.2 APM – ALTERNATIVE PERFORMANCE MEASURES

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

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

Below is a summary of the alternative performance measures used in this annual financial report that are provided with a definition, objective and reconciliation.

10.2.1 Average cost of Finance

Definition: This is the average cost of financial debt. It is calculated by dividing "Net interest cost" on an annual basis by the average amount of financial debt outstanding during the period.

Objective: The Company's operations are partially financed by incurring debt. This APM measures the average financing cost associated with these debts.

Reconciliation:

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
XXI. Net interest expense³	3,519	2,068
Average weighted amount of financial debt outstanding during the period	126,555	120,200
Average Financing Cost	2.78%	1.72%

10.2.2 Operating margin

Definition: This alternative performance measure measures the Company's operating profitability as a percentage of Rental Income and is calculated by dividing "Operating Income before Portfolio Income" by "Net Rental Income."

Purpose: This APM measures the operational profitability of the Company.

Reconciliation:

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
Operating result before portfolio result	11,529	9,731
Net rental income	14,164	12,530
Operating margin	81.40%	77.66%

³ Net interest costs excluding Amortization of costs on issuing loans (EUR 18,922 in 2023) and excluding rights of use on a long-term lease in accordance with IFRS16

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Ghent
Korenmarkt
Belgium

11 Sustainability Statement

11.1 INTRODUCTION

Qrf is part of everyday life through its operational activities and, in addition to creating value for its shareholders, attaches the utmost importance to the social and environmental impact of its operations.

Qrf's main long-term objective is to manage and expand a portfolio in institutional real estate with value-resistant locations and properties, which, through the quality and diversification of its tenants, ensures long-term sustainable growth. It is Qrf's ambition to assume an important role in sustainability within the retail real estate sector.

Throughout 2023, Qrf has focused heavily on developing its sustainability policy to ensure that the interests of all stakeholders – and thus creating a positive social impact – are more explicitly considered in Qrf's decision-making processes and daily operations.

Qrf believes that its commitment to the environment ("Environmental"), society ("Social") and governance ("Governance") can assist and even develop its overall objective. The Company is exploring what sustainability issues are important to its stakeholders and what opportunities corporate sustainability presents. As an owner of real estate properties that are casually leased, the Company is primarily exploring where it can itself create an impact in climate change and greenhouse gas reductions (under the Paris Agreement on climate neutrality by 2050 at the latest). In this exercise, the Company always seeks to take into account the interests of all its stakeholders.

The Company has divided its sustainability policy into 2 main pillars, on the one hand investing in making its property portfolio more sustainable and on the other hand investing in a sustainable relationship with each of its stakeholders. Linked to these pillars are measurable objectives that will enable Qrf to build a strong sustainability foundation.

To identify the most material targets, those where the Company can have a significant impact, Qrf has introduced an initial assessment in the 2022 annual report. To prepare for the transition to the Corporate Sustainability Reporting guideline (CSRD), which the Company will be required to comply with by fiscal year 2026, a dual materiality matrix has already been prepared. The dual materiality matrix allows Qrf to determine how sustainability impacts Qrf's operations and how it affects our stakeholders.

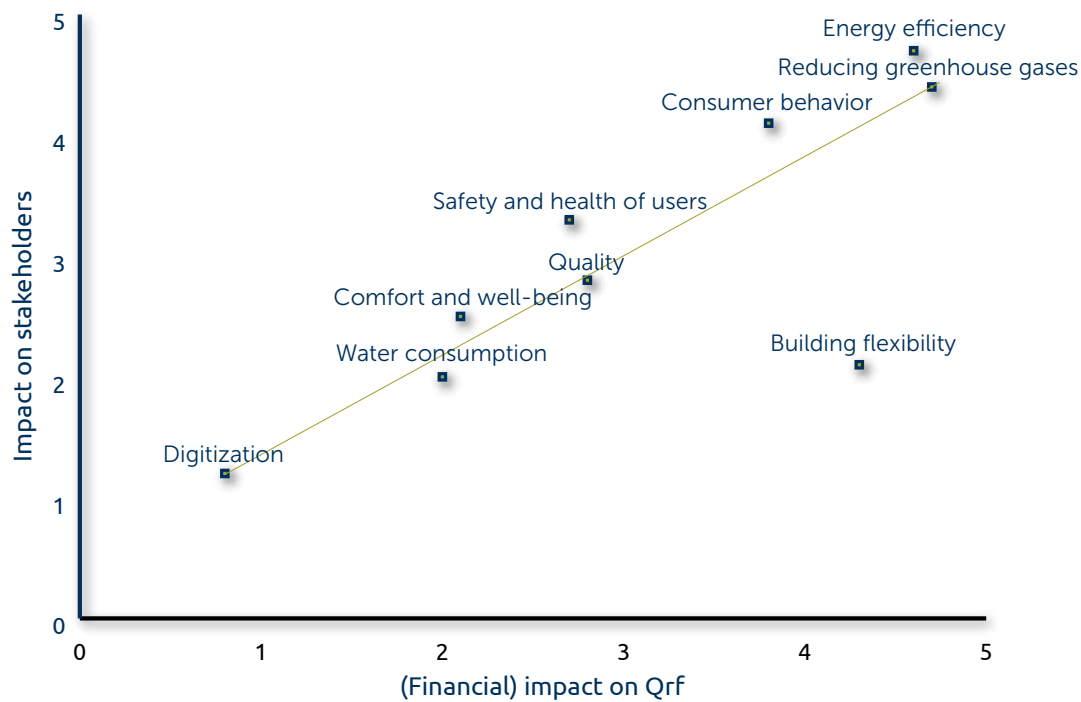
The matrix was created in several phases, at the end of 2022 Qrf started researching sustainability aspects that could impact the company, this based on the ESRS¹ guideline. By engaging in communication with both internal and external parties, including the Board of Directors, tenants, investors, credit institutions and construction actors, we were able to identify our ESG priorities. Based on this output, the priorities were ranked according to the expectations of the stakeholders and a number of ESG aspects emerge as priorities, these aspects also formed the first step towards the operational implementation of the ESG policy.

1 The European Sustainability Reporting Standards (ESRS) name the requirements for detailed reporting on a wide range of environmental, social and governance (ESG) topics. These were formally published in November 2022 and were concretized during 2023.

11.1.1 Materiality Matrix

The double materiality matrix shows on the one hand the (financial) impact on the Company and on the other hand the impact on its environment. We realize that many topics in the context of sustainability are important, however, Qrf has considered the topics below as priority in the context of its ESG objectives for the coming years. These points emerge taking into account the topics where the Company sees opportunities in terms of sustainability issues, as an owner of shell properties Qrf does not have full operational control therefore.

GRAPHIC 1 MATERIALITY MATRIX



Energy efficiency and the **reduction of greenhouse gases** are important issues for the stakeholders involved, to which Qrf, as a property portfolio owner, seeks to make its contribution.

This is broken down into three emission scopes;

- » Scope 1 groups the direct greenhouse gas emissions associated with the manufacture of the Company's products or the provision of its services;
- » Scope 2 groups together the emissions associated with the energy consumption necessary to manufacture those products or provide those services;
- » Scope 3 groups all other indirect emissions in the value chain, including upstream emissions (e.g., emissions in the company's supply chain) and downstream emissions (e.g., emissions related to supply, consumption and end-of-life of products);

Qrf's full team consists of only 7 people, so the Scope 1 emissions are very small in terms of its own office. The Scope 1 and Scope 2 emissions from its real estate portfolio relate to the energy consumption of the retail properties. As the owner of real estate properties that are casually leased, Qrf has a very small impact on Scope 3 emissions. We can conclude that Qrf can mainly contribute in the reduction of indirect greenhouse gases.

The Company can contribute concretely by, among other things, minimizing energy consumption in the (re)development projects of properties thanks to the choice of sustainable materials and the conscious choice of certain stakeholders such as construction actors and suppliers, summarized as a **responsible choice of materials**. This is accompanied by a reduction in carbon footprint through CO2 emissions. This, abstracting from tenant behavior, depends heavily on the techniques used to generate energy. Therefore, in (re)development projects, the company prefers to work with energy-efficient installations and renewable energy. For buildings in operation, the possibility of working on energy efficiency by using solar energy is further investigated. To date, 52% of the total surface area of the real estate portfolio has already been equipped with solar panels.

The Company has taken concrete steps to map the environmental performance of its buildings and its three scope emissions. For one thing, by implementing a smart energy management system in our portfolio. This allows us to collect data on the energy and water consumption of our tenants.

Consumer behavior also scores strongly in the materiality matrix. By anticipating future trends and future needs of the tenants' end consumer, the Company seeks to ensure value retention of the property portfolio.

The **consumption of water** is becoming an increasingly important aspect. The Company tries to play a role here by avoiding water leaks and infiltration and promoting the use of cisterns. The Company also tries to maximize the reuse of rainwater. In the 'Léon' project, for example, toilets are flushed by water capture from the Lys.

Comfort, well-being and safety is an important factor throughout the entire value chain. This concerns both our own employees, suppliers and construction actors, as well as tenants' employees. Safe, comfortable workplaces are therefore considered an absolute basic need. In the "Léon" project, for example, heating and cooling are controlled by a climate ceiling to ensure comfort in every season.

Finally, we would also like to emphasize **digitalization**, through the further digitalization and inventory of data such as tenants' consumption, Qrf can better align its strategic policy with concrete action plans that can respond to the needs from the materiality matrix.

11.2 PILLAR 1: GREENING THE REAL ESTATE PORTFOLIO

11.2.1 Property portfolio policy

The materiality matrix highlights energy efficiency and greenhouse gas reduction. Qrf is aware that it can help respond to the growing risk related to climate change and contribute to the goal of the Paris Agreements. This awareness plays into both making future strategic choices and managing the existing portfolio and conducting day-to-day operational activities.

Both when developing, and when renovating existing buildings, green parameters are central, in addition to the comfort and needs of the tenants. Qrf tries to minimize its ecological footprint in the choice of energy sources and building materials. Thus, during the redevelopment of the building in Veldstraat in Ghent, sustainable energy techniques such as an energy-efficient heat pump are being used, as well as a green roof in combination with renewable energy such as solar panels. Qrf sees renewable energy as an additional means of support in making its premises more sustainable, as well as an additional added value to its tenants and its stakeholders. MEUR 5.66 was invested in making the property portfolio more sustainable during 2023.

In concrete terms, particular attention is paid to the design and development of the various development projects, both in terms of architectural choices and material choices but also in terms of optimizing techniques to minimize energy consumption and reduce CO2 emissions. For the buildings already in operation, the development of self-generation of renewable energy is specifically considered. For the study concerning the feasibility, profitability and follow-up related to the operation of these projects, the Company is assisted by an external team of specialists. Further in this chapter, the energy consumption of the common parts is also reported according to EPRA (sBPR) standards.

Qrf offers shell retail spaces and consequently has limited control over layout and energy consumption. The environmental impact can therefore be better assessed through transparent cooperation with its tenants. As a Key Performance Indicator, Qrf has started measuring the evolution of energy consumption in its buildings as of 2023. To substantiate this, the Company will need the energy information from the various sites.

We have taken concrete steps to map the environmental performance of our buildings and our three scope emissions (*data collection*). First, by implementing a smart energy management system (EMS) in our portfolio. EMS enables us to collect data on the energy and water consumption of our tenants. By the end of 2023, this smart energy management system (EMS) has been rolled out in 16% of our properties². We aim to roll out this system further in our portfolio and have real-time data on 80% of our portfolio by the end of 2024. To achieve this goal, we have included the requirement of an EMS installation in all new contracts with tenants. It is a challenge for Qrf to bring the benefits of EMS to the tenants, by partially financing the energy management system at the tenant's premises, Qrf recognizes its part in further expansion and awareness in energy and water consumption despite limited control over energy consumption. We have also made strides in working with our tenants in transparent communication about energy, water and waste consumption. Where the installation of EMS is not yet possible (for various reasons), or in the context of waste management, a concrete addendum was added to 10.2% of existing contracts regarding the reporting of consumption.

11.2.2 Project Solar

At the beginning of 2023, Qrf started the first phase of 'Project solar'. During 2023 and the first half of 2024, KEUR 300 were invested under 'Project solar'. A total of 6 properties will be equipped with solar panels, accounting for a total of 1,858 solar panels. The total production capacity of the installations together amounts to 680 MWh/year, which is comparable to a power supply of 195 private families on an annual basis. At the end of 2023, we will therefore have a sustainable relationship with 3 commercial tenants on the use of solar energy, as well as the office under construction in Ghent, Veldstraat will be provided with green power via the 176 solar panels on the flat roof.

Regardless of the evolution of energy prices, Qrf will offer the generated power to the tenants of the relevant properties. The company is convinced that this optimally combines the objectives of sustainability with the commercial objectives of Qrf and its tenants, as well as the long-term relationship between both. Qrf is therefore continuing to work on 'Project Solar', and is currently investigating, in consultation with the tenants, which subsequent locations will be equipped with solar installations.

² Calculated based on total area in m².

11.2.3 3-year plan Qrf

In 2023, Qrf started the required analysis in the context of EU taxonomy. A risk analysis was already performed for each of its properties, this in collaboration with an EU taxonomy specialist.

During 2024, Qrf will also provide all of its properties with a recent, up-to-date energy label. From here, a 3-year plan will be drawn up to upgrade the premises in the context of sustainability. This so that there is a good overview to both the commitment to sustainability and energy efficiency and the creation of economic value. Focusing on the improvement of the energy label (Energy Performance Certificate or EPC) means close cooperation with the tenants concerned, since Qrf rents the store premises as shells. Qrf therefore aims for efficient cooperation with its tenants and believes that this can be a "win-win" for all parties. Qrf is aiming for a long-term relationship with its lending institutions and is currently looking to link these objectives related to ESG initiatives to an SLL (Sustainable Linked Loan).

Specifically, Qrf will provide MEUR 5.75³ for ESG initiatives over the next 3 years. Part of this will go to the further expansion of Project Solar, as well as to improving the insulation values and glazing of the properties in real estate portfolio.

11.2.4 Project 'Léon'

The building located at 88 Veldstraat, Ghent that was acquired during 2021 dates back to the 1960s, so a renovation was appropriate. Within the framework of making the Company's premises more sustainable, the opportunity was taken not only to give the 'Léon' project a new look but also to focus strongly on sustainability. Léon is a near-zero energy building with an E-level 36. Improve what needs to be improved, renew where necessary was the main rule in this project. That way, we also preserve the charm of the building from the 1960s. Léon again has a sleek appearance, but retains its authentic character.

The latest technology is used to make the building sustainable and pleasant in every season. Heating and cooling are controlled via a climate ceiling powered by a heat pump. In addition, maximum reuse of rainwater and water capture from the Lys River is employed. The temperature is optimally regulated by automatic tuning between the retail segment and the offices. In terms of electricity, green power is provided thanks to the 200 solar panels on the roof. In addition to paying attention to the environment, this sustainability also means that the operating cost per m² for the tenant(s) is much lower than for an average office building.

³ Including the renovation in Veldstraat, Ghent



Ghent, Veldstraat 88 Tenants: 2 Type: Offices + Commercial Solar panels: 176 Target power: 77,44 kWp Generation potential: 68 MWh	Wilrijk, Boomsesteenweg 894 Tenants: 1 Type: Commercial Solar panels: 798 Target power: 310,64 kWp Generation potential: 275 MWh	Huy, Shopping Mosan* Tenants: 1 Type: Commercial Solar panels: 416 Target power: 183,40 kWp Generation potential: 158 MWh
Ghent, Korenmarkt 1-3 Tenants: 1 Type: Leisure Solar panels: 240 Target power: 105,60 kWp Generation potential: 93 MWh	Ukkel, Alsembergsesteenweg 769 Tenants: 1 Type: Commercial Solar panels: 64 Target power: 28,16 kWp Generation potential: 25 MWh	* In a second phase, the other roofs will also be used, with an estimated capacity of +200 kWp.
Hasselt, Koning Albertstraat 48 Tenants: 1 Type: Commercial Solar panels: 164 Target power: 72,16 kWp Generation potential: 64 MWh		

11.3 PILLAR 2: SUSTAINABLE RELATIONSHIP WITH STAKEHOLDERS.

In order to best meet the individual expectations of the parties involved, the Company strives to tailor communications to each of its stakeholders. Each party is approached differently, by a specialized team member, using the most appropriate communication method. Thanks to the proactive dialogue, an effort is made to continue to meet society's expectations. There is a strong commitment to direct face-to-face contact to bet on a lasting relationship based on trust. The following stakeholders were identified and consulted to create the materiality matrix.

GRAPHIC 2 PARTIES INVOLVED



11.3.1 Policies for tenants

It is important to note that Qrf offers its commercial properties on a shell basis. The design and layout is determined by the tenant. However, by providing sustainable basic facilities (well-insulated premises, sustainable energy techniques, etc.), Qrf contributes to rational energy use.

The Company is committed to regular and transparent contact with its tenants. When the tenant signs the contract, the Property Manager assists the tenant, explaining all practical and technical aspects of the building, such as security issues and specific services or infrastructure. The Commercial Department maintains contact with the tenant on a regular basis and keeps the tenant informed of relevant updates.

In consultation with its tenants, Qrf tries to pay attention to the social anchoring of its commercial spaces and retail parks. Together with its tenants, Qrf looks at where it can contribute to creating a place where people can meet.

When (re)developing a building, the pursuit of sustainable low-energy buildings will always be the guiding principle. Of course, the needs of the tenants are also always kept in mind within the framework of the Company's standard. In case of a re(development), the technical plan is discussed in detail with the tenant. The plans and progress are communicated on a regular basis so that any adjustments can easily be integrated during the construction process.

For minor renovations to existing properties, the impact is carefully evaluated during the works to minimize it as much as possible. If space is available, efforts are made to find the most efficient and flexible solution for the tenant. Flexibility of the property is always taken into consideration, such as possible future subdivision or merging of retail space(s). Qrf wants to be able to respond to the (future) needs of its tenants as efficiently as possible.

Qrf strives not only to act sustainably, but also to create long-term economic value for all parties.

11.3.2 Employee policies

Qrf is a small organization with its 7 employees, and therefore strives to create the right *work-life* balance for the team, with attention to everyone's personal needs. The Company is strongly committed to a personal approach and open corporate culture. An 'open office' was specifically chosen so that there is no barrier between management and the team. The employees have the flexibility to work remotely, thanks in part to full digitization.

Employees receive a competitive salary package. Employees' remuneration is evaluated annually. In addition, there are interim, (in)formal evaluations to further develop talent. Every employee is given the opportunity to follow training courses to deepen or broaden their knowledge. Training can relate to a substantive topic as well as to personal development.

Periodically, events and teambuildings are organized for the entire team. Qrf also thinks about the well-being of its employees and encourages sports with colleagues. Every week there is an opportunity to join sports classes after working hours and on an ad hoc basis, group sports moments are scheduled (e.g. padel).

Acting properly and ethically is a basic requirement at Qrf, every employee is therefore expected to agree to our Corporate Governance Statement.

11.3.3 The Board of Directors and Committees

The Board of Directors participates in the preparation and approval of budgets and key sustainability decisions, including at strategic Board meetings and quarterly results release meetings.

11.3.4 Policies for suppliers and construction actors

Qrf is aware that suppliers and building actors provide an important source of knowledge in making its properties sustainable. Qrf therefore strives for long-term cooperation with its suppliers by making clear and correct agreements. Through the close cooperation with selected building actors, Qrf also recognizes its further development in knowledge regarding the sustainability of its buildings.

11.3.5 Investors

The long-term goal is value creation and profit generation for its shareholders. Qrf therefore has the responsibility to communicate transparently about the Company's activities and results. This information is communicated extensively in the form of (semi-)annual reports and press releases. Qrf also participates in investor road shows and conference calls for analysts.

11.3.6 Associations and policy makers

Compliance with applicable regulations is continuously monitored by the Compliance Manager. The Company, with the CFO as delegate, is also a member of the BE-REIT association, which was established in 2015 to discuss accounting, legal and tax regulations impacting the industry.

Qrf also tries to work closely with the local governments, from the first step, on the occasion of renovations or project developments, thus we try to create added value for all parties.

11.4 REPORTING FRAMEWORK

This is a summary of the regulations that directly and indirectly relate to Qrf through its listed status.

11.4.1 EU taxonomy

The Taxonomy Regulation ((EU) 2020/852) creates a framework ("taxonomy") to assess whether an economic activity can be considered environmentally sustainable. Article 9 of the EU taxonomy regulation defines the following six environmental objectives: a) climate change mitigation, b) climate change adaptation, c) sustainable use and protection of water and marine resources, d) transition to a circular economy, e) pollution prevention and control, f) protection and restoration of biodiversity and ecosystems. Qrf is currently working on the EU taxonomy reporting in 2 steps, on the one hand a risk analysis has already been carried out for the entire property portfolio, on the other hand we will provide every property with an up-to-date Energy Performance Certificate or EPC by 2024. Based on these two parameters an overview will be made of Qrf's EU taxonomy alignment. The reporting obligation for Qrf is related to the CSRD directive.

11.4.2 CSRD (Corporate Sustainability Reporting Directive).

In April 2021, the European Union adopted the Corporate Sustainability Reporting Directive (CSRD). It was finally adopted on Dec. 16, 2022, and will apply from Jan. 5, 2023. The CSRD Directive is central to the European Union's Green Deal and is intended to ensure more transparent and better sustainability information. The Company is working on actions in to develop and systematically complete the sustainability declaration. It will be mandatory for Qrf from fiscal year 2026. In order to ensure a smooth transition to the CSRD guidelines, the dual materiality matrix exercise has already been launched at the end of 2022.

11.5 EPRA PERFORMANCE INDICATORS (SBPR).

11.5.1 EPRA Overarching Recommendations

The Company has opted to prepare its environmental, social and governance indicators in accordance with the EPRA sBPR guidelines. EPRA publishes recommendations for the determination of key key key performance indicators for listed real estate companies. The publication of these data is not required by the regulations on public RRECs and are therefore provided for information purposes only.

This sustainability report covers our entire owned real estate portfolio, excluding the project under development (Veldstraat 88, Ghent). Qrf offers shell retail spaces and therefore does not have full control over the layout and energy consumption of the tenants. The reporting of the consumption includes the actual energy consumption over the common parts, here Qrf does have shared control. These consumptions comprise < 1% of the total consumption, therefore the distinction between the consumption for Qrf and its tenants is considered non-material. Qrf is 99% active in the retail sector, no further breakdown is made by segment. The social and governance data are fully managed internally and reported 100%. However, the geographical breakdown is made per country. For the data on the portfolio in the Netherlands, 2 out of 5 properties are reported, or 33.53% of the total portfolio in the Netherlands.

The values indicated are for the period January to December of calendar years 2023 and 2022. Qrf offers shell retail spaces and therefore does not have full control over the consumption, nor the conclusion of (renewable) energy contracts. As a Key Performance Indicator, Qrf has started measuring the evolution of energy consumption in its buildings as of 2022. To substantiate this, the Company will need the energy information from the various sites. We have taken concrete steps to map the environmental performance of our buildings and our scope emissions (*data collection*). By implementing a smart energy management system (EMS) in our portfolio, on the one hand, and, on the other, by strengthening cooperation with our tenants in the context of transparent communication about their energy, water and waste consumption. Where the installation of EMS is not yet possible (for various reasons), or in the context of waste management, a concrete addendum was added to the existing contracts regarding the reporting of consumption. By using this EMS, the consumption can be consulted retroactively in order to make a correct comparison between years⁴. For some properties where the digital meter is not yet available, consumption is measured manually once a year, at the same time. For waste management, the Company reports on the premises where there is a (central) waste management system, which is actively monitored, based on this factual data a reliable reporting can be made on waste management. The large differences in volumes (in Abs) is therefore due to the efforts made regarding data in 2023 versus the data we had for 2022. The like-for-like comparison is based on the data we had available last year, especially the data on common parts.

The percentage (% coverage) of total property portfolio is always indicated. This is based on the reported m² of floor space versus the total m² of floor space of the real estate portfolio excluding the project under development (Veldstraat 88, Ghent)⁵. The scope on social indicators concerns data on the entire Qrf team.

No estimates were performed on utility consumption obtained by the landlord for energy water and waste consumption. Only actual data for an entire year were reported to ensure the reliability of the reported figures.

⁴ The additional data collected for 2022 were added to this annual report.

⁵ The % coverage is the floor area of Belgium and the Netherlands added together divided by the total m² of floor area.

Qrf's office is currently located in the Spaces (Coworking) buildings at Zuiderpoort in Ghent, which is partially leased by Qrf. The energy consumption of this building is managed by the landlord, the Company therefore has no insight into this. An evolution of the energy, water and waste consumption for its own office can therefore not be charted. As the entire team of Qrf consists of 7 employees, the energy water and waste consumption is relatively very limited.

11.5.2 Environmental Sustainability Performance Measures

REAL ESTATE PORTFOLIO – ENERGY CONSUMPTION

EPRA CODE	COVERAGE	GRI STANDARD	UNIT	BE			NL		
				2023	2022	%	2023	2022	%
Elec-Abs	29%	302-1	Annual kWh	1,565,930	34,594	4,426.6%	5,742	4,731	21.4%
Elec-Abs	0%	302-1	% renewable sources	0%	0%	0,0%	0%	0%	0.0%
Elec-LfL	20%	302-1	Annual kWh	30,832	34,594	-10,9%	5,742	4,731	21.4%
DH&C-Abs	n/a	302-1	Annual kWh	-	-	-	-	-	-
DH&C-Abs	n/a	302-1	% renewable sources	-	-	-	-	-	-
DH&C-LfL	n/a	302-1	Annual kWh	-	-	-	-	-	-
Fuels-Abs	11%	302-1	Annual kWh	379,173	462	81,972.1%	1,928	4,604	-58.1%
Fuels-Abs	0%	302-1	% renewable sources	0%	0%	0,0%	0	0	0.0%
Fuels-LfL	6%	302-1	Annual kWh	368	234	57,3%	1,928	4,604	-58.1%
Energy-Int (floor area)	29%	302-3	kWh/m²	64.3	1.8	3,474.4%	5.2	6.4	-18.8%

- » ELEC-ABS & ELEC-LFL: Total electricity consumption of the real estate portfolio
- » FUELS-ABS & FUELS-LFL: Total fuel consumption of property portfolio
- » DH&C-ABS & DH&C-LFL: Heat distribution
- » ENERGY-TOTAL (ABS and LFL): total energy consumption (sum of above).
- » ENERGY-INT: Energy intensity (the intensity is determined based on the m² of floor space in the portfolio)

Qrf has identified 6 sites for a sustainability pathway through the installation of solar panels, At 3 sites the solar panels have already been installed as of the date of the annual report. Thus, the % renewable sources will exceed 0% next year. The installation process regarding the other sites is in progress.

REAL ESTATE PORTFOLIO – BREAKING GAS GUESTS OUT (LOCATION BASED) 6

EPRA CODE	COVERAGE	GRI STANDARD	UNIT	BE			NL		
				2023	2022	%	2023	2022	%
GHG-dir-Abs	29%	305-1	kg CO2e	-	-	-	-	-	-
GHG-dir-LfL	20%	305-1	kg CO2e	-	-	-	-	-	-
GHG-indir-Abs	29%	305-2	kg CO2e	435,240	8,048	5,308.0%	1,702	2,000	-14.9%
GHG-indir-LfL	20%	305-2	kg CO2e	7,164	8,003	-10.5%	1,702	2,000	-14.9%
GHG-Int (floor area)	29%	CRE-3	kg CO2e/m²	21.6	0.41	5,164.4%	1.2	1.36	-14.6%

- » GHG-DIR-ABS & GHG-DIR-LFL: Direct greenhouse gas emissions from real estate portfolio
- » GHG-INDIR-ABS & GHG-INDIR-ABS: Indirect greenhouse gas emissions from real estate portfolio
- » GHG-INT-ABS & GHG-INT-LFL: GHG emissions intensity: total GHG emissions relative to building intensity (based on area)

Qrf provides shell retail spaces and thus does not have operational control over the consumption in its real estate portfolio. GHG emissions are therefore considered indirect emissions. The office of Qrf NV is currently located in the Spaces (Coworking) buildings at Zuiderpoort in Ghent, which is partly leased by Qrf. On the direct GHG emissions, we therefore have no visibility.

6 The conversion to GHG emissions was done based on the guidelines of "The UK Government GHG conversion factors for Company Reporting and AIB European Residual Mixes.

REAL ESTATE PORTFOLIO – CONSUMING WATER

EPRA CODE	COVERAGE	GRI STANDARD	UNIT	BE			NL		
				2023	2022	%	2023	2022	%
Water-Abs	14%	303-1	Annual m ³	3,475	1,650	111%	107	176	-39.2%
City Water			Annual m ³	2,686	1,015	165%	107	176	-39.2%
Rainwater			Annual m ³	789	635	24%	-	-	-
Water-LfL	10%	303-1	m ³	1,823	1,650	10%	107	176	-39.2%
Water-Int (floor area)	14%	CRE2	m³/m²	0.14	0.35	-60%	0.07	0.12	-39.2%

» WATER-ABS & WATER-LFL: The total volume of water consumption of the real estate portfolio in thousands

» REGENWATER-ABS & REGENWATER-LfL: The sites where a cistern is available, expressed in m³.

» WATER-INT-ABS & WATER-INT-LFL: The total volume of water consumption of the real estate portfolio in thousands

REAL ESTATE PORTFOLIO – WASTE

				PROPERTY PORTFOLIO			
EPRA CODE	COVERAGE	GRI STANDARD	UNIT	2023	2022	% disposal route	Difference
Waste-Abs							
Total	10,2%	306-4	kg	32,026	30,002	/	7%
Waste-LfL							
Total	10,2%	306-4	kg	32,026	30,002	/	7%
Waste-Abs							
Non-hazardous waste (NH)	10,2%	306-5	kg	32,026	30,002		7%
Composting			kg	0	0	0%	
Recycling			kg	0	0	0%	
Combustion ⁷			kg	32,026	30,002	100%	
Landfill/Stortplaats			kg	0	0	0%	
Waste-LfL							
Non-hazardous waste (NH)	10,2%	306-5	kg	32,026	30,002		7%
Composting			kg	0	0	0%	
Recycling			kg	0	0	0%	
Combustion			kg	32,026	30,002	100%	
Landfill/Stortplaats			kg	0	0	0%	
Waste-Abs							
Hazardous waste (H)	0%	306-5	kg	0	0	0%	0%
Waste-LfL							
Hazardous waste (H)	0%	306-5	kg	0	0	0%	0%

» WASTE-ABS & WASTE-LFL: Total weight of waste.

» WASTE (H) & WASTE (NH): total weight broken down by waste type (hazardous or non-hazardous waste)

» WASTE (H) & WASTE (NH): Total weight broken down by disposal route (recycling, composting, incineration with or without energy recovery)

⁷ Combustion with or without energy recovery.

REAL ESTATE PORTFOLIO – CERTIFICATIONS

EPRA CODE	CERTIFICATE	RATING	COVERAGE	NUMBER OF BUILDINGS
Cert-Tot	CRE8			
Belgium	BREAAM In-Use	Very Good	15.51%	1
Belgium	EPC	B	7.71%	1

In scope are all properties that have up-to-date certification on hand. Coverage is relative to the total real estate portfolio.

11.5.3 Social Performance Measures

In the year under review, Qrf had 7 members in its team (not counting external consultants and the committees). All team members work at the headquarters in Ghent.

DIVERSITY

DIVERSITY-EMP	GRI STANDARD	HEADCOUNT	2023 %	HEADCOUNT	2022 %
Board of Directors	405-1	6	100%	6	100%
Woman		2	33%	2	33%
Man		4	67%	4	67%
Executive Management	405-1	2	100%	2	100%
Woman		0	0%	0	0%
Man		2	100%	2	100%
Employees	405-1	5	100%	4	100%
Woman		1	20%	1	25%
Man		4	80%	3	75%

» DIVERSITY-EMP Employee gender diversity: All internal employees were taken into scope.

» DIVERSITY-PAY Gender pay ratio: This is not included since total employees women 2023 and 2022 = 1.

Looking at the diversity of the workforce by age, we see that 14% are under 30 years old and the remaining 86% are between 30 and 50 years old.

TRAINING

EMP-TRAINING	GRI STANDARD	2023	2022
Total Training Hours	404-1	117	88
Woman		29	14
Man		88	74

» EMP-TRAINING Training and development: all internal employees taken into scope

DEVELOPMENT

EMP-DEV	GRI STANDARD	2023	2022
Total Personnel changes	404-3	100%	100%
Woman		100%	100%
Man		100%	100%

» EMP-DEV Employee Evaluations: All internal employees have been taken in scope

STAFF TURNOVER

EMP-NEW HIRES & TURNOVER	GRI STANDARD	NUMBER	2023 %	NUMBER	2022 %
New hires	401-1	1	16.7%	2	33%
Employee turnover	401-1	0	0%	2	33%

» EMP-TURNOVER Employee turnover and retention: All internal employees taken into scope

HEALTH & SAFETY

EPRA CODE	GRI STANDARD	UNIT	2023	2022
H&S-EMP	403-2	% work accidents (number of employees/number of hours)	0%	0%
H&S-EMP	403-2	% number of days of disability/number of hours	0%	6.66%
H&S-EMP	403-2	% total hours of absence	1.29%	4.44%
H&S-EMP	416-1	Number of work-related deaths	0%	0%
H&S-ASSET	416-2	% properties evaluated	0%	0%
H&S-COMP	416-2	Number of incidents	0%	0%

- » H&S-EMP work accidents: in scope are work accidents among internal employees
- » H&S-EMP incapacity for work: in scope are the number of days incapacitated in the context of a work accident among internal employees.
- » H&S-EMP absence rate: in scope are absences due to illness of internal employees
- » H&S-EMP deaths: in scope are all internal employees
- » H&S-ASSET health and safety assessments: in scope are portfolio properties
- » H&S-COMP compliance with health and safety plan: in scope are the number of incidents at portfolio sites

SOCIETY

EPRA CODE	GRI STANDARD	UNIT	2023	2022	DIFFERENCE
Compty-ENG	413-1	% van assets	100.00%	100.00%	0%

- » Compty-ENG: Community involvement, impact assessments and development programs.

Qrf tries to pay attention to the social anchoring of the commercial spaces in consultation with the tenants. Together with its tenants, Qrf looks at where it can contribute to creating a place where people can meet.

11.5.4 Governance Performance Measures

GOV-BOARD

GOV-BOARD	GRI STANDARD	2023	2022
Number of non-executive independent directors	102-22	3	3
Number of non-executive non-independent directors	102-22	2	2
Number of executive directors	102-22	1	1

* GOV-BOARD: composition of highest governing body

For more information on the composition, operation, selection procedure and conflict of interest procedure of the Board of Directors, please refer to Section 7.2.2.

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Ostend
Adolphe Buylstraat
Belgium

12 Financial Statements

12.1 CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR 2023¹

12.1.1 Consolidated statement of comprehensive income

A. CONSOLIDATED INCOME STATEMENT

FIGURES IN THOUSANDS OF EUR

	Note	31/12/2023	31/12/2022
(+) I. Rental income		13,962	12,331
(+) II. Writeback of leased payments sold and discounted		0	0
(+/-) III. Rental charges		202	199
NET RENTAL INCOME		14,164	12,530
(+) IV. Recovery of property charges		0	0
(+) V. Recovery of rental charges and taxes normally payable by tenants on let properties		1,104	877
(-) 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		-1,165	-991
(+/-) VIII. Other rental related income and charges		0	0
PROPERTY RESULT	5	14,103	12,416
(-) IX. Technical costs		-193	-247
(-) X. Commercial costs		-60	-180
(-) XI. Charges and taxes of unlet properties		-78	-85
(-) XII. Property management costs		-251	-211
(-) XIII. Other property charges		0	0
PROPERTY CHARGES	6	-582	-723
PROPERTY OPERATING RESULT		13,521	11,693
(-) XIV. General company expenses	7	-1,992	-1,962
(+/-) XV. Other operating income and charges		0	0
OPERATING RESULT BEFORE PORTFOLIO RESULT		11,529	9,731
(+/-) XVI. Result on disposals of investment properties		216	222
(+/-) XVII. Result on disposals of other non-financial assets		0	0
(+/-) XVIII. Changes in Fair Value of investment properties		-9,553	-1,534
(+/-) XIX. Other portfolio result		0	0
PORTFOLIO RESULT	8	-9,337	-1,312

¹ According to the schedule included in the RD of July 13, 2014.

OPERATING RESULT		2,191	8,419
(+) XX. Financial income		0	9
(-) XXI. Net interest charges		-3,667	-1,992
(-) XXII. Other financial charges		-101	-164
(+/-) XXIII. Changes in Fair Value of financial assets and liabilities		-4,066	6,023
FINANCIAL RESULT	9	-7,833	3,876
(+) XXIV. Share in the profit or loss of associates and joint ventures	12	4,681	340
PROFIT BEFORE TAXES		-961	12,635
(+/-) XXV. Corporate tax	14.1	-1,495	-38
(+/-) XXVI. Exit tax		0	0
TAXES		-1,495	-38
NET PROFIT		-2,455	12,598
Attributable to:			
Shareholders of the group		-2,455	12,598
Minority interests		0	0
Components of net result – Shareholders of the group:			
NET RESULT (GROUP SHARE)		-2,455	12,598
Result on the portfolio (including share in joint ventures)		9,337	1,312
Results in the share of associates and joint ventures		-4,681	-340
Changes in the Fair Value of financial assets and liabilities		4,066	-6,023
Result on the realisation of shares in real estate companies		0	0
Deferred taxes relating to EPRA changes		1,409	-99
EPRA EARNINGS*		7,676	7,447

*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.

B. STATEMENT OF COMPREHENSIVE INCOM

FIGURES IN THOUSANDS OF EUR

	Note	31/12/2023	31/12/2022
I. NET PROFIT		-2,455	12,598
II. OTHER COMPREHENSIVE INCOME RECYCLABLE UNDER THE INCOME STATEMENT		0	0
(+/-) B. Changes in the effective part of Fair Value of authorized cash flow hedging instruments as defined under IFRS"		0	0
COMPREHENSIVE INCOME		-2,455	12,598
Attributable to:			
Shareholders of the group		-2,455	12,598
Minority interests		0	0

C. EARNINGS PER SHARE

FIGURES IN THOUSANDS OF EUR

	Note	31/12/2023	31/12/2022
Number of ordinary shares in circulation at the end of the financial year	18	7,798,886	7,582,737
Weighted average number of shares during the financial year	18	7,704,136	7,479,258
NET EARNINGS PER ORDINARY SHARE – GROUP SHARE (in EUR)		-0.32	1.68
DILUTED NET EARNINGS PER SHARE – GROUP SHARE (in EUR)		-0.32	1.68

12.1.2 Consolidated balance sheet

FIGURES IN THOUSANDS OF EUR

	Note	31/12/2023	31/12/2022
ASSETS			
I. FIXED ASSETS		243,971	258,706
B Intangible fixed assets		3	35
C Investment properties	10	218,356	233,254
D Other tangible fixed assets	11	18	12
E Non-current financial assets	12	2,352	5,434
H Deferred taxes – assets	14	0	1,409
I Investments in associates and joint ventures equity change	12	23,242	18,561
II. CURRENT ASSETS		8,722	10,296
A Assets held for sale	12	6,050	6,440
B Current financial assets	12	391	490
D Trade receivables	13	1,273	1,168
E Tax receivables and other current assets	14	165	215
F Cash and cash equivalents	15	473	1,728
G Deferred charges and accrued income	16	369	254
TOTAL ASSETS		252,694	269,002

FIGURES IN THOUSANDS OF EUR

	Note	31/12/2023	31/12/2022
LIABILITIES			
EQUITY		118,899	125,380
I. Equity attributable to the shareholders of the parent company		118,899	125,380
A Capital	17	7,343	7,144
a. Issued capital		7,799	7,583
b. Costs for capital increase		-456	-438
B Issue premiums	17	155,933	154,091
C Reserves		-41,921	-48,453
D Net result for the financial year		-2,455	12,598
II. Minority interests	19	0	0
LIABILITIES		133,795	143,622
I. Non-current liabilities		108,227	101,732
A Provisions		0	0
B Non-current financial debts	20	107,126	101,609
a. Borrowings		102,188	96,950
b. Financial leasing		4,937	4,659
C Other non-current financial liabilities	22	958	80
D Trade payables and other non-current liabilities		0	0
E Other non-current liabilities	26	143	42
F Deferred taxes – liabilities	21	0	0
II. Current liabilities		25,568	41,890
A Provisions		0	0
B Current financial debts	20	21,387	38,362
a. Borrowings		21,000	38,000
b. Financial leasing		387	362
C Other current financial liabilities		0	0
D Trade debts and other current debts	23	2,064	1,385
a. Exit tax		0	0
b. Other		2,064	1,385
E Other current liabilities	24	65	65
F Accrued charges and deferred income	25	2,051	2,078
TOTAL EQUITY AND LIABILITIES		252,694	269,002

12.1.3 Consolidated cash flow statement²

FIGURES IN THOUSANDS OF EUR

	Note	31/12/2023	31/12/2022
CASH AND CASH EQUIVALENTS OPENING BALANCE SHEET		1,728	883
1. Cashflow from operating activities		11,026	10,482
Net result	12.1.1	-2,455	12,598
Non-paid interest and bank charges		160	285
Interest expense paid		3,488	1,953
Adaptation of the result for non-cash flow transactions		10,066	-5,654
- Depreciation on capitalized financing charges		9	39
- Depreciation on intangible and other tangible fixed assets	11	27	37
- Variations in deferred tax assets and liabilities		1,409	-99
- Result from the sale of investment properties	8	-216	-224
- Reversal of impairment losses on trade receivable		-202	-577
- Changes in Fair Value of investment properties and project developments	8	9,554	1,533
Changes in Fair Value of financial assets and liabilities		4,066	-6,022
- Provisions on LTI plan		101	0
- Share in the results of associated companies and joint ventures		-4,681	-340
Changes in working capital requirements:		-233	1,301
Movement of assets:		30	1,588
- Trade receivables	13	97	578
- Tax receivables and other current assets	14	41	1,090
- Deferred charges and accrued income	16	-108	-80
Movement of liabilities:		-263	-288
- Other current financial liabilities		-25	23
- Trade debts and other current debts	23	-46	58
- Other current liabilities (incl. tax debt)	24	3	242
- Deferred charges and accrued income	25	-194	-612
2. Cash flow resulting from investment activities		7,003	-19,121
Purchase of intangible and other tangible fixed assets	11	0	-8
Purchases of shares of real estate companies		0	-22,105
Cash in acquired real estate companies	10	0	1,332
Funding of non-fully controlled entities	12	0	750
Purchase of properties		0	0
Investments in existing properties		-5,986	-2,242
Capitalized finance costs		-219	-92
Receipts from the disposal of investment properties	8	13,208	3,244
3. Cash flow from financing activities		-19,284	9,484
Loan repayment	20	-83,020	-42,700
Loan acquisition	20	71,250	57,700
Costs for capital increase		-18	-45
Interest payments on loans		-3,488	-1,953
Dividends paid		-4,008	-3,498
Transaction costs paid		0	-20
CASH AND CASH EQUIVALENTS CLOSING BALANCE		473	1,728

² Contributions in kind count as non-cash transactions and are not included in the statement of cash flows.

12.1.4 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
BALANCE SHEET 31 DECEMBER 2021	7,347	-393	151,948	-44,904	2,327	-	116,325
Appropriation of result 2021	236	0	2,143	-3,550	-2,327	0	-3,498
Transfer of portfolio result to reserves				-4,870	4,870		-
Transfer of operating result to reserves				-135	135		-
Transfer of result from joint ventures to reserves				593	-593		-
Transfer of changes in Fair Value of financial instruments				862	-862		-
Dividend for financial year 2021	236		2,143		-5,877		-3,498
Net result 2022					12,598	0	12,598
Other elements recognized in the comprehensive result							
Reserve for the impact on the Fair Value of financial instruments							
Costs for capital increase (through optional dividend)		-45					-45
Others							
BALANCE SHEET 31 DECEMBER 2022	7,583	-438	154,091	-48,453	12,598	-	125,380
FIGURES IN THOUSANDS OF EUR	Capital	Cost of Capital increase	Issue premiums	Reserves	Net result of the financial year	Minority interests	Equity
BALANCE SHEET 31 DECEMBER 2022	7,583	-438	154,091	-48,453	12,598	-	125,380
Appropriation of result 2022	216	0	1,842	6,532	-12,598	0	-4,008
Transfer of portfolio result to reserves				817	-817		-
Transfer of operating result to reserves				-649	649		-
Transfer of result from joint ventures to reserves				340	-340		-
Transfer of changes in Fair Value of financial instruments				6,023	-6,023		-
Dividend for financial year 2022	216		1,842		-6,066		-4,008
Net result 2023					-2,455		-2,455
Other elements recognized in the comprehensive result							
Reserve for the impact on the Fair Value of financial instruments							
Costs for capital increase (through optional dividend)		-18					-18
Others							
BALANCE SHEET 31 DECEMBER 2023	7,799	-456	155,933	-41,921	-2,455	-	118,899

12.1.5 Detail of consolidated reserves

	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 not subject to a hedge accounting as defined in IFRS	Available reserve: reserve for foreseeable losses	Undistributable reserve: reserve for the share in the result of associated companies and joint ventures	Results carried forward from previous financial years	Total reserves
FIGURES IN THOUSANDS OF EUR								
BALANCE SHEET 31 DECEMBER 2021	-	-47,689	-	-1,101	14	-	3,873	-44,903
Processing of net result 2021	0	-4,870	0	862	0	593	-135	-3,550
Transfer of portfolio result to reserves		-4,870						-4,870
Transfer of result from joint ventures to reserves						593		593
Transfer of operating result to reserves							-135	-135
Transfer of changes in Fair Value of financial instruments				862				862
Other elements recognized in the comprehensive result								
Changes in Fair Value of properties								
Changes in Fair Value of financial assets and liabilities								
Other								
BALANCE SHEET 31 DECEMBER 2022	-	-52,559	-	-239	14	593	3,738	-48,453
Processing of net result 2022	0	817	0	6,023	0	340	-649	6,532
Transfer of portfolio result to reserves		817						817
Transfer of result from joint ventures to reserves						340		340
Transfer of operating result to reserves							-649	-649
Transfer of changes in Fair Value of financial instruments				6,023				6,023
Other elements recognized in the comprehensive result								
Changes in Fair Value of properties								
Changes in Fair Value of financial assets and liabilities								
Other								
BALANCE SHEET 31 DECEMBER 2023	-	-51,742	-	5,784	14	933	3,090	-41,921

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NOTE 1. GENERAL COMPANY INFORMATION

QRF NV ("Qrf") is a regulated real estate company under Belgian law, with registered office at 9050 Ghent, Gaston Crommenlaan 8.

The consolidated financial statements of Qrf for the fiscal year ended December 31, 2023 include Qrf and its Perimeter Companies (the "Group"). The financial statements were approved for issue by the Board of Directors of the Sole Director on April 9, 2024 and will be presented to the Annual General Meeting of Shareholders for approval on May 21, 2024.

Qrf focuses on inner-city leisure, hospitality and retail properties in Belgium and the Netherlands. As a real estate player, it focuses on investing in, (re)developing and leasing mainly inner-city stores located in the streets that are dominant for their catchment area. Qrf strives for value retention through active portfolio management.

NOTE 2. ACCOUNTING POLICIES

N 2.1 GENERAL

The financial statements of Qrf are prepared in accordance with IFRS as approved within the European Union and according to the provisions of the RREC law and the Royal Decree of July 13, 2014.

These standards include all new and revised standards and interpretations published by the *International Accounting Standards Board (IASB)* and the *International Financial Reporting Interpretations Committee (IFRIC)* and adopted by the European Union (EU), as applicable to Qrf's activities.

N 2.2 NEW AND AMENDED STANDARDS AND INTERPRETATIONS APPLIED BY THE GROUP

During the current fiscal year, the Group has applied all new and revised Standards and Interpretations issued by the *International Accounting Standards Board (IASB)* and the *International Financial Reporting Interpretations Committee (IFRIC)* of the IASB that are relevant to its operations and effective for Qrf's fiscal year beginning January 1, 2023.

The following standards and amendments to standards are mandatory for the first time for the fiscal year starting January 1, 2023 and have been endorsed by the EU:

- » amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosures about Accounting Policies. These include minor adjustments to improve disclosures related to accounting policies to provide more useful information to investors and other primary users of financial statements;
- » Amendments to IAS 8 Accounting policies, changes in estimates and errors: definition of estimates. These clarify how companies should distinguish changes in accounting policies from changes in estimates. The distinction is important because changes in estimates are only applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally also applied retrospectively to past transactions and other past events;
- » Amendments to IAS 12 Income taxes: deferred taxes relating to assets and liabilities arising from a single transaction. These clarify how companies should account for deferred taxes on transactions such as leases and decommissioning liabilities. IAS 12 Income Taxes specifies how a company accounts for income taxes, including deferred taxes. Under certain conditions, companies are exempt from recognizing deferred taxes when they first recognize assets or liabilities. Previously, there was some uncertainty about whether this exemption applied to transactions such as leases and decommissioning liabilities, transactions in which companies recognize both an asset and a liability. The adjustments clarify that the exemption does not apply and that companies must recognize deferred taxes on such transactions. The purpose of the adjustments is to reduce diversity in reporting of deferred taxes on lease and decommissioning liabilities.

N 2.3 STANDARDS AND INTERPRETATIONS PUBLISHED BUT NOT YET APPLICABLE FOR FISCAL YEAR STARTING JAN. 1, 2023

The Group has elected not to early adopt the following new Standards, Interpretations and Amendments approved for application by the European Union but not yet mandatorily applicable for the fiscal year beginning January 1, 2023:

- » amendments to IAS 1, "Presentation of financial statements: classification of liabilities as current or non-current" (effective Jan. 1, 2024);
- » amendments to IAS 1, "IAS 1 Presentation of Financial Statements: Long-Term Debt with Covenants" (effective Jan. 1, 2024);
- » Amendments to IFRS 16 Leases: Lease obligation in a "Sale-and-Leaseback" (effective Jan. 1, 2024).

The following new standards, amendments and interpretations to standards have been published but are not yet mandatory for the first time for the fiscal year starting January 1, 2023 and have not yet been endorsed by the EU:

- » Amendments to IAS 7 Cash Flow Statement and IFRS 7 Financial Instruments: Disclosures: Financing Agreements with Suppliers (effective Jan. 1, 2024);
- » Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: lack of convertibility (effective Jan. 1, 2024).

The Group is currently determining the impact of the above standards.

N 2.4 BASIS FOR DRAFTING

Financial information is presented in thousands of euros, rounded to the nearest thousand.

Qrf also keeps its accounts in euros. Below is a summary of the main accounting policies.

The acquired businesses were not accounted for as business combinations as defined under IFRS 3 but as asset purchases, as Qrf acquired only the asset and the lease and then fully integrated them into the organization.

N 2.5 BASIS OF CONSOLIDATION

The consolidated financial statements include those of the Company and its subsidiaries as well as the shares in joint ventures to which the equity method is applied.

All balances, transactions, income and expenses within the Group have been eliminated.

Subsidiaries means the companies controlled by the Company.

The Group exercises control over an investee when it:

- » has power over participation;
- » is exposed to, or has rights to, variable returns from its involvement in the investee;
- » has the ability to use its power over the investee to influence the size of its revenues.

The Group must reassess whether it controls an investee if facts and circumstances indicate that there have been changes in one or more of the listed three elements of control.

The financial statements of the subsidiaries are included in the consolidated statements from the audit start date to the audit end date.

A joint venture is a contractual agreement under which the Group and one or more parties agree to carry out an economic activity under joint control. The joint venture agreement generally involves the creation of one or more separate entities that are jointly controlled.

Joint ventures are included in the consolidated financial statements using the equity method until the date the audit ends.

N 2.6 INVESTMENT PROPERTY

(i) General

Real estate held for the purpose of generating Rental Income or realizing long-term capital gains, and which is not for Qrf's own use, is recorded as an investment property.

(ii) Valuation at initial recognition

Initial recognition in the balance sheet is at acquisition cost, including additional transaction costs such as professional fees, legal services, registration and other transfer taxes and non-deductible VAT. Commission fees related to the purchases of buildings are considered as additional costs of those purchases and are added to the acquisition cost.

When the investment properties are acquired by contribution in kind of a property against the issuance of new shares, by merger by acquisition of a property company or by partial demerger, audit and assistance costs, reinvestment fees and hand-lighting costs of the acquired companies and other costs associated with the operation are considered part of the purchase price and are capitalized.

If the property is acquired via a share transaction, the acquisition price also includes the exit tax (see also Note 21), payable by companies over which Qrf acquires direct or indirect control, (it is in principle deducted from the value of the underlying property since it is a tax on the deferred capital gain that existed on the part of the acquired company prior to the acquisition of control), unless these companies do not qualify for merger with Qrf (at the decision of Qrf's Sole Director).

In application of IFRS 16, which introduces a model for lease accounting by lessees, Qrf recognizes an investment property type asset that represents the right of use in respect of long-term leases. The related asset is initially recognized at cost and is periodically revalued at Fair Value, in the same manner as other investment properties of the Company.

(iii) Valuation after initial recognition

After initial recognition, investment properties are valued by the Real Estate Expert.

At the end of each quarter, the Real Estate Expert accurately values the following constituents:

» the immovable property, the immovable property by destination and the rights in rem on immovable property held by Qrf or, if applicable, by a real estate company controlled by it.

The Fair Value is determined in 2 stages.

As a first step, the experts determine the Investment Value of each property based on the capitalization of estimated rental values (ERV or *Estimated Rental Value*) adjusted for adjustments that take into account the rent effectively paid and/or any other element that affects the value such as, for example, vacancy costs.

To determine this market rental value, the experts base themselves on their knowledge of the real estate market and on recent transactions realized in the market. This takes into account the location, qualities and accessibility of the building and local market conditions, among other factors.

A *yield* or capitalization rate is then determined which an investor or hypothetical buyer would pay to acquire the property for the purpose of enjoying rental income and a return on his investment.

In a second step, the experts deduct from the investment value of the property portfolio an estimated amount for transfer taxes (registration taxes and/or capital gains taxes) that the buyer or seller must pay in order to effect a transfer of ownership. The investment value minus the estimated transfer taxes constitutes the Fair Value within the meaning of IFRS 13.

In Belgium, the transfer is subject to transfer taxes. The amount of these taxes depends on the transfer method, the capacity of the purchaser and the geographical location of the property. The first two elements, and therefore the total amount of taxes to be paid, are therefore only known once the transfer of ownership has been completed.

The range of property transfer options and their corresponding fees are as follows:

- » sales contract for real estate: 12.5% for property located in the Brussels Capital Region and in the Walloon Region, 12% for property located in the Flemish Region;
- » ground leases for real estate (up to 50 years for building rights and 99 years for ground leases): 2%;
- » sales contracts for real estate where the buyer is a body of public law: exemption from duties;
- » contribution in kind of immovable property against issuance of new shares for the benefit of the contributor: duty-free;
- » sales contract for shares of a real estate company: absence of rights;
- » merger, division and other reorganizations of companies: absence of rights; etc.

As a result, the effective percentage of registration fees varies from 0 to 12.5%, whereby it is impossible to predict what percentage will apply in the case of the transfer of a given Belgian property before the transfer actually took place. In January 2006, all experts involved in the valuation of Belgian real estate portfolios were asked to determine a weighted average percentage of effective taxes for the real estate portfolios of real estate investment trusts. For transactions of properties with a value of more than MEUR 2.5, a weighted average transaction tax of 2.5% was determined. For transactions of properties whose value is less than MEUR 2.5, transfer taxes ranging from 12% to 12.5% are taken into account according to the region in which the properties are located. In 2016, in collaboration between the experts and the BE-REIT Association, an update was made supporting the 2006 findings.³

For buildings located outside Belgium, the independent real estate experts take into account the theoretical local transfer taxes.

In the Netherlands, transfer taxes have been 10.4% for all real estate since January 1, 2023.

³ See BE-REIT Association press release dated Nov. 10, 2016 "Confirmation of the rate used for the fair value calculation of properties of BE-REITs."

Any gains or losses arising from changes in the fair value of an investment property are recognized in the income statement in the period in which they arise in the line item *"Changes in Fair Value of Investment Property"* and are allocated to the *"Reserve for the Balance of Changes in Fair Value of Property"* upon profit distribution.

(iv) Expenditures for works on investment properties

The expenditure on works on investment properties is charged to operating property income if the expenditure does not have a positive effect on the expected future economic benefits. They are capitalized if they increase the expected economic benefits accruing to the entity. There are four types of expenses:

- » costs of maintenance and repairs to roofing and parking lots: these are charged to the operating property result and included in the item *"technical costs"*; and
- » reinstatement costs: these costs relate to expenses following the departure of a tenant. These costs are charged to the operating property result in the item *"costs incurred by the tenant and borne by the owner on rental damage and reinstatement"*; and
- » costs for major renovations and improvement works: renovations are occasional works that add a function to the building or significantly improve the existing comfort level so that they entail an increase in rent and/or rental value. These costs are capitalized and thus added to the Fair Value of investment properties. The costs relate to materials, fees, contracting work and the like. Internal management or follow-up costs are not capitalized. The works still to be performed are deducted from the valuation by the Real Estate Expert, after execution these costs are capitalized and thus added to the Fair Value of the investment properties; and
- » rental benefits: these are concessions to the tenant in terms of furnishing works. These costs are spread over the period from the start of the lease until the first opportunity to terminate the lease, and are deducted from the rental income.

(v) Disposal of an investment property

Realized gains or losses on the sale of an investment property appear in the income statement for the reporting period under the item *"Result on sales of investment property."* Since the property has been sold, the *"Reserve for the balance of variations in the Fair Value of property"* relating to the property sold is transferred to available reserves.

Commissions paid on sales of properties, transaction costs and liabilities incurred as a result of transactions are deducted from the sales price obtained to determine the realized gain or loss.

N 2.7 PROJECT DEVELOPMENTS

Project developments include land and buildings under development so that for a certain period of time they only require investment and do not generate rental income.

Properties constructed or developed for future use as investment property are included in the sub-heading *"Development projects"* and measured at their Fair Value in accordance with IAS 40 until development is complete. At that time, the assets are transferred to the sub-heading *"Properties available for lease"*, always at Fair Value.

After initial recognition, the projects are valued at Fair Value if all of the following criteria are met: (i) the project costs to be incurred can be reliably estimated, (ii) all necessary permits to carry out the project development have been obtained and (iii) a substantial part of the project development has been pre-let (final signed lease). This Fair Value valuation is based on the valuation by the Real Estate Expert (according to the usual methods and assumptions) and takes into account the costs yet to be incurred for the full completion of the project.

All costs directly related to the acquisition or development and all subsequent investments recognized as transaction costs (costs of new and/or remodeling work, including the acquisition value of the land and site preparation) are recorded on the balance sheet. Internal management or succession costs may be partially capitalized.

If the duration of the project exceeds one year, interest expenses directly attributable to the project development are also capitalized as part of the cost of the project development.

Capitalization of borrowing costs as part of the cost of a qualifying asset occurs only if:

- » expenses are incurred for the asset;
- » financing costs are incurred; and
- » activities are underway to actively prepare it for its intended use.

Capitalization of borrowing costs is suspended during long periods when active development is interrupted.

"Project developments" is a sub-heading of *"Investment properties"* and is included in the calculation of the Fair Value of the real estate portfolio in operation.

N 2.8 OTHER TANGIBLE ASSETS

Property, plant and equipment, other than investment properties, are classified as *"other property, plant and equipment"* and are stated at acquisition cost less accumulated depreciation and amortization. The straight-line depreciation method is applied based on the expected useful life.

In the fiscal year in which the investment occurs, depreciation is recorded *pro rata* the number of months the asset was in use.

The following annualized depreciation rates apply:

- » Plant, machinery and equipment: 20%
- » Furniture: 10%
- » Rolling stock: 20%
- » Computer equipment: 33%

N 2.9 LONG-TERM TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS

(i) Long-term loans and receivables

Long-term receivables are measured at amortized cost using the effective interest method. A write-down is recorded if there is uncertainty regarding the collectability of the receivable at maturity.

(ii) Impairment of financial assets

Standard lease agreements stipulate that rent must be paid in advance and tenants' creditworthiness is checked before a new lease is signed. Credit risk is mitigated by bank guarantees and rental guarantees received. Qrf monitors creditworthiness for each tenant and determines the expected loss for receivables based on the number of days outstanding after maturity and the tenant's creditworthiness.

N 2.10 NON-CURRENT ASSETS OR GROUPS OF ASSETS HELD FOR SALE

Non-current assets whose carrying amount will be recovered primarily through the sale of the goods and not through further leasing are considered as held for sale. These assets are measured at Fair Value in accordance with IAS 40, this when there is an agreement on the terms of sale.

N 2.11 DERIVATIVE FINANCIAL INSTRUMENTS

Qrf may use derivative products or financial interest rate derivatives (such as *Interest Rate Swaps, among others*) to hedge against interest rate risks arising from operating, financial and investing activities. Derivative financial products are initially recognized at their cost and are remeasured to their Fair Value at the subsequent reporting date.

After initial recognition, financial interest rate derivatives are measured at Fair Value in the financial statements. Gains or losses arising from changes in the Fair Values of financial interest rate derivatives are recognized immediately in the income statement, unless a derivative meets the conditions for *hedge accounting*.

The Fair Value of the financial interest rate derivatives is the amount that Qrf expects to receive or pay if the financial interest rate derivative is terminated at the balance sheet date taking into account the prevailing interest rate and the credit risk of the relevant counterparty.

If a financial interest rate derivative can be documented as an effective *hedge* of the potential variability of cash flows attributable to a particular risk associated with an asset or liability or a highly probable forecast transaction, the portion of the result arising from the change in value of the financial interest rate derivative that is determined to be an effective *hedge* is recognized immediately in the other comprehensive income (equity) under "*Variation in the effective portion of the Fair Value of authorized hedging instruments in a cash flow hedge as defined in IFRS.*" The ineffective portion of the financial interest rate derivative is recognized in the income statement.

When a hedging instrument matures or is sold, or when a hedge no longer meets the criteria of hedge accounting, the accumulated gains and losses are initially retained in equity. They are not recognized in the income statement until the commitment or hedged cash flows are recognized in the income statement.

If the hedged cash flows are no longer expected, the accumulated gains or losses are immediately transferred from equity to the income statement.

N 2.12 CURRENT ASSETS

Receivables due within one year are valued at their nominal value, less write-downs for doubtful or uncollectible receivables.

Cash and cash equivalents (bank accounts, cash and short-term investments) are valued at amortized cost. Ancillary costs are recognized immediately in the income statement.

N 2.13 EQUITY

Capital includes the cash acquired on incorporation, merger or capital increase. External costs directly attributable to the issuance of new shares are deducted from equity.

Dividends are part of retained earnings until the General Meeting of Shareholders awards the dividends. Thereafter, these dividends are recorded as a liability.

N 2.14 FACILITIES

A provision is recognized when:

- » Qrf has an existing – legally enforceable or de facto – obligation as a result of a past event;
- » it is probable that an outflow of resources will be required to settle the obligation; and
- » the amount of the liability can be reliably estimated.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation.

N 2.15 OBLIGATIONS

Trade payables are expressed at their nominal value at the balance sheet date.

Interest-bearing loans and borrowings are recognized initially at Fair Value less directly attributable costs. Subsequently, interest-bearing loans and borrowings are stated at amortized cost with any difference between this and the redemption value being recognized in the income statement over the period of the loan using the effective interest method.

In accordance with IFRS 16, which introduces a model for lease accounting by lessees, the Company recognizes a lease liability that reflects its obligation to pay rent. Lease obligations are initially recognized at their present value and are subsequently increased by the amount of related interest expense and reduced, taking into account payments made.

N 2.16 REAL ESTATE RESULT

Net rental income includes rents and other income related thereto less rental-related expenses such as rent payable on leased assets, rental benefits and write-downs on trade receivables.

Rental benefits include temporary rental discounts or rent-free periods in favor of the tenant, as well as possible intervention by Qrf in the tenant's furnishing works.

The recovery of property costs includes revenues obtained from the pass-through of costs and compensation for rental damage.

Rental charges and taxes on leased buildings and the recovery of these charges represent costs that are contractually or customarily borne by the tenant or lessee. The owner will or will not charge these costs to the lessee in accordance with the contractual arrangements with the lessee.

The Group recognizes rental payments received under operating rent as income on a straight-line basis over the lease term.

Termination fees paid by tenants for early termination of a lease are recognized in full as income in the year in which the fee is received.

N 2.17 PROPERTY COSTS

Property expenses are measured at the Fair Value of the consideration paid or due.

Technical costs include structural and occasional maintenance and losses from claims covered by insurance companies. Commercial costs include brokerage commissions. Property management costs mainly include: (i) the costs of personnel responsible for this activity, (ii) the operating costs of Qrf's headquarters and (iii) the fees paid to third parties. The management fees received from tenants or third parties that partially cover the property management costs are deducted.

N 2.18 GENERAL COSTS OF QRF AND OTHER OPERATING INCOME AND EXPENSES

The general costs of Qrf cover the fixed operating costs of Qrf which operates as a legal listed company and enjoys the RREC status. These costs are incurred to provide transparent financial information, to be economically comparable with other types of investments and to offer investors the opportunity to participate indirectly in a diversified real estate investment in a liquid manner. Some of the costs incurred as part of Qrf's strategic growth also fall into this category.

N 2.19 FINANCIAL RESULT

The financial result consists of interest expenses on loans, bank charges and additional financing costs such as the variations of value in financial assets and liabilities, less investment income.

N 2.20 CORPORATE TAX

This heading includes the current tax charge on income for the year and deferred taxes. Current tax is recorded directly in the income statement, except where the tax relates to items recorded directly in shareholders' equity. In this case, the tax is also recognized directly in equity. The current tax charge consists of the expected tax on the taxable income for the year and adjustments to previous financial years. Corporate income tax in the Netherlands was adjusted slightly for tax year 2024. The first corporate tax rate bracket was changed from KEUR 395 to KEUR 200, the 15% rate on the first bracket increases to 19%. The rate on the second bracket remains unchanged 25.8%.

Deferred tax assets and liabilities are recognized using the balance sheet liability method for all temporary differences between the tax base and the carrying amount and this for both assets and liabilities. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profit will be available against which the temporary differences can be utilized.

N 2.21 EXIT TAX

(i) General

The exit tax is the corporate income tax on exempted reserves and capital gains established upon recognition as an (I)RREC or CFPF and corporate restructuring operations (i.e. mergers, demergers or similar transactions) where an (I)RREC or CFPF acquires a Belgian company that is not an (I)RREC or CFPF.

The Law of August 3, 2016 provided, with effect from July 1, 2016, that (i) the contribution by a company of a branch of activity or universality within the meaning of Article 46, § 1, second paragraph of the ITC to a RREC, and (ii) the contribution of a property by a company to a RREC exclusively remunerated with new shares, are also subject to the exit tax.

When a company that will apply for (I)RREC or CFPF status or that will be acquired through corporate restructuring is first included in the group's consolidation scope, the exit tax is deducted from the equity of this company. If the company is not immediately merged with the RREC, adjustments to the exit tax liabilities, which would prove necessary at the time of the merger in relation to the projected amount, are recorded through the income statement.

(ii) Percentage of exit tax

As of assessment year 2021, associated with a taxable period starting at the earliest on January 1, 2020, the exit tax rate was increased to 15% and the additional crisis contribution will be abolished. The exit tax payable will thus be calculated at 15%.

(iii) Basis for calculating exit tax

The exit tax applies to mergers, demergers and transactions equivalent to mergers or demergers in which Qrf participates as a RREC. Such transactions are expressly excluded from tax neutrality. Both the recognition as (I)RREC or CFPF of a real estate subsidiary of Qrf, and the aforementioned transactions in which Qrf would participate as RREC, are equated, from a tax point of view, with a dissolution and liquidation of the real estate company or companies involved.

For the purpose of calculating the exit tax, the actual value of the share capital of Qrf or the real estate company or companies concerned on the date of recognition or of the transaction in question shall be assimilated to a *"sum distributed upon distribution of share capital"*. The positive difference between, on the one hand, the sum distributed by legal fiction and, on the other hand, the revalued value of the paid-up capital is regarded as a dividend. In the case of a transaction assimilated to a demerger in which Qrf would participate as RREC, the rules on liquidation and dissolution shall apply only to the demerged assets of the real estate company or companies involved therein.

Where Qrf participates in a merger, demerger or a transaction assimilated to a merger or demerger, the exit tax is calculated on the latent capital gains and exempt reserves of the real estate company making the contribution by merger, demerger or an assimilated transaction. In the case of recognition as (I)RREC or CFPF, the exit tax is applied to the latent capital gains and exempt reserves of the real estate company concerned on the date of recognition. The unrealized capital gains are calculated as the positive difference between the actual value for tax purposes of the (demerged) real estate assets of the real estate company concerned, on the one hand, and the acquisition value of these real estate assets less the depreciation and write-downs previously assumed for tax purposes, on the other.

The exit tax is calculated taking into account Circular Ci.RH.423/567.729 of the Belgian Tax Administration dated December 23, 2004, the interpretation or practical application of which could always change. The "fiscal actual value" as referred to in this Circular is calculated by Qrf with deduction of registration duties or VAT (which would be applicable in case of a sale of the assets) (the "Cost of Buyer Value") and may differ from (including be lower than) the Fair Value of the property as included in the balance sheet of the RREC in accordance with IAS 40.

(iv) Payment of exit tax

In the case of a merger, demerger or a transaction assimilated to a merger or demerger in which Qrf participates as a RREC, a contribution of a branch of activity or universality within the meaning of Article 46, § 1, second paragraph of the Income Tax Code 1992 to Qrf or a contribution of real estate to Qrf exclusively remunerated with new shares, the exit tax will be due by the real estate company making the contribution to Qrf. In the case of a contribution to Qrf through a merger, although the exit tax will de facto be payable by Qrf as the acquiring company.

Upon recognition as an (I)RREC or CFPF, the exit tax is payable by the recognized company.

NOTE 3. ESTIMATES, ASSUMPTIONS AND MAIN SOURCES OF UNCERTAINTY

N 3.1 VALUATION OF INVESTMENT PROPERTIES

Investment properties are valued at Fair Value. This is the amount for which a property can be traded between knowledgeable, willing parties in an independent transaction. From the seller's point of view, it should be understood net of transfer taxes or registration fees.

The estimated amount of transfer taxes for real estate located in Belgium was set at a flat rate of 2.5% for investment properties with a value greater than MEUR 2.5. For transactions with an overall value lower than MEUR 2.5, transfer taxes ranging from 12% to 12.5% must be taken into account, depending on the region where the properties are located.

For the buildings located outside Belgium, the independent real estate experts take into account the theoretical local transfer taxes.

In the Netherlands, the transfer tax rate has been 10.4% for all real estate since Jan. 1, 2023.

Even though the valuation of real estate is done based on standard standards, there is a certain subjectivity involved in the Real Estate Expert's estimation of real estate when he writes his real estate valuation report. Consequently, any valuation involves a certain uncertainty.

It is possible that the Real Estate Expert's reports, the key findings and conclusions of which are included in this Annual Report, are based on assumptions that would subsequently be proven wrong or unadjusted. As a result, the Fair Value could differ from the value that Qrf could realize upon the sale of the property.

Accordingly, possible differences between independent valuations and the Fair Value of the properties belonging to Qrf's property portfolio may have a material adverse effect on Qrf's business, financial condition and/or results of operations, as well as, consequently, on the returns effectively generated.

When a new real estate expert is appointed, there is also a risk that he or she may value Qrf's real estate portfolio on a different basis, which may result in significant deviations from the valuation of the real estate portfolio by the current Real Estate Expert. Consequently, such differences in valuation may have a material adverse effect on Qrf's business, financial condition and/or results of operations, as well as, consequently, on the returns effectively generated.

N 3.2 VALUATION OF HEDGING INSTRUMENTS

The Fair Value of hedging instruments is the estimated amount of fees that Qrf is required to pay or receive to settle its positions at the balance sheet date, taking into account the then prevailing yield curve, creditworthiness of the counterparties and any option value.

The Fair Value of hedging instruments is estimated quarterly by the issuing financial institution. An overview is located in "Note 12 Financial Fixed Assets" in the Financial Report.

NOTE 4. SEGMENT INFORMATION

FIGURES IN THOUSANDS OF EUR	31/12/2023		Non-attributed amounts	TOTAL
	BELGIUM	NETHERLANDS		
NET RENTAL INCOME	12,810	1,354	0	14,164
RECOVERY PROPERTY CHARGES	25	-86	0	-61
PROPERTY RESULT	12,835	1,268	0	14,103
PROPERTY CHARGES	-531	-51	0	-582
OPERATING PROPERTY RESULT	12,304	1,217	0	13,521
(-) General company expenses	0	0	-1,992	-1,992
(+/-) Other operating income and charges	0	0	0	0
OPERATING RESULT BEFORE THE RESULT ON THE PORTFOLIO	12,304	1,217	-1,992	11,529
(+/-) Result on disposals of investment properties	216	0	0	216
(+/-) Changes in Fair Value of investment properties	-8,610	-944	0	-9,554
OPERATING RESULT	3,910	273	-1,992	2,191
FINANCIAL RESULT	0	0	-7,833	-7,833
Share of equity accounted investees	4,681	0	0	4,681
RESULT BEFORE TAXES	8,591	273	-9,825	-961
TAXES	-22	-1,473	0	-1,495
NET RESULT	8,569	-1,200	-9,825	-2,455
MINORITY INTERESTS	0	0	0	0
NET RESULT – GROUP SHARE	8,569	-1,200	-9,825	-2,455

FIGURES IN THOUSANDS OF EUR	31/12/2023		Non-attributed amounts	TOTAL
	BELGIUM	NETHERLANDS		
ASSETS				
Investment properties	198,106	20,250	0	218,356
Other assets	29,292	0	5,046	34,338
TOTAL ASSETS	227,398	20,250	5,046	252,694
LIABILITIES				
EQUITY	0	0	118,899	118,899
Group equity	0	0	118,899	118,899
Minority interests	0	0	0	0
LIABILITIES	0	0	133,795	133,795
TOTAL EQUITY AND LIABILITIES	0	0	252,694	252,694

	31/12/2022			
FIGURES IN THOUSANDS OF EUR	BELGIUM	NETHERLANDS	Non-attributed amounts	TOTAL
NET RENTAL INCOME	11,060	1,470	0	12,530
RECOVERY PROPERTY CHARGES	-32	-82	0	-114
PROPERTY RESULT	11,028	1,388	0	12,416
PROPERTY CHARGES	-658	-65	0	-723
OPERATING PROPERTY RESULT	10,370	1,323	0	11,693
(-) General company expenses	0	0	-1,962	-1,962
(+/-) Other operating income and charges	0	0	0	0
OPERATING RESULT BEFORE THE RESULT ON THE PORTFOLIO	10,370	1,323	-1,962	9,731
(+/-) Result on disposals of investment properties	222	0	0	222
(+/-) Changes in Fair Value of investment properties	-563	-971	0	-1,534
OPERATING RESULT	10,029	352	-1,962	8,419
FINANCIAL RESULT	0	0	3,876	3,876
Share of equity accounted investees	340	0	0	340
RESULT BEFORE TAXES	10,369	352	1,914	12,635
TAXES	-62	24	0	-38
NET RESULT	10,307	376	1,914	12,598
MINORITY INTERESTS	0	0	0	0
NET RESULT – GROUP SHARE	10,307	376	1,914	12,598
FIGURES IN THOUSANDS OF EUR	BELGIUM	NETHERLANDS	Non-attributed amounts	TOTAL
ASSETS				
Investment properties	212,134	21,120	0	233,254
Other assets	24,485	0	11,263	35,748
TOTAL ASSETS	236,619	21,120	11,263	269,002
LIABILITIES				
EQUITY	0	0	125,380	125,380
Group equity	0	0	125,380	125,380
Minority interests	0	0	0	0
LIABILITIES	0	0	143,622	143,622
TOTAL EQUITY AND LIABILITIES	0	0	269,002	269,002

The Sole Director's Board is the decision-making body and the body that measures the performance of the various segments. The Board of Directors reviews results at the geographic level.

NOTE 5. REAL ESTATE RESULT

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
(+) I. Rental income	13,962	12,331
- Rent	13,962	12,331
- Guaranteed income	0	0
II. Writeback of leased payments sold and discounted	0	0
(+/-) III. Rental related expenses	202	199
- Write-downs on trade receivables	-161	-808
- Reversals of write-downs on trade receivables	363	1,007
NET RENTAL INCOME	14,164	12,530
IV. Recovery of property charges	0	0
(+) V. Recovery of rental charges and taxes normally paid by tenants on let properties	1,104	877
- Rebilling of rental charges borne by the owner	244	143
- Rebilling of advance levies and taxes on let properties	860	734
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	-1,165	-991
- Rental charges borne by the owner	-302	-277
- Advance levies and charges on let properties	-863	-714
VIII. Other rental related income and expenses	0	0
PROPERTY RESULT	14,103	12,416

The **Net rental result** amounts to MEUR 14.16, an increase of 13.04% or MEUR 1.63 compared to 2022 (MEUR 12.53 in 2022). This increase is due to the investment in Korenmarkt 1, Ghent at the end of 2022 (MEUR +1.74) and to the indexations of current leases (MEUR +0.75); partially offset by the negative impact of renegotiated contracts (MEUR -0.40), disinvestments realized (MEUR -0.35) and vacancy (MEUR -0.11).

In line with the evolution in the net rental result, the property result increases by 13.59% to MEUR 14.10.

The present value of the future Rental Income up to the first expiry date of the rental agreements has the following collection terms:

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
OVERVIEW OF THE CONTRACTUAL RENT TO INITIAL MATURITY		
Within a year	12,725	12,776
Between one and two years	9,227	9,218
Between two and three years	4,622	4,385
Between three and four years	1,965	1,972
Between four and five years	1,833	1,878
More than five years	14,752	15,921
TOTAL	45,124	46,149

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

In the Netherlands, most Qrf commercial leases are for a period of 5 years, which may contractually grant an option to renew for a period of 5 or 10 years on the part of the lessee, with a termination option on the part of the lessee at the end of the first period, as well as at the end of each subsequent period provided that it is followed by a subsequent option to renew on the part of the lessee.

Contractual rental income over five years is the contractual rent for the State Archives in Bruges, this contract expires in 2037.

To ensure compliance with the obligations imposed on the tenant under the agreement, the tenant, both in Belgium and in the Netherlands, must in principle provide a rental deposit, usually in the form of a bank guarantee worth three to six months' rent. A group guarantee is also obtained for certain tenants.

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

The Company had three variable lease contracts in 2023 based on the turnover achieved by its tenants, these rental income are recognized in the profit and loss account in the period to which they relate. Rental income based on variable rental contracts amounted to MEUR 0.8 in 2023.

At the beginning of the contract, a site description is in principle drawn up between the parties by an independent expert. At the expiry of the agreement, the tenant must return the premises rented by him in the condition described in the inventory at the time of entry, subject to normal wear and tear. The tenant cannot assign the lease or sublet all or part of the premises except with the prior written consent of the landlord. The tenant has the obligation to register the agreement at his expense.

NOTE 6. PROPERTY CHARGES

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
(-) IX. Technical costs	-193	-247
- Recurrent technical costs	-193	-247
- Repairs	-138	-198
- Insurance premiums	-55	-49
- Non-Recurrent technical costs	0	0
- Major repairs (contractors, architects, engineering office, etc.)	0	0
- Claims	0	0
(-) X. Commercial costs	-60	-180
- Brokerage commissions	-34	-147
- Publicity	0	0
- Lawyers' fees and legal costs	-26	-33
(-) XI. Charges and taxes on unlet properties	-78	-85
(-) XII. Property management costs	-251	-211
- External property management fees	-38	-50
- Internal property management costs of the property portfolio	-213	-161
XIII. Other property charges	0	0
PROPERTY CHARGES	-582	-723

The decrease in Property charges is mainly due to a decrease in Commercial costs, this is due to the brokerage commissions related to the lease of Ghent, Veldstraat 88 (KEUR 124) from 2022. The decrease in Technical costs is explained by lower repairs to properties during 2023 and a one-time settlement of past costs in 2022 (KEUR 30). The increase in Property Management Costs is mainly explained by the hiring of an Asset Manager during 2023, on the one hand, and the elimination of exceptional costs of a temporary agency worker in 2022, on the other.

NOTE 7. GENERAL EXPENSES

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
(-) XIV. General company expenses	-1,992	-1,962
- General office costs	-106	-102
- Remuneration management	-646	-552
- Remuneration of the Board of Directors and committees	-86	-76
- Remuneration Sole Director	-346	-295
- Employee costs	-198	-278
- Specific fund costs	-187	-166
- External services (attorneys' fees, audit, real estate experts,...)	-242	-308
- Other general company expenses	-181	-185
GENERAL COMPANY EXPENSES	-1,992	-1,962

General expenses in 2023 amount to MEUR 1.99 (compared to MEUR 1.96 in 2022). The increase of KEUR 30 is due, on the one hand, to an increase in management remuneration (KEUR +94) and the additional remuneration of the Sole Director (KEUR +50), the result of the increase in the operating result. On the other hand, we know a decrease in costs for service providers (KEUR -66), these are the fees for lawyers, costs of the (internal) audit and real estate experts. We also know a decrease in personnel costs (KEUR -80), this mainly due to the activation of costs on the redevelopment projects.

NOTE 8. PORTFOLIO RESULT

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
(+/-) XVI. Result on disposals of investment properties	216	222
- Net sales of properties (selling price – transaction costs)	7,016	2,182
- Asset value of the sold properties	-6,800	-1,960
(+/-) XVII. Result on disposals of other non-financial assets	0	0
(+/-) XVIII. Changes in Fair Value of investment properties	-9,553	-1,534
- Positive changes in Fair Value of investment properties	2,964	6,059
- Negative changes in Fair Value of investment properties	-12,517	-7,593
XIX. Other portfolio result	0	0
PORTFOLIO RESULT	-9,337	-1,312

The portfolio result in 2023 is MEUR -9.34 (compared to MEUR -1.31 in 2022) and consists of

- » realized a positive **result on the sale of investment properties** in the amount of MEUR 0.22 on the sale of the property located in Dendermonde, Oude Vest 19-37, the property in Namur, Rue de Fer 10, the property in Liège, Rue de la Cathédrale 87-93 and the retail park in Boncelles, Route du Condroz 42-44 held as Assets held for sale;
- » negative **variations in the Fair Value of investment properties** in the amount of MEUR 7.78. These negative variations are due to a negative evolution of the Fair Value of the existing portfolio in Belgium (MEUR -6.91) and a negative evolution of the Fair Value of the existing portfolio in the Netherlands (MEUR -0.87); and finally
- » the write-down of capitalized costs incurred in support of the various investment properties (MEUR -1.78), these activations mainly relate to the property in Huy (MEUR 0.55) and the Korenmarkt in Ghent (MEUR 0.69⁴). The capitalized costs incurred in support of the redevelopment project in Veldstraat 88, Ghent are charged to the estimate of the Real Estate Expert.

4 Including adjustments to the lease agreement in the context of IFRS16 (0.4 MEUR)

NOTE 9. FINANCIAL RESULT

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
(+) XX. Financial result	0	9
- Net gains realised on the sale of shares of real estate companies	0	0
- Other	0	9
(-) XXI. Net interest charges	-3,667	-1,992
- Nominal interest charges on loans	-5,391	-1,756
- Costs of permitted hedging instruments	1,724	-237
(-) XXII. Other financial charges	-101	-164
- Bank charges and other commissions	-101	-164
(+/-) XXIII. Changes in Fair Value of financial assets and liabilities	-4,065	6,023
- Authorized hedging instruments	-4,065	6,023
- Authorized hedging instruments subject to hedge accounting as defined IFRS	0	0
- Authorized hedging instruments not subject to hedge accounting as defined IFRS	-4,065	6,023
FINANCIAL RESULT	-7,833	3,876

Qrf is exposed to increases in financial costs that may be caused by a rise in interest rates. To mitigate this risk, Qrf has partially converted floating interest rates into fixed interest rates through *Interest Rate Swaps* entered into with various financial institutions. 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* may become sharply negative, with the result that the cost would increase to cancel these contracts. The Average Borrowing Cost in 2023 is 2.78% (up from 1.75% in 2022), including the credit margin and interest expense resulting from *Interest Rate Swaps*.

The financial result amounts to MEUR -7.83 in 2023 (compared to MEUR 3.88 in 2022). The variation in the Fair Value of the permitted hedging instruments amounts to MEUR -4.07 (compared to MEUR +6.02 in 2022). The net interest costs amount to MEUR 3.67 (compared to MEUR 1.99 in 2022). The increase in net interest costs is partly explained by the purchase of Korenmarkt 1, Ghent at the end of 2022. This purchase amounting to MEUR 21.0 was fully financed by drawing down the existing credit lines and was fully hedged at the end of November 2022 for a period of 10 years by purchasing an Interest Rate Swap at 2.79%. The financing cost for this purchase, including margin for the lender, is therefore 4.02%. Furthermore, the net interest costs also increase due to the application of IFRS 16 to a right of use linked to the building at Korenmarkt 1, Ghent.

NOTE 10. INVESTMENT PROPERTY

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
C. INVESTMENT PROPERTIES		
Balance at the beginning of the financial year	233,254	208,060
Acquisition by purchase or contribution of investment companies ⁵	0	25,938
Acquisition by purchase or contribution of investment properties	0	0
Other elements recognized in the result	0	0
Book value of sold investment properties	-6,800	-1,960
Transfer to assets held for sale	-5,730	0
Capitalized expenditures (Capex)	7,188	2,751
Change in Fair Value of investment properties	-9,556	-1,535
Balance at the end of the financial year	218,356	233,254

⁵ Including right of use in accordance with IFRS16.

During 2023, binding sale agreements were concluded for four sites for net proceeds of MEUR 12.79, with a capital gain of MEUR 0.22 on the most recent Fair Value.

» The property located at Oude Vest 19-37 in Dendermonde, consisting of 8 commercial units, was sold for MEUR 3.24. Furthermore, the property located at Rue de Fer 10 in Namur, consisting of one commercial unit, was sold for MEUR 2.80. The property located at Rue de la Cathédrale 87-93 in Liège, consisting of 4 commercial units, was sold for MEUR 0.75. The most total recent Fair Value of these sold properties was MEUR 6.80.

» Finally, during the last quarter, a binding sales agreement was concluded for the retail park located at Route du Condroz 42-44 in Bonnelles for net proceeds of MEUR 6.00. The property will be held as Assets held for sale at the end of 2023. The most recent Fair Value was MEUR 5.73.

The final sale of Dendermonde was completed during the second quarter, and the sales in Liège and Namur were completed in the third and fourth quarters of 2023, respectively.

During 2023, Qrf made no acquisitions.

COUNTRY	TOWN	STREET	TENANT(S)	TOTAL GROSS RENTAL AREA
BE	Dendermonde	Oude Vest 19-37	8 commercial tenants	1,758 m ²
BE	Namen	Rue de Fer 10	Atf Belgium SA	192 m ²
BE	Liège	Rue de la Cathédrale 87-93	1 commercial tenant and void	952 m ²
BE	Bonnelles	Route du Coudrez 42-44	4 commercial tenants	3,246 m ²

The capitalized expenses consist, on the one hand, of MEUR 5.41 Capex for the redevelopment in Ghent, Veldstraat 88 and, on the other hand, of MEUR 1.78 from capitalization of investments, mainly in Huy, Shopping Mosan (MEUR 0.55) and Ghent Korenmarkt (MEUR 0.69⁶). The variation in Fair Value of the investment properties is discussed in Note 8.

Investment properties are recorded at Fair Value in accordance with IFRS 13.

The valuations are based on the current lease condition of the buildings, including their contractual rent, their occupancy rates and the expected remaining term of the current leases. Based on their expertise, the Real Estate Experts determine market rental values for occupied and vacant surfaces. From this, management costs are deducted, as well as vacancy costs (calculated based on the estimated duration of vacancy) in order to take them into account in the valuation of investment properties.

The Real Value Hierarchy consists of three levels:

Level 1: Fair Value is determined based on published quotations in an active market;

Level 2: Valuation methods with parameters observable in the market;

Level 3: Valuation methods that involve inputs that are unobservable in the market that have a more than insignificant impact on the Fair Value of the instrument.

Investment properties fall under Level 3 in the Fair Value hierarchy. The valuation methods and key parameters are detailed in Note 2.6 of this annual report.

⁶ Including adjustments to the lease agreement in the context of IFRS16 (0.4 MEUR)

BELGIUM VS NETHERLANDS		31/12/2023		31/12/2022	
Non-observable parameters (Input on 31/12/2021)		Bandwidth	Weighted average	Bandwidth	Weighted average
ERV (in EUR/m ²) ⁷	BE	88 – 670 EUR /m ²	202 EUR /m ²	79 – 750 EUR/m ²	201 EUR/m ²
	NL	191 – 568 EUR /m ²	261 EUR /m ²	191 – 561 EUR /m ²	259 EUR/m ²
Long-term vacancy hypothesis	BE	0-100%	0.95%	0-100%	6.48%
	NL	0-100%	0.00%	0-100%	0.00%
Yield	BE	2.4% – 8.5%	5.65%	2.4% – 8.8%	5.57%
	NL	2.3% -12.9%	6.96%	2.2% – 12.4%	5.52%
Number of m ²	BE	114 – 12,013 m ²	5,572 m ²	114 – 12,013 m ²	5,406 m ²
	NL	629 – 1,041 m ²	875 m ²	629 – 1,041 m ²	874 m ²

The average *yield* applied by the real estate expert is 5.77% on 31/12/2023. The increase in interest rates during 2023 resulted in an increase in the yield used by the Property Expert. This resulted in an increase in the yield. A further increase in *yield* by 0.25% would result in a negative variation in the Fair Value of real estate of MEUR 9.04. A 2% decrease in the ERV would result in a negative variation in the Fair Value of the property of about MEUR 4.36.

NOTE 11. OTHER TANGIBLE FIXED ASSETS

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
D. OTHER TANGIBLE FIXED ASSETS		
Tangible fixed assets for own use at the beginning of the financial year	12	12
- Investments	11	8
- Depreciation	-5	-8
Tangible fixed assets for own use at the end of the financial year	18	12

NOTE 12. FINANCIAL ASSETS AND INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

N 12.1 PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES AND LOANS TO ASSOCIATES AND JOINT VENTURES

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
E. PARTICIPATIONS, LOANS AND RECEIVABLES IN JOINT VENTURES		
Loans and receivables	642	633
Participations in associated companies and joint ventures	23,242	18,561
TOTAL	23,884	19,194

Loans and receivables consist of receivables in respect of the joint venture companies Ardeno (MEUR 0.36) and Pelican (MEUR 0.26). These companies were created for the redevelopment of the Century Center in Antwerp.

Investments in associated companies and joint ventures mainly include the equity accounted investments in Ardeno and Pelican (formerly together Century Center Offices):

FIGURES IN THOUSANDS OF EUR		
Company	%	Waarde
Ardeno BV	30	17,259
Pelican BV	30	5,983

⁷ The wide bandwidth of the ERV can be explained mainly by the large differences in location of the retail properties as well as in area and conception of the buildings.

For the joint venture companies, control is exercised jointly between Qrf and the partner, Baltisse, and on the basis of a comprehensive key decision list. In 2023, for Ardeno, a share of the result was recognized in the income statement of MEUR 3.40 respectively, while for the participation in Pelican, a share of the result of MEUR 1.28 was recognized.

N 12.2 FINANCIAL ASSETS

Furthermore, the other financial fixed assets consist of the market value of the authorized hedging instruments, namely, as of December 31, 2023, it amounts to MEUR 2.10, of which MEUR 1.71 is long-term and MEUR 0.39 is short-term.

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
E. AUTHORIZED HEDGING INSTRUMENTS		
Authorized hedging instruments (long term)	1,710	4,801
Authorized hedging instruments (short term)	391	490
TOTAL	2,102	5,291

Below is a summary of the hedging instruments at December 31, 2023:

TYPE OF DEBT	START DATE	EXPIRATION DATE	FIXED INTEREST RATE	NOTIONAL AMOUNT	FAIR VALUE
Interest Rate Swap/Floor	26/06/2018	30/06/2025	0.758%	10,000,000	321,211
Interest Rate Swap	30/06/2023	30/06/2028	2.415%	10,000,000	-41,209
Interest Rate Swap	22/11/2022	22/11/2032	2.790%	21,000,000	-678,343
Interest Rate Swap	31/12/2024	31/12/2025	2.420%	10,000,000	-38,663
Interest Rate Swap/Floor	30/06/2017	28/06/2024	0.755%	10,000,000	149,934
Interest Rate Swap/Floor	30/06/2025	30/06/2027	0.098%	20,000,000	702,821
Interest Rate Swap/Floor	30/06/2023	30/06/2028	1.808%	10,000,000	218,650
Interest Rate Swap	30/06/2026	30/06/2028	2.698%	10,000,000	-118,025
Interest Rate Swap	02/01/2019	15/12/2024	0.560%	10,000,000	241,459
Interest Rate Swap	02/01/2019	15/12/2026	0.820%	10,000,000	467,516
TOTAL				121,000,000	1,225,351

NOTE 13. TRADE RECEIVABLES

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
D. TRADE RECEIVABLES		
Trade receivables	842	897
Invoices to be issued	307	231
Accrued income	0	40
Credit notes to be received	58	0
Prepayments	66	0
Doubtful debtors	240	548
Recorded impairments	-240	-548
TOTAL	1,273	1,168

FIGURES IN THOUSANDS OF EUR	31/12/2023		31/12/2022	
Ageing analysis of trade receivables (including invoices to be drawn, credit notes to be received and accrued income)	Total	Doubtful debtors	Total	Doubtful debtors
Not due and receivables < 60 days	1,267	12	1,102	8
Receivables 60 – 90 days	31	34	134	61
Receivables 90 – 120 days	35	35	135	135
Receivables > 120 days	180	159	345	344
TOTAL	1,513	240	1,716	548

Write-downs on trade receivables were recorded on an individual basis.

There is a risk of loss on a claim. The importance of this risk obviously depends on three factors: (1) the amount of the debt, (2) the probability of default, and (3) the portion of the debt to be recovered in the event of default. This risk is greatly reduced by generally being asked to pay rent in advance, usually at the beginning of the lease term (usually rent is paid monthly or quarterly in advance) as well as by monitoring debtors' creditworthiness. In addition, in most cases a rent deposit is set by the tenant.

The write-downs recorded consist, on the one hand, of general write-downs on receivables where Qrf assesses the probability of default to be significant (MEUR 0.23), on the other hand, of contingent discounts or write-downs on receivables related to the COVID-19 pandemic (MEUR 0.01). The significant reversal of write-downs is mainly due to the reversal of several COVID-19 pandemic-related discounts or write-downs on receivables.

NOTE 14. DEFERRED TAXES, TAX RECEIVABLES AND OTHER CURRENT ASSETS

N 14.1 DEFERRED TAXES

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
E. DEFERRED TAXES		
Deferred taxes	0	1,409
TOTAL	0	1,409

Deferred taxes consist of the deferred tax asset set up for the difference between the tax value and the value for IFRS purposes of the properties within Qrf Netherlands as of December 31, 2022. This deferred tax of KEUR 1,409 was fully reversed during 2023, as a result of the decision to sell the properties in the Netherlands.

N 14.2 TAX RECEIVABLES AND OTHER CURRENT ASSETS

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
E. TAX RECEIVABLES AND OTHER CURRENT ASSETS		
VAT	0	44
Other	165	171
TOTAL	165	215

NOTE 15. CASH AND CASH EQUIVALENTS

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
F. CASH AND CASH EQUIVALENTS		
Banks	473	1,728
Cash	0	0
TOTAL	473	1,728

There are no restrictions on the use or application of cash and cash equivalents. The cash and cash equivalents meet the conditions stated in IAS 7.

NOTE 16. ACCRUALS – ASSETS

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
G. DEFERRED CHARGES AND ACCRUED INCOME		
Rental income accrued and not due	190	23
Prepaid property charges	0	65
Other	179	166
TOTAL	369	254

Accrued income includes, on the one hand, proceeds obtained in connection with Interest Rate Swaps and, on the other hand, costs to be carried forward, mainly maintenance contracts.

NOTE 17. CAPITAL

FIGURES IN THOUSANDS OF EUR		Capital movement	Total out-standing 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 DECEMBER 31, 2013			76,089				3,272,911
BALANCE SHEET ON DECEMBER 31, 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 DECEMBER 31, 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 DECEMBER 31, 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 DECEMBER 31, 2017			131,724	1,496	-152		5,665,822

BALANCE SHEET ON DECEMBER 31, 2018			131,724	1,496	-152		5,665,822
Date	Transaction						
09/01/2019	Change in fractional value shares	-126,058	-126,058	126,058			5,665,822
30/01/2019	Capital increase by contribution in kind	1,488	1,488	22,313	-179	1,487,500	7,153,322
BALANCE SHEET ON DECEMBER 31, 2019			7,153	149,867	-331		7,153,322
BALANCE SHEET ON DECEMBER 31, 2020			7,153	149,867	-331		7,153,322
Date	Transaction						
11/06/2021	Capital increase (by optional dividend)	193	7,347	2,080	-62	193,354	7,346,676
BALANCE SHEET ON DECEMBER 31, 2021			7,347	151,948	-393		7,346,676
Date	Transaction						
10/06/2022	Capital increase (by optional dividend)	236	7,583	2,143	-45	236,061	7,582,737
BALANCE SHEET ON DECEMBER 31, 2022			7,583	154,091	-438		7,582,737
Date	Transaction						
9/06/2023	Capital increase (by optional dividend)	216	7,799	1,842	-18	216,149	7,798,886
BALANCE SHEET ON DECEMBER 31, 2023			7,799	155,933	-456		7,798,886

There were no capital operations in fiscal 2014, 2018 and 2020.

N 17.1 HISTORY OF QRF

Qrf was established on September 3, 2013 as a limited partnership limited by shares under the name "Qrf," by deed executed before notary Vincent Vroninks, associate notary in Ixelles, as published in the Annexes to the Belgian Official Gazette of September 17, 2013 under the number 13141597.

Qrf was founded with a registered capital of EUR 61,500, represented by 1,230 shares, which were allocated to the founders as follows:

- » Qrf Management NV (i.e., the Sole Director): 1,229 shares (99.92%); and
- » Quares Holding CVBA: 1 share (0.08%).

Below is an overview of the main changes that have taken place within Qrf, since its inception:

- (i) stock split in which the existing 1,230 shares were split into 2,460 new shares at a ratio of 1 existing share to 2 new shares;
- (ii) Increasing the share capital of Qrf by EUR 1,138,500 through the issuance of 45,540 new shares and amending the Articles of Association;
- (iii) Increasing the share capital of Qrf, by EUR 5,242,775 pursuant to the contribution in kind of all the shares of Lowland NV by issuing 209,711 new shares;
- (iv) Increasing the share capital of Qrf, based on the summary of subscriptions received and allocated, by EUR 75,380,000 by issuing 3,015,200 new shares;
- (v) reducing the share capital of Qrf, for the creation of an available reserve to cover foreseeable losses, by an amount of EUR 5,734,000;
- (vi) Authorization to the Sole Director, to increase the issued share capital of Qrf in one or more times to the amount of 76,088,775 EUR;
- (vii) conversion from public real estate investment trust to Regulated Real Estate Company by amendment of articles of association on November 7, 2014;

- (viii)** Increasing the share capital of Qrf, by EUR 4,489,505 by issuing 193,097 new shares pursuant to the contribution in kind of the commercial properties located in Antwerp, Kammenstraat and Namur, Rue de Fer;
- (ix)** Increasing the share capital of Qrf, by EUR 14,733,060 through the issuance of 633,680 new shares pursuant to the contribution in kind of the commercial property located in Leuven, Bondgenotenlaan;
- (x)** Increasing the share capital of Qrf, by EUR 8,913,189 by issuing 383,363 new shares pursuant to the contribution in kind of part of the shares of TT Center Plus NV;
- (xi)** Increasing the share capital of Qrf, by EUR 7,567,085 by issuing 325,466 new shares pursuant to the contribution in kind of the shares of RIGS NV;
- (xii)** Increasing the share capital of Qrf, by EUR 7,469,876 through the issuance of 321,285 new shares pursuant to the contribution in kind of the commercial properties located in Antwerp, Wapper and Schuttershofstraat;
- (xiii)** increasing the share capital of Qrf, by EUR 12,462,465 through the issuance of 536,020 new shares following the contribution in kind of the 6 commercial properties located in Antwerp and Ostend;
- (xiv)** reducing the share capital of Qrf to EUR 5,665,822 by changing the fractional value per share to EUR 1 with transfer to the unavailable reserve account 'share premiums';
- (xv)** Increasing the share capital of Qrf, by EUR 1,487,500 by issuing 1,487,500 new shares following the contribution in kind of the 9 commercial properties located in Antwerp and Ostend;
- (xvi)** conversion from a limited partnership limited by shares to a Limited Liability Company with a Sole Director (Qrf Management) by deed before notary public Vroninks on May 18, 2021;
- (xvii)** Increasing the share capital of Qrf, by EUR 193,354 through the issuance of 193,354 new shares pursuant to the contribution in kind of dividends under an optional dividend;
- (xviii)** Increasing the share capital of Qrf, by EUR 236,061 through the issuance of 236,061 new shares pursuant to the contribution in kind of dividends under an optional dividend;
- (xix)** Increasing the share capital of Qrf, by EUR 216,149 through the issuance of 216,149 new shares pursuant to the contribution in kind of dividends under an optional dividend.

N 17.2 ACQUISITION AND DISPOSAL OF TREASURY SHARES

(i) General

Article 7:215 et seq. of the WVV provides that the Sole Director may be empowered in two ways to decide to acquire or dispose of Qrf's own shares, namely: (i) subject to a prior resolution of the General Meeting, and (ii) in the event of imminent serious prejudice to Qrf, provided that an express statutory clause is provided to this effect. These two situations are further clarified below.

(ii) Prior decision of the General Assembly

Article 7:215 of the WVV and Article 24 of Qrf's Articles of Association expressly provide that the General Meeting, subject to compliance with the requirements of quorum (half of the share capital is represented) and majority (four/fifths of the votes) required for a change of purpose, may decide at any time to authorize the Sole Director to acquire and dispose of treasury shares, provided that (i) the par value, or in the absence thereof, the fractional value of the shares acquired does not exceed 20% of the issued capital, (ii) the transaction relates only to fully paid-up shares (iii) the amount earmarked for the acquisition, increased on the one hand by the amount earmarked for the previous acquisition of shares in Qrf and on the other hand by the number of shares acquired by a person acting in his own name but on behalf of Qrf, must be available for distribution, and (iv) the offer of acquisition is made in respect of all shareholders and under the same conditions (subject to what is stated below), except with regard to acquisitions decided unanimously by a General Meeting at which all shareholders were present or represented.

Qrf must also consider the following principles:

- » Qrf will be able to acquire its own shares without the need to make an offer of acquisition to all shareholders, provided that it ensures the equal treatment of shareholders who are in similar circumstances by means of equivalence of the price offered in accordance with Section 7:215 of the CRD; and
- » Qrf must notify the FSMA of its intention to acquire its own shares, after which the FSMA will verify whether the repurchase transactions are in accordance with the decision of the General Meeting, or, as the case may be, the Sole Director. If the FSMA considers that the transactions are not in accordance with this, it may make its opinion public.

The General Meeting of Qrf on May 18, 2021 granted the authorization of the Sole Director for a period of five years from the publication of this authorization in the Appendix to the Belgian Official Gazette on June 9, 2021.

(iii) Imminent serious harm

Article 7:215 of the WVV further provides that no express prior authorization of the General Meeting is required when the Articles of Association expressly provide that the Sole Director may decide that the acquisition or disposal of treasury shares is necessary to prevent an imminent serious disadvantage. In this situation, the Sole Director must also observe the conditions listed above. Such statutory clause is only valid for a period of three years from the publication of the amendment to the articles of association in the Annexes to the Belgian Official Gazette. This statutory authorization is renewable subject to observance of the quorum and majority requirements for an amendment to the articles of association. In particular, half of the share capital must be represented at the Extraordinary Shareholders' Meeting and the decision to renew the statutory authorization must be approved by a four-fifths majority of votes.

Article 6 of the Articles of Association of Qrf provides for the possibility for the Sole Director to proceed with the acquisition and disposal of its own shares when the acquisition is necessary to prevent an imminent serious disadvantage to Qrf, subject to the conditions set forth in Article 7:215 and following of the WVV. This authorization was granted by the General Meeting of Qrf for a period of three years from the publication of this authorization in the Annexes to the Belgian Official Gazette on June 9, 2021.

As of the date of this Annual Report, the Sole Director has not exercised the authority entrusted to him in this statutory clause. Accordingly, Qrf does not hold any of its own shares as of the date of this annual report.

(iv) Role of the FSMA

Pursuant to Article 7:215 of the WVV, Qrf must notify the FSMA of share repurchase transactions it is considering. The FSMA verifies whether the repurchase transactions are in accordance with the resolution of the General Meeting or, as the case may be, of the Sole Director. If the FSMA considers that these transactions are not in accordance with it, it makes its opinion public.

N 17.3 AUTHORIZED CAPITAL

(i) General authorization

According to Article 7:198 of the CRC, the Articles of Association may grant to the Sole Director the power to increase the issued share capital in one or more occasions up to a certain amount not exceeding the amount of that share capital. Under the same conditions, the Articles of Association may grant the Sole Director the power to issue convertible bonds or *warrants*.

This power may only be exercised for five years from the publication of the deed of incorporation or of the amendment to the Articles of Association. However, it may be renewed one or more times by the General Meeting, by a resolution passed in accordance with the rules laid down for the amendment of the Articles of Association, where appropriate applying Article 7:155 of the CC, for a period not exceeding five years. When the founders or the General Meeting decide to grant or renew this power,

the special circumstances under which the authorized capital may be used and the purposes pursued thereby shall be set forth in a special report. Where appropriate, this report shall be included in the agenda. A copy of it may be obtained in accordance with Article 7:132 of the WvV. The absence of this report shall result in the nullity of the decision of the General Meeting.

On June 6, 2017, the General Meeting of Qrf authorized the Sole Director to increase the issued share capital in one or more times by an amount of EUR 119,261,490.75.

Pursuant to a deed executed on October 27, 2017 before Notary Benoit Ricker, in Ixelles, the capital under the authorized capital, was increased by twelve million four hundred sixty-two thousand four hundred sixty-five euros (EUR 12,462,465.00) so that the balance of the authorized capital is one hundred and six million seven hundred ninety-nine thousand twenty-five euros and seventy-five cents (EUR 106,799,025.75).

Pursuant to deed executed on January 30, 2019 before Notary Vincent Vroninks, in Elsene, and through the intermediary of Master Xavier De Maesschalck, notary public with registered office in Ostend, the capital under the authorized capital, was increased by one million four hundred eighty-seven thousand five hundred euros (EUR 1,487,500) so that the balance of the authorized capital is three million six hundred forty-two thousand three hundred and two euros (EUR 3,642,302).

Pursuant to a deed executed on November 7, 2019 before Notary Vincent Vroninks, in Ixelles, the authorization to increase the capital on one or more occasions by a maximum amount of EUR 7,153,322 was renewed on the dates and according to the modalities to be determined by the Sole Director, in accordance with Articles 7:198 to 7:203 of the Companies and Associations Code. This authorization was granted for a period of five years from November 19, 2019.

(ii) Modalities of authorized capital

In accordance with the authorization granted to the Sole Director by the General Meeting of Qrf on November 7, 2019, the Sole Director will determine at each capital increase the price, the issue premium, if any, and the terms of issue of the new securities. The capital increases will be able to be subscribed in cash, in kind, by a mixed contribution or by incorporation of reserves or issue premiums, as the case may be, with or without the creation of new securities or by the issue of convertible bonds, subordinated or not, possibly with the cancellation or limitation of the preferential right of the existing shareholders (subject to the granting of an irreducible allocation right).

Where such capital increase includes an issue premium, the amount of this issue premium shall be allocated to an unavailable or available "Issue Premiums" account, which shall constitute the guarantee for third parties to the same extent as the share capital and which, subject to the possibility of conversion into capital, may only be disposed of by decision of the General Meeting of Shareholders in accordance with the conditions set by the Companies Code for an amendment to the Articles of Association. The issue premium requested by the Sole Director in addition to the capital increase shall not be taken into account for the purpose of calculating the remaining usable amount of the authorized capital.

Under the same conditions as set forth above and subject to the applicable legal provisions, Qrf may issue, with the exception of profit certificates and similar securities and subject to compliance with applicable RREC legislation, the securities referred to in Article 460 of the Companies Code and possibly authorized by other company law, in accordance with the rules prescribed therein.

(iii) Restrictions

a) General restrictions

Unless expressly provided for in the Articles of Association, the authority regarding authorized capital cannot be used for (i) the capital increases or the issues of convertible bonds (or of warrants) where the preferential right of the shareholders is limited or excluded (subject to compliance with the irreducible allocation right), (ii) capital increases or issuances of convertible bonds where the shareholders' preferential right is limited or excluded in favor of one or more certain persons, other than employees of Qrf or its Perimeter Companies (subject to compliance with the irreducible allocation right), and (iii) capital increases made by conversion of reserves.

Authorized capital authority may never be used for the following transactions:

(i) capital increases brought about primarily by a contribution in kind exclusively reserved for a shareholder of Qrf who holds securities of Qrf to which more than 10% of the voting rights are attached. To the securities held by this shareholder are added the securities held by:

- » a third party acting in its own name but on behalf of the said shareholder;
- » a natural person or legal entity related to the said shareholder;
- » a third party acting in its own name but on behalf of a natural person or legal entity related to the said shareholder;
- » persons acting in concert. Persons acting in concert means (a) the natural or legal persons acting in concert within the meaning of Article 3, § 1, 5°, a), of the Law of April 1, 2007, (b) the natural or legal persons who have entered into an agreement regarding the concerted exercise of their voting rights, in order to implement a lasting common policy with respect to Qrf, and (c) the natural or legal persons who have entered into an agreement regarding the possession, acquisition or transfer of voting securities.

(ii) issuance of shares with no par value below the par value of the old shares of the same class;

(iii) the issuance of warrants intended primarily for one or more specified persons other than members of the personnel of Qrf or of one or more of its Perimeter Companies.

b) Restrictions in the context of a takeover bid

From the time Qrf receives notification from the FSMA that it has been notified of a public takeover bid for the securities of Qrf, the Sole Director of the latter may no longer, until the end of the bid, (i) increase the capital of Qrf by contribution in kind or in cash with limitation or removal of the shareholders' preferential right and (ii) issue securities carrying voting rights which may or may not represent the capital nor securities giving the right to subscribe to or acquire such securities, if the said securities or rights are not offered preferentially to shareholders in proportion to the capital represented by their shares. However, this prohibition does not apply to:

(i) obligations validly incurred prior to receipt of the notice referred to in this Article; and

(ii) capital increases to which the sole Director has been expressly authorized in advance by a General Meeting deciding as to amendments to the Articles of Association and which take place not more than three years prior to the receipt of the aforementioned communication, insofar as (a) the shares issued pursuant to the capital increase are fully paid up as of their issue, (b) the issue price of the shares issued pursuant to the capital increase is not less than the price of the offer, and (c) the number of shares issued pursuant to the capital increase does not exceed one-tenth of the shares issued for the capital increase representing the capital.

The above decisions shall be notified immediately and comprehensively to the bidder and to the FSMA. They shall also be made public.

N 17.4 SHAREHOLDER STRUCTURE

Taking into account the transparency statements received up to the date of publication and the information available to Qrf, the main shareholders are:

Shareholder	%
Quintet Private Bank	5.7%
Etienne Kaesteker ⁸	6.3%
AXA SA	8.1%
Family Vanmoerkerke	30.4%
Free float ⁹	49.5%

The transparency statements received are available on the Company's website (www.qrf.be) under the Investor Relations – Shareholder Structure section.

NOTE 18. NUMBER OF SHARES USED TO CALCULATE NET INCOME PER SHARE

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
NUMBER OF SHARES		
Number of shares at the beginning of the financial year	7,582,737	7,346,676
Number of shares at the end of the financial year	7,798,886	7,582,737
Weighted average number of shares	7,704,136	7,479,258
NET EARNINGS PER SHARE – GROUP SHARE (in EUR)	-0.32	1.68
DILUTED NET EARNINGS PER SHARE	-0.32	1.68

See Note 17 for the evolution of the number of shares since the creation of Qrf.

The weighted average number of shares used to calculate earnings per share is based on the date of issue of the shares. The date of issue does not always correspond to the date of profit participation.

All shares at the end of the fiscal year are entitled to the dividend related to fiscal year 2023. Since the Board of Directors of the Sole Director will propose to the Annual General Meeting on May 21, 2024 to pay a gross dividend of EUR 0.80 per share for fiscal year 2023, a total amount of KEUR 6,239 in dividends will be paid.

NOTE 19. MINORITY INTERESTS

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
MINORITY INTERESTS		
BALANCE AT THE BEGINNING OF THE FINANCIAL YEAR	0	0
Changes in the income statement	0	0
TOTAL	0	0

Following the full deconsolidation of Century Center Freehold BV in 2020, there are no minority interests present.

⁸ The 5.6% of voting rights are held directly (0.48%) and indirectly as UBO of Shopinvest NV (5.12%).

⁹ Free float = [(Number of shares at year-end) – (total number of shares held by parties who have made themselves known through a transparency notification in accordance with the Law of May 2, 2007)] / [number of shares at year-end].

NOTE 20. FINANCIAL DEBTS

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
FINANCIAL DEBTS		
I. B. Non-current financial debts	107,126	101,609
- <i>Credit institutions</i>	102,250	97,000
- <i>Cost of borrowings</i>	-62	-50
- <i>Financial leasing</i>	4,937	4,659
II. B. Current financial debts	21,387	38,362
- <i>Credit institutions</i>	21,000	38,000
- <i>Cost of borrowings</i>	0	0
- <i>Financial leasing</i>	387	362
TOTAL	128,513	139,971

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
BREAKDOWN BY MATURITY OF NON-CURRENT FINANCIAL DEBTS		
Between one and two years	24,360	30,337
Between two and five years	49,189	67,881
More than five years	33,638	3,441
TOTAL	107,187	101,659

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
UNDRAWN CREDIT LINES		
Payable within one year	10,000	0
Payable after one year	26,750	17,000
TOTAL	36,750	17,000

TYPE OF DEBT	COUNTERPARTY	CURRENCY	NOMINAL AMOUNT	START DATE	EXPIRATION DATE
Bank debt	KBC	EUR	10,000,000	29/12/2023	29/12/2028
Bank debt	KBC	EUR	3,500,000	23/12/2021	15/12/2026
Bank debt	KBC	EUR	4,750,000	30/06/2022	30/06/2027
Bank debt	KBC	EUR	10,000,000	25/04/2017	30/06/2029
Bank debt	BELFIUS	EUR	5,000,000	30/12/2023	30/06/2029
Bank debt	BELFIUS	EUR	10,000,000	30/12/2023	30/06/2028
Bank debt	BELFIUS – CP	EUR	1,000,000	09/11/2023	09/05/2024
Bank debt	BNP	EUR	10,000,000	25/04/2017	24/04/2024
Bank debt	BNP	EUR	5,000,000	23/05/2023	23/05/2030
Bank debt	BNP	EUR	10,000,000	20/06/2018	30/06/2025
Bank debt	BNP	EUR	10,000,000	23/05/2023	23/05/2029
Bank debt	Caisse d'Epargne Haute de France	EUR	10,000,000	20/06/2018	30/06/2024
Bank debt	Caisse d'Epargne Haute de France	EUR	10,000,000	20/06/2018	30/06/2026
TOTAL VARIABLE INTEREST			99,250,000		
Bank debt	VDK	EUR	10,000,000	13/08/2015	12/08/2025
Bank debt	VDK	EUR	4,000,000	15/05/2017	15/05/2025
Bank debt	ARGENTA	EUR	5,000,000	27/06/2016	27/06/2026
Bank debt	CPH	EUR	5,000,000	27/06/2016	30/06/2026
TOTAL FIXED INTEREST			24,000,000		
TOTAL			123,250,000		

COVERAGE INSTRUMENTS – maturity analysis														
Counter-party	Type	Notional amount	Start date	End date	Interest base	Fair Value								
						2023	2022	2024	2025	2026	2027	2028	2029	2030 2032
CEHDF	CAP	30,000	30/06/2022	30/06/2023	0,25%	0	361	0	0	0	0	0	0	0
CEHDF	FLOOR	10,000	02/01/2019	04/11/2024	0,56%	241	504	47	0	0	0	0	0	0
CEHDF	FLOOR	10,000	02/01/2019	02/11/2026	0,82%	468	856	82	82	69	0	0	0	0
KBC	IRS + FLOOR	10,000	30/06/2017	28/06/2024	0,76%	150	369	37	0	0	0	0	0	0
KBC	IRS	20,000	30/06/2025	30/06/2027	0,10%	703	1.029	0	10	20	10	0	0	0
KBC	IRS	10,000	30/06/2023	30/06/2028	1,81%	219	594	181	181	181	181	90	0	0
KBC	IRS	10,000	30/06/2026	30/06/2028	2,70%	-118	0	0	0	135	270	135	0	0
BNP	IRS + FLOOR	5,000	27/06/2018	31/12/2023	0,54%	0	129	0	0	0	0	0	0	0
BNP	IRS + FLOOR	10,000	27/06/2018	30/06/2025	0,76%	321	599	76	38	0	0	0	0	0
BNP	IRS	10,000	30/06/2023	30/06/2028	2,42%	-41	327	242	242	242	242	121	0	0
BNP	IRS	21,000	22/11/2022	22/11/2032	2,79%	-678	524	586	586	586	586	586	586	1.692
BNP	IRS	10,000	31/12/2024	31/12/2025	2,42%	-39	0	0	242	0	0	0	0	0
TOTAL EXPECTED INTEREST COST						1.226	5.292	1.251	1.380	1.231	1.288	932	586	1.692

For the purpose of financing Qrf, no mortgage subscriptions were taken nor mortgage powers of attorney authorized by Qrf as of December 31, 2023.

On the closing date of the financial year, Qrf had financial debts of MEUR 128.51 consisting of MEUR 122.25 bilateral credits, MEUR 1.00 Commercial Paper and MEUR 5.32 financial leasing according to the principle of IFRS16. This leasing debt relates to part of the premises at Korenmarkt 1-3 in Ghent for which a long-term lease was concluded, this for a term until 2063¹⁰. The interest rate (*incremental borrowing rate*) used to discount the lease debt is 6.99%.

The MEUR 122.25 bilateral credits held at December 31, 2023 consist, on the one hand, of MEUR 24 credits with fixed interest rates and, on the other hand, of MEUR 98.25 credits with variable interest rates depending on EURIBOR. In view of the current economic context with highly fluctuating interest rates, no nominal estimate of future interest expenses is presented, as this is highly subject to the changing EURIBOR. The known parameters to calculate future interest expenses are the weighted average interest rate on fixed-rate loans, which is 2.4% for the Company, and the weighted average margin applied by banks on variable-rate loans, which is 1.34% for the Company. The risk of the changing EURIBOR is mitigated by the Company through the hedging instruments, the instruments held with corresponding characteristics and the Fair Value at December 31, 2023 were included in the table above.

The MEUR 1.00 Commercial Paper held at December 31, 2023 matures within the 1-year period and has an average funding cost of 4.77%.

As of December 31, 2023, 89.25% of the recorded liabilities with credit institutions had fixed interest rates, including through the use of *Interest Rate Swaps* as a hedging instrument.

In 2023, the Average Financing Cost was 2.78% (compared to 1.75% in 2022). If the finance cost were increased by 1%, the annual interest expense would increase by KEUR 132 for an unchanged amount of outstanding financial debt.

Qrf has MEUR 159.00 of credit lines with seven different financial institutions. The undrawn portion of the credits thus amounts to MEUR 36.75, of which MEUR 1.00 was not available as it is a backup line for the Commercial Paper program.

¹⁰ The initial term of the long-term lease expires in 2036, for determining the term under IFRS16, the options to extend, namely 3 times 9 years were taken into account.

Although its financing needs are met in the medium term, the Company is exploring various additional financing options with a view to optimally diversifying its funding sources and extending its average remaining maturity.

We refer to note 28 on the Debt Ratio of Qrf.

NOTE 21. DEFERRED TAXES – LIABILITIES

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
F. DEFERRED TAXES		
a. Exit tax	0	0
b. Other	0	0
TOTAL	0	0

NOTE 22. OTHER NON-CURRENT FINANCIAL LIABILITIES

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
C. OTHER NON-CURRENT FINANCIAL LIABILITIES		
Authorized hedging instruments	876	0
Rental guarantees	82	80
TOTAL	958	80

The market value of authorized hedging instruments as of December 31, 2023 can be found in Note 12 "Financial Assets."

NOTE 23. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
D. TRADE PAYABLES AND OTHER CURRENT PAYABLES		
b. Other	2,064	1,385
- Suppliers	1,871	1,174
- Tenants	0	7
- Taxes, remuneration and social security contribution	193	204
TOTAL	2,064	1,385

The increase in suppliers is mainly due to costs incurred in connection with the development project at 88 Veldstraat, Ghent, where several invoices were received before year-end.

NOTE 24. OTHER CURRENT LIABILITIES

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
E. OTHER CURRENT LIABILITIES		
Other debts	65	65
TOTAL	65	65

Other current liabilities are in line with last year.

NOTE 25. ACCRUALS AND DEFERRED INCOME – LIABILITIES

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
F. ACCRUED CHARGES AND DEFERRED INCOME		
Revenue carried forward	1,598	1,794
Other	453	285
TOTAL	2,051	2,078

Revenues to be carried forward include pre-billed rental income for fiscal year 2024. Rents are billed in advance of the start of the month. Other accrued liabilities primarily amount to interest expense receivable related to fiscal year 2023.

NOTE 26. OTHER NON-CURRENT LIABILITIES

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
E. OTHER NON-CURRENT LIABILITIES		
Other costs	143	42
TOTAL	143	42

Other long-term liabilities include provisions for long-term incentive plans.

NOTE 27. FINANCIAL ASSETS AND LIABILITIES

FIGURES IN THOUSANDS OF EUR

	Category	31/12/2023 Asset Value	31/12/2023 Fair Value	Level
STATEMENT OF FINANCIAL ASSETS AND LIABILITIES				
ASSETS				
Financial fixed assets				
Authorized hedging instruments	A	1,710	1,710	Level 2
Long-term receivables	B	642	642	Level 2
Current financial assets				
Trade receivables	B	1,273	1,273	Level 2
Authorized hedging instruments	A	391	391	Level 2
Tax receivables and other current assets	B	165	165	Level 2
Cash and cash equivalents	C	473	473	Level 2
TOTAL FINANCIAL ASSETS		4,654	4,654	
LIABILITIES				
Non-current financial liabilities				
Non-current financial debts	B	102,188	101,287	Level 2
Financial leasing	B	4,937	4,937	Level 2
Other non-current financial liabilities				
Authorized hedging instruments	A	876	876	Level 2
Received deposits	B	82	82	Level 2
Other non-current financial liabilities				
Other non-current financial liabilities	B	143	143	Level 2
Current financial liabilities				
Trade debts and other current debts	B	1,871	1,871	Level 2
Other current liabilities	B	65	65	Level 2
Current financial debts	B	21,000	20,824	Level 2
Financial leasing	B	387	387	Level 2
TOTAL FINANCIAL LIABILITIES		131,549	130,472	

FIGURES IN THOUSANDS OF EUR		31/12/2022	31/12/2022	
	Category	Asset Value	Fair Value	Level
STATEMENT OF FINANCIAL ASSETS AND LIABILITIES				
ASSETS				
Financial fixed assets				
Authorized hedging instruments	A	4,801	4,801	Level 2
Long-term receivables	B	633	633	Level 2
Current financial assets				
Trade receivables	B	1,168	1,168	Level 2
Authorized hedging instruments	A	490	490	Level 2
Tax receivables and other current assets	B	215	215	Level 2
Cash and cash equivalents	C	1,728	1,728	Level 2
TOTAL FINANCIAL ASSETS		9,035	9,035	
LIABILITIES				
Non-current financial liabilities				
Non-current financial debts	B	96,950	96,004	Level 2
Financial leasing	B	4,659	4,659	Level 2
Other non-current financial liabilities				
Received deposits	B	80	80	Level 2
Other non-current financial liabilities				
Other non-current financial liabilities	B	42	42	Level 2
Current financial liabilities				
Trade debts and other current debts	B	1,181	1,181	Level 2
Other current liabilities	B	65	65	Level 2
Current financial debts	B	38,000	37,669	Level 2
Financial leasing	B	362	362	Level 2
TOTAL FINANCIAL LIABILITIES		141,339	140,062	

The categories correspond to following financial instruments:

A.Assets or liabilities held at Fair Value through the income statement.

B.Financial assets or liabilities (including receivables and loans) at amortized cost.

C.Cash investments at amortized cost.

All the Group's financial instruments correspond to levels 1 and 2 in the fair value hierarchy. Valuation at fair value is carried out on a regular basis.

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

Level 2 in the fair value hierarchy concerns 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 concerning the Fair Value of Level 2 financial instruments are as follows:

» The item "Authorized Hedging Instruments" relates to *Interest Rate Swaps* (IRS) whose Fair Value is determined using interest rates applicable to active markets, generally provided by financial institutions. Derivative financial products are initially recognized at their cost and are remeasured at their Fair Value at the subsequent reporting date.

» The Fair Value of other Level 2 financial assets and liabilities is almost equal to their nominal value: either because they have a short-term maturity (such as trade receivables and payables) or because they bear variable interest rates.

» The Fair Value of fixed-rate debt is estimated by discounting their future cash flows taking into account the Group's credit risk.

NOTE 28. DEBT RATIO

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
Liabilities	133,795	143,622
- Adjustments	-3,009	-2,159
Debt burden pursuant to Article 13 of the RREC Royal Decree	130,785	141,463
Total assets	250,592	263,711
DEBT RATIO	52.19%	53.64%

The indebtedness referred to in Article 13 of the GV-KB is KEUR 130,785 at December 31, 2023. The Debt Ratio is 52.19% at December 31, 2023.

The Debt Ratio is calculated as the ratio of indebtedness (i.e. liabilities excluding provisions, accruals and other long/short-term financial liabilities, excluding the negative variations in the Fair Value of hedging instruments, in particular MEUR -0.87), to total assets (i.e. total assets excluding the positive variations in the Fair Value of hedging instruments, in particular MEUR 2.10).

Qrf must permanently meet the financial ratios imposed by the RREC Law. Unless due to a variation in the Fair Value of the assets, the Debt Ratio of a Qrf must not exceed 65% of its assets, net of authorized hedging instruments, in accordance with Article 45 of the RREC Act. Should Qrf's Debt Ratio exceed 50%, it must take a number of steps, including preparing 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 not at any time exceed 80% of Qrf's consolidated net operating income. In addition, certain financing agreements with financial institutions include a covenant that Qrf's Debt Ratio should not exceed 60%.

The Debt Ratio is 52.19% at December 31, 2023. Pursuant to Article 24 of the RREC RD, the public RREC must prepare a financial plan with an implementation schedule when its consolidated Debt Ratio exceeds 50% of consolidated assets. This financial plan shall describe the measures that will be taken to prevent the consolidated Debt Ratio from exceeding 65% of consolidated assets. The financial plan is the subject of a special report by the Statutory Auditor confirming that the latter has verified the manner in which the plan was drawn up, in particular as regards its economic bases, and that the figures contained therein are consistent with those in the public RREC's accounts. The general guidelines of the financial plan are included in the annual and semi-annual financial reports. The annual and semi-annual financial reports describe and justify how the financial plan was implemented during the relevant period and how the public RREC will implement the plan in the future.

N 28.1 HISTORICAL EVOLUTION OF THE DEBT RATING

The Debt Ratio of Qrf as of December 31, 2023 was 52.19%, exceeding the 50% limit. At the end of the of fiscal years 2020, 2021 and 2022, the Debt Ratio was 48.79%, 50.29% and 53.64%, respectively.

N 28.2 EVOLUTION SHORT-TERM DEBT RATIO

The following assumptions are taken into account in preparing the projection of the Debt Ratio at December 31, 2023:

- » in the calculation of the Short-term Debt Ratio, the changes in the portfolio take into account the (dis)investments already planned. Before the balance sheet date, one binding sale agreement was concluded for total net proceeds of MEUR 6.00, this for a property located at Route du Condroz 42-44 in Boncelles. This property was already held as of December 31, 2023 under Assets held for sale.
- » after the balance sheet date, two more binding sales agreements were concluded, on the one hand for the entire portfolio in the Netherlands and on the other hand for the new construction project within the area of the Pelican joint venture. This provides a total net proceeds of MEUR 30.30, or a capital gain of MEUR 3.80 compared to the Fair Value on December 31, 2023;
- » the earnings reserve takes into account the projected 2024 earnings forecast and the dividend payment for fiscal year 2023.

Taking into account these assumptions, the Debt Ratio at December 31, 2023 would be 43.21%.

N 28.3 EVOLUTION LONG-TERM DEBT RATIO

The Board of Directors of the Sole Director's long-term objective is a Debt Ratio of up to 55% and considers this to be optimal for the shareholders of the RREC in terms of return and EPRA earnings per share. For each investment, the impact on the Debt Ratio is considered and possibly not retained if this investment would negatively impact the Debt Ratio. Based on the current Debt Ratio of 52.19%, Qrf has an investment potential of MEUR 48.90 without exceeding a Debt Ratio of 60% and an investment potential of MEUR 91.75 without exceeding a Debt Ratio of 65%.

N 28.4 DECISION

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

NOTE 29. CONSOLIDATION CIRCLE

As of December 31, 2023, the consolidation perimeter consists of Qrf and its Perimeter Companies:

- » 100% RIGS NV;
- » 100% RAB Invest NV;
- » 100% Qrf Netherlands BV;
- » 100% Arioso Investments Belgium NV;
- » 30% Ardeno BV;
- » 30% Pelican BV.

Except Ardeno BV, Pelican BV, which are accounted for using the equity method, the other companies are fully consolidated.

The following table summarizes the portfolio of Qrf and its Perimeter companies on an individual basis.

NUMBER OF REAL ESTATE SITES	TOTAL	BELGIUM	NETHERLANDS
Qrf NV ¹¹	23	23	0
Qrf Nederland BV	5	0	5
RIGS NV	1	1	0
RAB Invest NV	1	1	0
Arioso Investments Belgium NV	1	1	0
Ardeno BV	1	1	0
Pelican BV	1	1	0
TOTAAL	33	28	5

NOTE 30. OFF-BALANCE SHEET RIGHTS AND OBLIGATIONS

N 30.1 JUDICIAL AND ARBITRATION PROCEEDINGS

Qrf has several collection proceedings pending, which may have a very limited impact on the figures. In addition, Qrf is involved in some disputes. These disputes include some collections of rent arrears and the declaration of claims following a bankruptcy of some former tenants.

¹¹ The property held as Assets intended for sale in Boncelles included.

NOTE 31. RELATED PARTY TRANSACTIONS RELATED TO THE INCOME STATEMENT

FIGURES IN THOUSANDS OF EUR

31/12/2023

RELATED PARTY TRANSACTIONS				
	Sole Director	Executive Management	Board of Directors and committees	Joint Ventures
ASSETS				
Participation in affiliated undertakings – Ardeno				17,259
Participation in affiliated undertakings – Pelican				5,983
Participation in affiliated undertakings – Bond 58				0
Long-term receivables – Ardeno				363
Long-term receivables – Pelican				260
Interest receivable – Ardeno				38
Interest receivable – Pelican				20
LIABILITIES				
Invoices to be received	323		10	
REVENUE				
Interest from loans – Ardeno				8
Interest from loans – Pelican				6
COSTS				
Fees Executive management				
- Fixed fee (Short term)		475		
- Variable remuneration (Short term)		133		
- Post-employment benefits		0		
- Other long-term employee benefits		0		
- Severance payments		0		
- Share-based payments		0		
Compensation Sole Director	323			
Operating expenses Sole Director	26			
Remuneration of the Board of Directors and committees			86	

FIGURES IN THOUSANDS OF EUR

31/12/2022

RELATED PARTY TRANSACTIONS				
	Sole Director	Executive Management	Board of Directors and committees	Joint Ventures
ASSETS				
Participation in affiliated undertakings – Ardeno				13,857
Participation in affiliated undertakings – Pelican				4,705
Participation in affiliated undertakings – Bond 58				0
Long-term receivables – Ardeno				363
Long-term receivables – Pelican				260
Interest receivable – Ardeno				30
Interest receivable – Pelican				14
LIABILITIES				
Invoices to be received	316			
REVENUE				
Interest from loans – Ardeno				30
Interest from loans – Pelican				14
COSTS				
Fees Executive management				
- Fixed fee (Short term)		461		
- Variable remuneration (Short term)		103		
- Post-employment benefits		0		
- Other long-term employee benefits		0		
- Severance payments		0		
- Share-based payments		0		
Compensation Sole Director	316			
Operating expenses Sole Director	26			
Remuneration of the Board of Directors and committees			76	

In 2023, related party transactions amounting to KEUR 1,057 were recognized in the income statement. This amount consisted mainly of the following items:

N 31.1 COMPENSATION EXECUTIVE MANAGEMENT

The compensation of the Executive Management for 2023 recognized in income amounts to KEUR 608. This compensation is recorded under "XIV. General expenses of the Company". The detail of fees can be found under Chapter 7 of the Annual Report. The remuneration of the Executive Management consists of KEUR 608 in short-term employee benefits.

N 31.2 COMPENSATION ONLY DIRECTOR

The remuneration of the Sole Director is KEUR 323. This compensation is recorded under "XIV. General expenses of the Company". The detail of the fees can be found under chapter 7 of the annual report. In addition, the contribution to the operating expenses of the Sole Director amounts to KEUR 26.

N 31.3 COMPENSATION BOARD OF DIRECTORS AND COMMITTEES

The compensation of the Board of Directors and committees is KEUR 86. This compensation is recorded under "XIV. General expenses of the Company". The detail of the fees can be found under chapter 7 of the annual report.

NOTE 32. EVENTS AFTER CLOSING DATE

We refer to Chapter 3.4.

NOTE 33. AUDITOR'S FEE

AUDITOR'S FEE	
	Fee in EUR
Audit mandate	63,700
Legal assignments	5,000
Tax advice assignments	10,583
Other assignments	9,750
TOTAL	89,033
One to one-ratio	0%

Since the 70% ratio was not reached, the limit provided in Article 3:62 § 5 of the WVV is not reached.

The amounts in the table above are presented exclusive of VAT.

NOTE 34. AVERAGE WORKFORCE

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
AVERAGE WORKFORCE (*)		
Employees	4.7	3.6
Executive Management	2.0	2.0
FULL-TIME EQUIVALENTS	6.7	5.6

(*) Includes employees and permanent service providers

NOTE 35. OFF-BALANCE SHEET LEASEHOLD AND INVESTMENT LIABILITIES

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
OFF-BALANCE SHEET LEASEHOLD AND INVESTMENT OBLIGATIONS		
Less than one year	5,400	450
More than 1 year	200	250
FULL-TIME EQUIVALENTS	5,600	700

The Company has contractual investment obligations for an amount of 5.6 MEUR, this mainly concerns the further completion of the development project Veldstraat 88, Ghent). The obligations related to the long-term lease agreement on part of the premises in the Korenmarkt in Ghent, with a term until 2063 was recorded on the balance sheet in accordance with IFRS 16 and is therefore not off-balance sheet.

NOTE 36. LEASES UNDER IFRS16

The Company has concluded a long-term lease on part of the building at Korenmarkt 1-3 in Ghent. The relevant asset is periodically revalued to Fair Value, in the same way as other investment properties of the Company.

The initial term of the long-term lease expires in 2036. To determine the term in the context of IFRS 16, the extension options, namely 3 times 9 years, were taken into account. On the closing date of the financial year, Qrf had EUR 5.32 million in leasing debt. This is for a term until 2063. The interest rate (incremental borrowing rate) used to discount the leasing debt is 6.99%. The short-term leasing debt amounts to 387 KEUR, the long-term leasing debt, on the other hand, amounts to 4,937 KEUR. The nominal interest costs associated with the long-term lease amounted to 367 KEUR in 2023. The total cash outflow amounted to 392 KEUR during 2023.

The indexation of the rent was adjusted during 2023, which meant an increase in the leasing debt of 0.4 MEUR. Furthermore, no new lease agreements were amended or concluded.

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
BREAKDOWN BY MATURITY OF FINANCIAL LEASE		
Less than one year	387	362
Between one and two years	360	337
Between two and five years	939	881
More than five years	3,638	3,441
TOTAL	5,325	5,021

12.3 AUDITOR'S REPORT

12.3.1 Report fiscal year 2023



Statutory auditor's report to the general meeting of QRF NV on the consolidated financial statements as of and for the year ended 31 December 2023

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

In the context of the statutory audit of the consolidated financial statements of QRF NV ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements for the year ended 31 December 2023, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 17 May 2022, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2024. We have performed the statutory audit of the consolidated financial statements of the Group for two consecutive financial years.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2023, prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position^{Error!} amounts to EUR'000 252.694 and the consolidated statement of profit or loss^{Error! Bookmark not defined.} shows a loss for the year of EUR'000 2.455.

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.



Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

We refer to section C. 'Investment properties' of the assets of the consolidated balance sheet and to note 'T 2.6 Investment property' and note '10. Investment properties' of the consolidated financial statements.

- **Description**

On 31 December 2023, the value of the portfolio of investment properties is EUR 218 million, representing 86.4% of total assets.

The valuation of investment properties is complex and requires a high degree of judgement.

Investment properties are measured at fair value at the balance sheet date. This fair value is determined by applying the capitalization method, and depends on the valuation model and the assumptions used in that model. Factors such as the level of current market rents and the nature, condition and location of each investment property each have their impact on fair value.



The assumptions below are crucial in determining fair value:

- The market rent
- Future vacancy rate
- The capitalisation factor
- The maintenance costs
- The transaction costs
- Investment budgets

As required by applicable legislation for regulated real estate companies, investment properties are valued by external real estate experts.

We identified the valuation of investment properties as a key audit matter because it represents a significant proportion of the consolidated balance sheet, and requires a high degree of judgement.

- Our audit work

Assisted by our property valuation specialists, we performed the following audit procedures:

- We evaluated the design of internal control measures concerning the valuation process.
- We reconciled rental data and other key property information from the accounts with the data used by the external property experts appointed by management.
- For a sample of leases, we reconciled the rental data from the accounting records with the contract data.
- We determined the expertise, objectivity and competence of the external property experts appointed by management.
- We questioned the valuation model and the assumptions used in that model. The assumptions in question include market rents, future vacancy rates, capitalization factor, maintenance costs, transaction costs and investment budgets. We compared these assumptions with those used in the past by the Group, as well as with market data.
- We verified the mathematical accuracy of the valuation model used by each of the external property experts appointed by management.
- We inspected the valuation reports prepared by the external property experts appointed by management for all investment properties, reconciled the established fair values with accounting records and discussed our results with management.
- We assessed the adequacy of the disclosures related to the investment properties, in particular the related valuation uncertainty, the valuation model and the assumptions used in that model.



Board of directors' responsibilities for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Group. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.



As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;
- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



Statutory auditor's report to the general meeting of QRF NV on the consolidated financial statements as of and for the year ended 31 December 2023

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.



Other legal and regulatory requirements

Responsibilities of the Board of directors

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the consolidated financial statements, and the other information included in the annual report.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements, and the other information included in the annual report, and to report on these matters.

Aspects concerning the board of directors' annual report on the consolidated financial statements and other information included in the annual report

Based on specific work performed on the board of directors' annual report on the consolidated financial statements, we are of the opinion that this report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the annual report:

- Word from the Single Director
- Consolidated key figures
- Who is QRF
- QRF on the stock exchange
- Property report
- EPRA & APM
- Non-financial statements

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.



Statutory auditor's report to the general meeting of QRF NV on the consolidated financial statements as of and for the year ended 31 December 2023

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

European Single Electronic Format (ESEF)

In accordance with the draft standard on the audit of compliance of the Financial Statements with the European Single Electronic Format (hereafter "ESEF"), we have audited as well whether the ESEF-format is in accordance with the regulatory technical standards as laid down in the EU Delegated Regulation nr. 2019/815 of 17 December 2018 (hereafter "Delegated Regulation").

The Board of Directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereafter "digital consolidated financial statements") included in the annual financial report.

It is our responsibility to obtain sufficient and appropriate information to conclude whether the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements under the Delegated Regulation.

In our opinion, based on our work performed, the format of and the tagging of information in the official Dutch version of the digital consolidated financial statements as per 31 December 2023, included in the annual financial report of QRF NV, are, in all material respects, prepared in compliance with the ESEF requirements under the Delegated Regulation.

Other aspect

This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Antwerp, 19 April 2024

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Filip De Bock
Bedrijfsrevisor / Réviseur d'Entreprises

12.4 ABBREVIATED VERSION OF QRF'S STATUTORY FINANCIAL STATEMENTS¹²

12.4.1 Income Statement

A. CONSOLIDATED INCOME STATEMENT

FIGURES IN THOUSANDS OF EUR

	Note	31/12/2022	31/12/2021
(+) I. Rental income		8,716	7,916
(+) II. Writeback of leased payments sold and discounted		0	0
(+/-) III. Rental charges		98	405
NET RENTAL INCOME		8,561	8,813
(+) IV. Recovery of property charges		0	0
(+) V. Recovery of rental charges and taxes normally payable by tenants on let properties		814	744
(-) VI. Costs payable by the tenant and borne by the landlord on rental damage and repairs at end of lease		0	0
(-) VII. Rental charges and taxes normally payable by tenants on let properties		-786	-765
(+/-) VIII. Other rental-related income and charges		0	0
PROPERTY RESULT		8,589	8,792
(-) IX. Technical costs		-65	-118
(-) X. Commercial costs		-55	-167
(-) XI. Charges and taxes on unlet properties		-68	-85
(-) XII. Property management costs		-213	-173
PROPERTY CHARGES		-401	-543
OPERATING PROPERTY RESULT		8,188	8,248
(-) XIV. General company expenses		-1,932	-1,899
(+/-) XV. Other operating income and charges		472	319
OPERATING RESULT BEFORE THE RESULT ON THE PORTFOLIO		6,728	6,668
(+/-) XVI. Result on disposals of investment properties		216	222
(+/-) XVII. Result on disposals of other non-financial assets		0	0
(+/-) XVIII. Changes in Fair Value of investment properties		-6,464	-4,765
(+/-) XIX. Other portfolio result			
PORTFOLIO RESULT		-6,248	-4,543
OPERATING RESULT		480	2,125
(+) XX. Financial income		1,023	885
(-) XXI. Net interest charges		-3,409	-1,992
(-) XXII. Other financial costs		-103	-163
(+/-) XXIII. Changes in Fair Value of financial assets and liabilities		-5,105	12,883
FINANCIAL RESULT		-7,594	11,613
(+) XXIV. Share in the profit or loss of associates and joint ventures		4,681	340

12 Abbreviated version of the statutory financial statements. The Auditor has issued an "unqualified opinion" on the statutory financial statements. The statutory financial statements have not been filed with the National Bank as of the date of publication of this annual financial report.

RESULT BEFORE TAXES		-2,433	14,078
(+/-) XXV. Corporate tax		-22	-3
(+/-) XXV. Exit tax		0	0
TAXES		-22	-3
NET RESULT		-2,455	14,075

12.4.2 Earnings per share

	Note	31/12/2023	31/12/2022
Number of ordinary shares in circulation at the end of the financial year		7,798,886	7,582,737
Weighted average of number of shares during the financial year		7,704,136	7,479,258
NET EARNINGS PER ORDINARY SHARE – GROUP SHARE (in EUR)		-0,32	1,88
DILUTED NET EARNINGS PER SHARE – GROUP SHARE (in EUR)		-0,32	1,88

12.4.3 Overview of the overall result

FIGURES IN THOUSANDS OF EUR	Note	31/12/2023	31/12/2022
I. NET RESULT		-2,455	14,075
II. OTHER COMPREHENSIVE INCOME RECYCLABLE UNDER THE INCOME STATEMENT		0	0
(+/-) B. Changes in the effective part of the Fair Value of authorized cash flow hedge instruments defined under IFRS		0	0
GLOBAL RESULT		-2,455	14,075

12.4.4 Balance

FIGURES IN THOUSANDS OF EUR

	Note	31/12/2023	31/12/2022
ASSETS			
I. FIXED ASSETS		239,594	252,676
B Intangible fixed assets		3	33
C Investment properties		133,809	146,314
D Other tangible fixed assets		18	12
E Financial assets		82,522	87,756
I Investments in associates and joint ventures equity change		23,242	18,561
II. CURRENT ASSETS		12,644	12,243
A Assets classified as held for sale		6,050	6,440
B Current financial assets		391	490
D Trade receivables		1,126	1,128
E Tax receivables and other current assets		700	996
F Cash and cash equivalents		308	324
G Deferred charges and accrued income		4,068	2,865
TOTAL ASSETS		252,238	264,919

FIGURES IN THOUSANDS OF EUR

	Note	31/12/2023	31/12/2022
LIABILITIES			
EQUITY		118,899	125,380
A Capital	12.4.6	7,343	7,144
<i>Issued</i>		7,799	7,583
<i>Cost of capital increase</i>		-456	-435
B Issue premiums	12.4.6	155,933	154,091
C Reserves	12.4.7	-41,921	-49,933
D Net result of the financial year		-2,455	14,075
LIABILITIES		133,339	139,539
I. Non-current liabilities		103,215	97,056
B Non-current financial debts		102,188	96,950
C Other non-current financial liabilities		884	64
E Other non-current liabilities		143	42
F Deferred taxes – liabilities		0	0
II. Current liabilities		30,124	42,483
B Current financial debts		21,000	38,000
D Trade debts and other current debts		1,797	1,065
<i>a. Exit tax</i>		0	0
<i>b. Other</i>		1,797	1,065
E Other current liabilities		5,861	1,963
F Accrued charges and deferred income		1,466	1,456
TOTAL EQUITY AND LIABILITIES		252,238	264,919

12.4.5 Statement of equity movements

FIGURES IN THOUSANDS OF EUR	Capital	Cost of capital increase	Issue premiums	Reserves	Net result of the financial year	Equity
BALANCE SHEET ON 31 DECEMBER 2021	7,347	-393	151,948	-45,661	1,605	114,845
Appropriation of result 2021	236	0	2,143	-4,272	-1,605	-3,498
Transfer of portfolio result to reserves				-4,870	4,870	0
Transfer of operating result to reserves				-264	264	0
Transfer of changes in Fair Value of financial instruments				862	-862	0
Dividend for financial year 2021	236		2,143		-5,877	-3,498
Result for 2022					14,075	14,075
Other elements recognized in the comprehensive result						
Impact on Fair Value of estimated transaction costs resulting from the hypothetical disposal of investment properties						
Changes in Fair Value of properties						
Reserve for the impact on Fair Value of financial instruments						
Change in fractional value shares						
Cost of capital increase (optional dividend)		-42				-42
Minority interests						
BALANCE SHEET ON 31 DECEMBER 2021	7,583	-435	154,091	-49,933	14,075	125,380
Appropriation of result 2022	216	0	1,842	8,009	-14,075	-4,008
Transfer of portfolio result to reserves				817	-817	0
Transfer of operating result to reserves				1,169	-1,169	0
Transfer of changes in Fair Value of financial instruments				6,023	-6,023	0
Dividend for financial year 2022	216		1,842		-6,066	-4,008
Result for 2023					-2,455	-2,455
Other elements recognized in the comprehensive result						
Impact on Fair Value of estimated transaction costs resulting from the hypothetical disposal of investment properties						
Changes in Fair Value of properties						
Reserve for the impact on Fair Value of financial instruments						
Change in fractional value shares						
Cost of capital increase (optional dividend)		-18				-18
Other		-3		3		
BALANCE SHEET ON 31 DECEMBER 2023	7,799	-456	155,933	-41,921	-2,455	118,899

12.4.6 Detail of the reserves

FIGURES IN THOUSANDS OF EUR

	Legal reserve	Reserve for the balance of changes in Fair Value of 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	Undistributable reserve: reserve for the share in the result of associated companies and joint ventures	Results carried forward from previous financial years	Total reserves
BALANCE SHEET ON 31 DECEMBER 2021	-	-47,689	-	-1,101	14		3,115	-45,661
Net appropriation of result		-4,870		862		593	-857	-4,272
Transfer of portfolio result to reserves		-4,870						-4,870
Transfer reserves sold investment properties						593		593
Transfer of changes in Fair Value of financial instruments				862				862
Transfer of operating result to reserves							-857	-857
Other elements recognized in the comprehensive result								0
Changes in Fair Value of properties								0
Changes in Fair Value of financial assets and liabilities								0
Other								0
BALANCE SHEET ON 31 DECEMBER 2022	-	-52,559	-	-239	14	593	2,258	-49,933
Net appropriation of result		817		6,023		340	829	8,009
Transfer of portfolio result to reserves		817						817
Transfer of result of joint ventures to reserves						340		340
Transfer of changes in Fair Value of financial instruments				6,023				6,023
Transfer of operating result to reserves							829	829
Other elements recognized in the comprehensive result								0
Changes in Fair Value of properties								0
Changes in Fair Value of financial assets and liabilities								0
Other							3	3
BALANCE SHEET ON 31 DECEMBER 2023	-	-51,742	-	5,784	14	933	3,090	-41,921

12.4.7 Benefit obligation according to the Royal Decree of July 13, 2014 regarding the REITs

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
Net result	-2,455	14,075
Depreciation (+)	34	40
Impairments (+)	161	796
Reversal of impairments (-)	-350	-894
Reversal of transferred and discounted rental income (-)	0	0
Other non-monetary times (+/-)	5,105	-12,883
Result from the disposal of properties (+/-)	-216	-222
Changes in Fair Value of properties (+/-)	6,464	4,765
Adjusted result (A)	8,743	5,677
Capital gains and losses realized on property assets during the financial year (+/-)	216	222
Capital gains realized on property assets during the financial year exonerated from compulsory distribution subject to their reinvestment within a period of four years (-)	0	0
Capital gains realized on property assets previously exempted from the compulsory payout not re-invested within a period of four years (+)	0	0
Net capital gains from realization of property assets not exempted from the compulsory payout (B)	216	222
Total (A+B) x 80%	7,167	4,719
Debt reduction (-)	-7,167	0
Payout obligation	0	4,719

12.4.8 Non-distributable equity according to Article 617 of the Companies Code

FIGURES IN THOUSANDS OF EUR	31/12/2023	31/12/2022
Paid-up, or if it is higher, called up capital	7,799	7,583
Non-available issue premiums according to the articles of association	0	0
Reserve for the positive balance of the change in Fair Value of properties	0	0
Reserve for balance of changes in Fair Values of authorized hedging instruments subject to hedge accounting as defined in IFRS	0	0
Reserve for the balance of changes in the Fair Values of permitted hedging instruments that are not subject to hedge accounting as defined in IFRS	1,718	5,783
Other reserved declared unavailable by the General Meeting of Shareholders	0	0
Non-distributable equity according Article 617 of the Companies Code	9,517	13,366
Net assets	118,899	125,380
Proposed dividend payout	6,239	6,066
Net assets after payout	112,660	119,314
Remaining margin after payout	103,143	105,949

Pursuant to Article 7:212 of the Companies Code, calculated in accordance with Chapter 4 of Annex C of the GV-KB, distributable equity, before dividend distribution amounted to MEUR 109.38.

For Perimeter companies where Qrf owns 100% of the shares, Qrf applies a *look-through* method. The joint ventures are recorded in the separate accounts using the equity method. Changes in the value of these joint ventures are recorded in the income statement under item "XXIV. Share of result of associated companies and joint ventures".

12.4.9 Earnings Processing

FIGURES IN THOUSANDS OF EUR

	31/12/2023	31/12/2022
A. Net result	-2,455	14,075
B. Transfer to or from reserves	13,168	-3,991
1. Transfer to or from reserve for the (positive or negative) balance of changes in Fair Value of properties (-/+)	5,514	-788
Financial year	9,630	1,314
Realization of property assets	-4,116	-2,102
2. Transfer to or from the reserve for estimated transactions costs resulting from the hypothetical disposal of investment properties (-/+)	-429	-30
3. Transfer to the reserve for the balance of changes in Fair Value of authorized hedging instruments that are subject to hedge accounting as defined in IFRS (-)		
Financial year		
4. Transfer from the reserve for the balance of changes in Fair Value of authorized hedging instruments that are subject to hedge accounting as defined in IFRS (+)		
Financial year		
5. Transfer to the reserve for the balance of changes in Fair Value of authorized hedging instruments that are not subject to hedge accounting as defined in IFRS (-)	4,065	-6,023
Financial year	4,065	-6,023
6. Transfer from the reserve for the balance of changes in Fair Value of authorized hedging instruments that are not subject to hedge accounting as defined in IFRS (+)		
Financial year		
7. Transfer to or from the reserve for the balance of the exchange rate differences on monetary assets and liabilities (-/+)		
8. Transfer to or from the reserve for deferred taxes relating to properties situated abroad (-/+)		
9. Transfer to or from the reserve for received dividends intended for the repayment of (-/+)		
10. Transfer to or from other reserves (-/+)		
11. Transfer to or from results carried forward in previous financial years (-/+)	4,018	2,850
C. Return on capital pursuant to Article 13, § 1, first paragraph	0	0
D. Return on capital – other than C	-6,239	-6,066
E. Result to be carried forward	4,474	4,018

12.5 OTHER STATEMENTS BY THE SOLE DIRECTOR

The Sole Director of Qrf declares that there are no government interventions, lawsuits or arbitrations, other than those described under section 13.6, that may have – or have had in the recent past – a significant impact on the financial position or profitability of Qrf. He also declares that, to his knowledge, there are no circumstances or facts that could give rise to such governmental interventions, lawsuits or arbitrations. The Sole Director further declares that, to his knowledge:

- » the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, financial condition and results of the issuer and companies included in the consolidation;
- » the annual financial report provides a fair review of the development and performance of the business and the position of the issuer and the companies included in the consolidation, as well as a description of the principal risks and uncertainties they face.

Qrf states that the information provided by the experts and the Commissioner was faithfully adopted.

This annual financial report contains forward-looking statements. Such statements include unacknowledged risks, uncertainties and other factors that could cause current results, financial condition, performance and achievements to differ from any future results, financial condition, performance and achievements expressed or implied by such forward-looking statements. Given these uncertain factors, forward-looking statements do not constitute guarantees.

The Sole Director of Qrf declares that there has been no significant change in the group's financial or trading position after December 31, 2023.

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Antwerp
Meir 107
Belgium

13 Permanent document

13.1 GENERAL INFORMATION

13.1.1 Identification

Qrf NV, public Regulated Property Company under Belgian Law, or public RREC under Belgian Law. VAT number: BE 0537.979.024. Qrf NV trades under the trade name Qrf.

13.1.1.1 Corporate headquarters

Gaston Crommenlaan 8, 9050 Ghent.

You can reach us on +32 9 296 21 63 or by e-mail: info@qrf.be.

13.1.1.2 Company number

The Company is registered with the Crossroads Bank for Enterprises under company number 0537.979.024.

13.1.1.3 Legal form, incorporation, disclosure

The Company was incorporated for an unlimited term pursuant to deed executed by Master Vincent Vroninks, at Ixelles, on September 3, 2013, an extract of which was published in the annexes to the Belgian Official Gazette of September 17 thereafter, under number 13141597 (rép 2013/1048).

The bylaws have been amended repeatedly and coordinated for the last time on June 9, 2023.

Amending deeds:

- » Minutes drawn up by notary Vincent Vroninks, associate notary in Ixelles, on November 26, 2013, amending the articles of association – adoption of a new text of the articles of association – appointment of auditor – conditional increase and reduction of capital – conditional amendment of the articles of association and authorization of authorized capital;
- » Minutes drawn up by notary Vincent Vroninks, associate notary in Ixelles, on December 18, 2013, concerning capital increase by contribution in kind – amendment of articles of association;
- » Deed executed before notary Vincent Vroninks, associate notary in Ixelles, on December 18, 2013, establishing the capital increase, capital reduction and amendment of the articles of association decided by the Extraordinary General Meeting of November 26, 2013;
- » Minutes drawn up by notary Vincent Vroninks, associate notary in Ixelles, on November 7, 2014, amending the articles of association, an extract of which was published in the annexes to the Belgian Official Gazette of January 29, 2015, under number 15015962;
- » Deed executed before notary Vincent Vroninks, associate notary in Ixelles, on June 24, 2015, concerning capital increase by contribution in kind within the framework of the authorized capital – amendment of articles of association, an extract of which was published in the annexes to the Belgian Official Gazette of September 4, 2015, under number 15126483;

- » Deed executed by notary Vincent Vroninks, associate notary in Ixelles, on December 8, 2015, concerning capital increase by contribution in kind within the framework of the authorized capital – amendment of articles of association, an extract of which was published in the annexes to the Belgian Official Gazette of February 10, 2016, under number 16021534;
- » Deed executed by notary Vincent Vroninks, associate notary in Ixelles, on December 9, 2015, concerning capital increase by contribution in kind within the framework of the authorized capital – amendment of articles of association, an extract of which was published in the annexes to the Belgian Official Gazette of February 10, 2016, under number 16021535;
- » Deed executed by notary Vincent Vroninks, associate notary in Ixelles, on June 30, 2016, concerning capital increase by contribution in kind within the framework of the authorized capital – amendment of articles of association, an extract of which was published in the annexes to the Belgian Official Gazette of August 23, 2016, under number 16118138;
- » Deed executed by notary Vincent Vroninks, associate notary in Ixelles, on December 21, 2016, concerning capital increase by contribution in kind within the framework of the authorized capital – amendment of articles of association, published in the annexes to the Belgian Official Gazette of February 1, 2017, under number 17017727;
- » Deed executed by notary Vincent Vroninks, associate notary in Ixelles, on June 6, 2017, authorizing repurchase of treasury shares – authorizations regarding authorized capital – representation of the company – amendment of the financial year – amendment of the articles of association, an extract of which was published in the annexes to the Belgian Official Gazette on June 27, 2017, under number 17091062;
- » Deed executed by notary Vincent Vroninks, associate notary in Ixelles, on October 27, 2017, increasing capital by contribution in kind within the framework of the authorized capital – amendment to the articles of association;
- » Deed executed by notary Vincent Vroninks, associate notary in Ixelles, on January 9, 2019, amending the articles of association following the amended law of May 12, 2014 on regulated property companies, an extract of which was published in the annexes to the Belgian Official Gazette of January 28, thereafter, under number 19304450;
- » Deed executed by notary Vincent Vroninks, associate notary in Ixelles, acting through Meester Xavier De Maesschalck, notary public with registered office in Ostend, first canton, on January 30, 2019, relating to capital increase by contribution in kind within the framework of the authorized capital – amendments to the Articles of Association;
- » Deed executed by notary Vincent Vroninks, associate notary in Ixelles, on November 7, 2019, authorizing authorized capital – provision of share premiums – amendment of articles of association, an extract of which was published in the annexes to the Belgian Official Gazette on November 19, 2019, under number 19343982;
- » Deed executed by notary Vincent Vroninks, associate notary in Ixelles, on December 20, 2019, relocating the registered office – amendment of articles of association, excerpt of which was published in the annexes to the Belgian Official Gazette of January 3, 2020, under number 20301132;
- » Deed executed by notary Vincent Vroninks, associate notary in Ixelles, on May 18, 2021, relating to the conversion into a public limited liability company – amendment of the articles of association – authorization regarding the acquisition, pledge and alienation of treasury shares – special delegation of powers within the framework of an optional dividend, an extract of which was published in the annexes to the Belgian Official Gazette of June 9, 2021, under number 21335273;
- » Deed executed by notary Valérie Weyts, associate notary in Ixelles, on June 11, 2021, establishing capital increase by means of a contribution in kind in the context of an optional dividend, an extract of which was published in the annexes to the Belgian Official Gazette on June 30, 2021, under number 21340096.

» Minutes drawn up by notary Ward Bultereys in Merelbeke (Bottelare) on May 20, 2022, relating to a capital increase within the framework of the authorized capital by means of a contribution in kind in the context of an optional dividend – amendment to the articles of association (under suspensive condition), published in the annexes to the Belgian Official Gazette on May 27, 2022, under number 22334531.

» Deed executed by notary Ward Bultereys in Merelbeke (Bottelare) on June 10, 2022, establishing capital increase by means of a contribution in kind in the context of an optional dividend – amendment to the articles of association, an extract of which was filed for publication in the annexes to the Belgian Official Gazette.

» Minutes drawn up by notary Ward Bultereys in Merelbeke (Bottelare) on May 17, 2023, relating to a capital increase within the framework of the authorized capital by means of a contribution in kind in the context of an optional dividend - amendment to the articles of association (under condition precedent), published in the annexes to the Belgian Official Gazette on May 25, 2023, under number 23348527.

» Deed executed by notary Ward Bultereys in Merelbeke (Bottelare) on June 9, 2023, establishing capital increase by means of a contribution in kind in the context of an optional dividend - amendment to the articles of association, an extract of which was filed for publication in the annexes to the Belgian Official Gazette.

13.1.2 Inspection of documents

During the period of validity of the registration document, the following documents (or copies thereof) are available for inspection, if applicable, except for those documents that cannot be released for confidentiality reasons.

(a) memorandum and articles of association of the issuer;

(b) all reports, correspondence and other documents, historical financial information, and statements prepared by experts at the request of the issuer where the registration document contains or refers to portions thereof;

(c) the historical financial information of the issuer for each of the two financial years preceding the publication of the registration document.

In so doing, the statutory and consolidated financial statements, articles of association, annual reports and other information made public for the benefit of shareholders may be obtained free of charge at the Company's registered office.

The statutory and consolidated financial statements and additional reports are filed with the National Bank of Belgium. The Articles of Association can also be found on the website www.qrf.be.

All press releases and other financial information disclosed and to be disclosed by Qrf NV can also be consulted on the above website.

The Company's annual reports are sent to holders of registered shares, other security holders who have completed the formalities prescribed by the Belgian Companies and Associations Code and to persons requesting them. They may also be obtained at the Company's registered office.

13.1.3 Historical financial information incorporated by reference

This annual financial report provides information for financial years 2023 and 2022. For historical information relating to financial years 2021, 2020, 2019 and 2018, please refer to the 2021, 2020 and 2019 annual reports, which can be viewed on the website at <https://qrf.be/financiele-publicaties/>.

They include the statutory and consolidated financial statements, the auditor's reports and the annual report within the meaning of Article 3:6 and Article 3:32 of the Companies and Associations Code.

13.2 CORPORATE CAPITAL

The number of Qrf shares on December 31, 2023 is 7,798,886 and these represent an authorized capital amounting to EUR 7,798,886. The capital has been fully paid up.

13.3 SUPERVISOR OF THE RREC

The RREC is supervised by the Financial Services and Markets Authority, or FSMA.

13.4 SERVICE PROVIDERS OF THE RREC

13.4.1 Property experts: Cushman & Wakefield and Stadim

Article 24 of the RREC Law provides that the RREC must have its property valued by one or more independent Property experts. The expert acts in full independence and possesses the professional reliability and appropriate experience required for property valuation and has an appropriate organization for his assignments. The expert is appointed for a renewable term of three years. He may only be entrusted with the valuation of a particular property for a maximum of three years.

The Property experts are:

- » For the assets in Belgium (excluding the property located in the Korenmarkt in Ghent): Cushman & Wakefield Belgium SA, registered in the Crossroads Bank for Enterprises under number BE 0422.118.165, represented by Mr. Gregory Lamarche;
- » For the assets relating to the premises located on the Korenmarkt in Ghent: Stadim BV registered in the Crossroads Bank for Enterprises under number BE 0485.797.033, represented by Mrs. Céline Janssens;
- » For the assets in the Netherlands: Cushman & Wakefield, partnership under Dutch law with registered office at 1082ME Amsterdam, Gustav Mahlerlaan 362, registered with the Chamber of Commerce under the number KvK 33154480, represented by Mr. Hannes de Bruijn and Mr. Bas Martens.

Cushman & Wakefield's and Stadim mandates as Property experts have a term of 3 years. This term is renewable. Cushman & Wakefield Belgium's appraisal mandate is effective from December 31, 2022 to end on December 31, 2025. The mandate for the estimation of the Dutch assets started from March 31, 2023 to end on March 31, 2026. Stadim BV was appointed in the Korenmarkt transaction at the end of 2022, their mandate will end on December 31, 2025.

The compensation of the Property experts is market-based and was determined based on a matrix of rates that vary depending on the size of a site and the number of tenants.

In accordance with Article 24, § 1 of the RREC Law, the remuneration of the Property expert is neither directly nor indirectly related to the value of the property subject to his expertise.

The compensation for the Property experts in the capacity of property appraiser amounted to EUR 60,660 (including non-deductible VAT) for financial year 2023.

13.4.2 Statutory auditor: KPMG Bedrijfsrevisoren

Qrf, at the General Meeting held on May 17, 2022, appointed KPMG Bedrijfsrevisoren BV (hereinafter KPMG), with registered office at Brussels National Airport 1K, 1930 Zaventem registered with the Crossroads Bank for Enterprises under company number VAT 0419.122.548 (RPR Brussels), and registered in the public register of the Institute of Company Auditors, with permanent representative Filip De Bock, appointed as Statutory Auditor of Qrf (i.e., the Statutory Auditor), and this until and unless the Ordinary General Meeting which will decide on the annual accounts drawn up for the Financial year ended December 31, 2024.

In accordance with Article 3:65, § 6 of the Companies and Associations Code, the Statutory Auditor's remuneration may not be determined or influenced by the provision of additional services to the company whose annual accounts he audits, as referred to in Article 3:73 of the Companies and Associations Code, or of a Belgian company subject to the statutory audit of its consolidated annual accounts, as referred to in Article 3:77 of the Companies and Associations Code.

Beyond these remunerations, the auditor may not receive any benefit, in any form, from the Company. The Company may not grant him any loans or advances, nor provide or give any guarantees on their behalf.

For 2023, the total remuneration for the mandate of auditor, additional assignments included, was EUR 94,555 (including non-deductible VAT).

13.4.3 Internal Auditor: EY

In 2014, EY was appointed by the Board of Directors for all internal audit matters.

The audit committee determines the number of internal audit projects to be conducted annually.

In 2023, internal audit projects awarded compensation in the amount of EUR 6050 (including non-deductible VAT).

13.4.4 Property Management (Netherlands): Quares Property Management

In application of Article 19 of the RREC Act, Qrf entrusted the management of its Dutch portfolio to Quares Property & Facility Management BV.

The fee of the Property Manager after the conclusion of the new agreement on January 30, 2019 is 2.55% on the Rental Income and 1.275% on the ERV in case of vacant spaces. For 2023, the total fee was KEUR 36 (including non-deductible VAT).

In addition, upon signing a new lease or lease renewal, a fee is provided for the Property Manager of 2.125%, to be charged to the annual contracted nominal rent, without taking into account rent reductions.

For its Belgian portfolio, Qrf has been managing itself since January 1, 2020.

13.4.5 Financial services provider: Belfius Bank

Belfius Bank SA was entrusted with the financial services of Qrf. These services include:

- » distribution of dividends and surplus after liquidation;
- » the settlement of securities issued by Qrf;
- » the availability of information that Qrf is required to disclose under the laws and regulations.

The fee for this service was EUR 12,100 (including non-deductible VAT) in 2022.

13.4.6 Liquidity provider: KBC Securities

In 2023, as in previous years, a liquidity agreement ran with KBC Securities NV (the Liquidity Provider) to promote the marketability of the shares. This includes that the Liquidity Provider will be present in the market with buy and sell orders where a certain order volume and spread will be respected.

The fee for this service is set at a fixed amount of EUR 15,125 per year (including non-deductible VAT).

COORDINATED ARTICLES OF ASSOCIATION OF JUNE 9, 2023

TITLE I – NATURE OF THE COMPANY

Article 1 – Form and designation

1.1. The Company has the form of a joint stock company with the name: “Qrf”.

1.2. The Company is a public regulated property company (abbreviated, public RREC) within the meaning of Article 2, 2°, of the Law of May 12, 2014 on regulated property companies (hereinafter referred to as the RREC Law) whose shares are admitted to trading on a regulated market and which raises its financial resources in Belgium or abroad through a public offering of shares.

The name of the Company shall be preceded or followed by the words “public regulated property company under Belgian law” or “Public RREC under Belgian law” and all documents emanating from the Company shall contain the same statement.

The Company is subject to the RREC Law and to the Royal Decree of July 13, 2014 regarding regulated property companies (hereinafter referred to as the RREC Royal Decree) (this Law and this Royal Decree are hereinafter referred to together as the RREC Law).

Article 2 – Headquarters – Website – E-mail

The Company’s registered office is located in the Flemish Region.

The Company may establish administrative offices, branches or agencies both in Belgium and abroad by simple decision of the Sole Director.

The Company’s website is: www.qrf.be. The Company may be contacted at the following e-mail address: info@qrf.be.

Article 3 – Object

3.1. The Company’s Single object is:

(a) to make immovable property available to users directly or through a company in which it has a shareholding in accordance with the provisions of the RREC Law and the decrees and regulations adopted in implementation thereof; and

(b) to own, within the limits of the RREC law, property as mentioned in article 2, 5°, vi to xi of the RREC law;

(c) in the long term, directly, or through a company in which it holds a participation in accordance with the provisions of the RREC Law and the decrees and regulations adopted for its implementation, if necessary in cooperation with third parties, entering into or joining with a public principal one or more:

(i) DBF agreements, called “Design, Build, Finance.”

(ii) DB(F)M agreements, called “Design, Build, (Finance) and Maintain” agreements;

(iii) DBF(M)O agreements, so-called “Design, Build, Finance, (Maintain) and Operate” agreements; and/or

(iv) Public works concession contracts relating to buildings and/or other infrastructure of a property nature and related services, and on the basis of which:

(i) It is responsible for the provision, maintenance and/or operation for the benefit of a public entity and/or the citizen as end user, in order to satisfy a social need and/or allow the provision of a public service; and

(ii) The associated financing, availability, demand and/or operating risk, in addition to any construction risk, can be borne in whole or in part by it, without necessarily having rights in rem; or

(d) To develop, cause to be developed, establish, cause to be established, manage, cause to be managed, operate, cause to be operated, or make available, in the long term, directly, or through a company in which it owns a shareholding in accordance with the provisions of the RREC Law and the decrees and regulations adopted for its implementation, if necessary in cooperation with third parties:

(i) Facilities and storage areas for the transportation, distribution or storage of electricity, gas, fossil or non-fossil fuel and energy in general and related goods;

(ii) Utility facilities for the transportation, distribution, storage or treatment of water and related property;

(iii) Facilities for the generation, storage and transportation of renewable and non-renewable energy and related goods; or

(iv) Waste and incineration plants and related property. Property means the property within the meaning of the RREC legislation.

Within the framework of the provision of immovable property, the Company may, in particular, carry out all activities related to the creation, renovation (without prejudice to the prohibition on acting as a construction promoter, except for occasional operations), renovation, development, acquisition, disposal, management and operation of immovable property.

3.2. The Company may additionally or temporarily invest in securities that are not property within the meaning of the RREC legislation. These investments shall be made in accordance with the risk management policy adopted by the Company and shall be diversified so as to ensure appropriate risk diversification. The Company may also hold unallocated cash in any currency in the form of sight or time deposits or in the form of any other easily negotiable monetary instrument. The Company may also enter into hedging transactions, provided that their sole purpose is to cover interest and exchange rate risks within the framework of the financing and management of the Company's activities referred to in Article 4 of the CRD Law and excluding any transaction of a speculative nature.

3.3. The Company may take or give one or more properties under lease. The activity of leasing immovable property with purchase option may be carried out only as an ancillary activity, unless such immovable property is intended for a purpose of public interest including social housing and education (in this case, the activity may be carried out as a principal activity).

3.4. The Company may, by merger or otherwise, take an interest in any business, undertakings or companies with a similar or complementary object and which are of such a nature that they will promote the development of its business and, in general, it may exercise all operations directly or indirectly related to its object as well as all acts relevant or necessary for the realization of its object.

Article 4 – Prohibitions

The Company cannot:

- » Act as a construction promoter within the meaning of the RREC legislation, excluding occasional operations;
- » Participate in a firm inclusion or guarantee association;

- » Lend financial instruments, with the exception, however, of lending under the conditions and according to the provisions of the Royal Decree of March 7, 2006 regarding securities lending by certain undertakings for collective investment;
- » Acquire financial instruments issued by a company or an association under private law which has been declared bankrupt, which has entered into an amicable settlement with its creditors, which is the subject of a judicial reorganization procedure, which has obtained a moratorium on payments or which has been the subject of a similar measure abroad;
- » Enter into contractual arrangements or provide for statutory provisions with respect to perimeter companies that would impair its voting power under applicable law as a function of a 25% plus one share holding.

Article 5 – Duration

5.1. The Company exists for an indefinite period of time.

5.2. The Company shall not terminate by the dissolution, exclusion, withdrawal, bankruptcy, judicial reorganization or any other reason of the cessation of the functions of the Sole Director.

TITLE II – CAPITAL – SHARES

Article 6 – Capital

6.1. Subscription and payment of capital

The capital of the company amounts to seven million five hundred and eighty-two thousand seven hundred and thirty-seven euros (EUR 7,798,886) and is represented by seven million seven hundred and ninety-eight thousand eight hundred and eighty-six (7,798,886) shares, without par value, each representing one/seven million five hundred and eighty-two thousand seven hundred and thirty-sevenths (1/7,798,886) of the capital.

6.2. Authorized capital

The Sole Director is authorized to increase the capital on one or more occasions by a maximum amount of seven million one hundred and fifty-three thousand three hundred and twenty-two euros (EUR 7,153,322) on the dates and in accordance with the modalities to be determined by the Sole Director, in accordance with Articles 7:198 to 7:203 of the Companies and Associations Code. This authorization is granted for a period of five years from the publication of the minutes of the Extraordinary General Meeting of November 7, 2019 that granted this authorization, specifically from November 15, 2019. Following the capital increase by contribution in kind within the framework of an optional dividend in the amount of two hundred thirty-six thousand and sixty-one euros (EUR 236.061), decided on May 20, 2022 by the board of directors of the company within the authorized capital and the realization of which was established on June 10, 2022 in the minutes drawn up by notary Ward Bultereys in Merelbeke (Bottelare), the balance of the authorized capital amounts to six million nine hundred seventeen thousand two hundred sixty-one euros (EUR 6,917,261). Following a second capital increase by contribution in kind in the context of an optional dividend for an amount of two hundred sixteen thousand one hundred and forty-nine euros (EUR 216,149.00), which was decided on May 17, 2023 by the board of directors of the company within the authorized capital and of which the realization on June 9, 2023 was established in the official report drawn up by notary Ward Bultereys in Merelbeke (Bottelare), the balance of the authorized capital amounts to six million seven hundred and one thousand one hundred and twelve euros (EUR 6,701,112).

The capital increases decided by the Sole Director may take place by cash contribution, by contribution in kind or by mixed contribution, by conversion of reserves (available or unavailable) or of share premiums, with or without creation of new securities and in each case in compliance with the legal provisions. Capital increases may give rise to the issue of shares with or without voting rights. The

authorized capital may also be used to issue securities other than shares, including convertible bonds or subscription rights, whether or not attached to another movable security – which may give rise to the creation of shares with or without voting rights.

In the case of a capital increase accompanied by a deposit or entry of an issue premium, only the amount subscribed to the capital is deducted from the usable remaining amount of the authorized capital.

The Sole Director is authorized, when increasing capital or issuing convertible bonds or subscription rights, to waive or limit the shareholders' preferential right, with respect to capital increases and issues of convertible bonds also in favor of specific persons who are not members of the personnel of the Company or its subsidiaries, in accordance with what is provided in the Belgian Companies and Associations Code and the RREC legislation.

In the event that the preferential subscription right is restricted or cancelled in accordance with the foregoing, an irreducible allocation right shall be granted to the existing shareholders upon the allotment of new securities if (i) the Company is required to do so pursuant to the RREC legislation or other legislation and (ii) the Sole Director has not restricted or cancelled this irreducible allocation right if and to the extent that the RREC legislation or other legislation would provide for this possibility in the future. The irreducible allocation right should not be granted in the case of (i) cash contributions in addition to a contribution in kind within the framework of the distribution of an optional dividend, to the extent that it is effectively made payable to all shareholders or (ii) capital increases by contribution in cash made using the authorized capital and in which the cumulative amount of capital increases that have taken place in this way over a 12-month period does not exceed 10% of the amount of capital at the time of the decision to increase the capital.

Capital increases by contributions in kind are made in accordance with the conditions prescribed by the RREC legislation and the Companies and Associations Code. Such contributions may also relate to dividend rights in the context of the payment of an optional dividend.

Where capital increases decided pursuant to this authorization include an issue premium, the amount thereof, after charging any expenses, will be placed, at the Sole Director's discretion, in an unavailable or available account under equity on the liabilities side of the balance sheet.

The Board of Directors shall have the power to cause the amendments to the bylaws resulting therefrom to be authenticated.

6.3. Acquisition, pledge and disposition of treasury shares.

6.3.A. The Company may acquire, pledge or dispose of its own shares under the conditions determined by applicable corporate law.

The Sole Director is authorized, for five years from the publication in the Annexes of the Belgian Official Gazette of the resolution of the Extraordinary General Meeting of May 18, 2021 that granted this authorization, to acquire and pledge shares of the Company at a unit price that shall not be less than 75% of the stock market price of the closing quotation of the day prior to the date of the transaction (acquisition and pledging) and that shall not exceed, the lower of, (i) 125% of the stock market closing price on the day prior to the date of the transaction (acquisition and pledging) and (ii) the maximum price applicable, if any, under Article 8:5 of the Royal Decree of April 29, 2019 implementing the Companies and Associations Code, without allowing the Company to own or pledge shares representing more than twenty % of the total number of issued shares.

The Sole Director is also authorized, during the same five-year period, to dispose of shares of the Company at a unit price that shall not be less than, the highest value of (i) 75% of the stock market price of the closing quotation of the day prior to the date of the transaction (disposal) and (ii) the minimum price applicable, if any, pursuant to Article 8:7 of the Royal Decree of April 29, 2019 implementing the Companies and Associations Code. The Sole Director is expressly authorized to dispose of treasury shares of the Company to the personnel of the Company and/or affiliated companies (within the meaning of the Companies and Associations Code), or to one or more certain persons other than the aforementioned members of the personnel.

The authorizations under paragraphs 2 and 3 apply to the Sole Director of the Company, to the direct and, to the extent necessary, indirect subsidiaries of the Company (both within the meaning of the Companies and Associations Code), and to any third party acting in its own name but on behalf of those companies.

6.3.B. The Sole Director is authorized, for a period of three years from the publication in the Annexes to the Belgian Official Gazette of the decision of the Extraordinary General Meeting of May 18, 2021 which has granted this authorization, in accordance with applicable company law, to acquire, pledge and/or dispose of the Company's own shares without a prior decision of the General Meeting, when such acquisition, pledge or disposal is necessary to avoid an imminent serious prejudice to the Company. This authorization to acquire, pledge and alienate shares of the Company applies to the Sole Director of the Company, to the direct and, to the extent necessary, the indirect subsidiaries of the Company (both within the meaning of the Companies and Associations Code), and to any third party acting in its own name but on behalf of those companies.

6.4. Capital increase

Any capital increase will be made in accordance with Articles 7:177 to 7:207 of the Belgian Companies and Associations Code and the RREC legislation.

The Company is prohibited from subscribing directly or indirectly to its own capital increase.

On the occasion of any capital increase, the Sole Director determines the price, the issue premium, if any, and the conditions of issue of the new shares unless the general meeting would determine them itself.

If the general meeting decides to request the payment of an issue premium, the amount thereof, after charging any expenses, unless expressly decided otherwise by the general meeting, will be placed in an available account under equity in the liabilities section of the balance sheet.

In the event of capital increase by cash contribution by decision of the general meeting, the shareholders' preferential right may only be limited or cancelled in accordance with Articles 7:190 to 7:194 of the Belgian Companies and Associations Code and the RREC legislation. In case the preferential right is restricted or cancelled in accordance with the foregoing, an irreducible allocation right shall be granted to the existing shareholders upon the allotment of new securities if (i) the Company is required to do so under the RREC legislation or other legislation and (ii) the general meeting has not restricted or cancelled this irreducible allocation right if and to the extent that the RREC legislation or other legislation would provide for this possibility in the future. The irreducible right of attribution should not be granted in the case of cash contributions in addition to a contribution in kind in the context of the payment of an optional dividend, to the extent that it is effectively made payable to all shareholders.

Capital increases by contributions in kind are subject to the requirements of Articles 7:196 and 7:197 of the Belgian Companies and Associations Code and must be carried out in accordance with the conditions provided for in the RREC legislation.

Contributions in kind may also relate to the dividend right in the context of the payment of an optional dividend, with or without additional cash contributions.

6.5. Capital reduction

The Company may proceed with capital reductions in compliance with the relevant legal provisions.

6.6. Mergers, demergers and similar transactions.

The mergers, demergers and assimilated transactions referred to in Part 4 – Book 12 – Title 2 (Regulation of Mergers, Demergers and Assimilated Transactions) of the Companies and Associations Code, shall be carried out in accordance with the conditions provided for in the Belgian Companies and Associations Code and the RREC legislation.

6.7. Capital increase of a perimeter company with institutional RREC status.

Any capital increase of a perimeter company with the status of an institutional RREC by contribution in cash at a price 10% or more below the lower value of: either (a) a net value per share dating from no more than four months before the start of the issue, or (b) the average closing price during the thirty calendar days preceding the start date of the issue, shall be carried out in accordance with the conditions provided for in the RREC legislation.

Article 7 – Nature of shares

Shares are without par value.

The shares are registered or dematerialized, at the option of their owner or holder (hereinafter referred to as the Shareholder) and according to the restrictions imposed by law. The Shareholder may, at any time and without charge, request the conversion of his registered shares into dematerialized shares or vice versa. Each dematerialized share is represented by an entry in an account in the name of its titular holder with an authorized account holder or with a settlement institution.

A register of registered shares shall be kept at the Company's registered office which may exist in electronic form, where appropriate. The number of dematerialized shares in circulation at any time shall be entered in the register of registered shares in the name of the settlement institution or, where applicable, the authorized account holder. Holders of registered shares may take note of the entries in the register of registered shares.

Article 8 – Other securities

With the exception of profit certificates and similar securities, the Company may issue, within the limitations of the RREC legislation and the Companies and Associations Code, any securities not prohibited by or under the law.

Article 9 – Listing on the stock exchange and disclosure of major holdings

The Company's shares must be admitted to trading on a Belgian regulated market in accordance with the RREC legislation.

The thresholds whose crossing or falling below gives rise to a notification requirement under the legislation on the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market (the "Major Holdings Disclosure Legislation") are set at 5% and any multiple of 5% of the total number of existing voting rights.

Subject to the exceptions provided for in the Legislation on Disclosure of Major Shareholdings, no one can participate in the general meeting of the Company with more voting rights than those attached to the securities that he has notified, in accordance with the Legislation on Disclosure of Major Shareholdings, to hold at least twenty (20) days before the date of the general meeting.

TITLE III – GOVERNANCE AND SUPERVISION

Article 10 – The governing body

10.1. The Company shall be managed by a Single director, referred to in these bylaws as the “Sole Director”.

10.2. The following Sole Director is appointed without term limitation: the limited liability company Qrf Management, with its registered office at Oud Vliegveld 12, 8400 Oostende, registered in the Register of Legal Entities of Ghent (Ostend section) under number 0537.925.079.

10.3. The Company’s Sole Director is a limited liability company with a collegial board, which, depending on the nature of the acts to be performed in the Company, acts through its board of directors, its permanent representative and, if applicable, the person(s) in charge of day-to-day management.

10.4. The Board of Directors of the Sole Director shall include at least three independent directors within the meaning of Article 7:87 of the Companies and Associations Code.

Without prejudice to the transitional provisions provided by the RREC legislation, the directors of the board of directors of the Sole Director must be natural persons; they must meet the requirements of reliability and competence as provided by the RREC legislation and must not fall within the scope of the prohibitions laid down in the RREC legislation.

10.5. The (re)appointment of the Sole Director is submitted for prior approval to the Financial Services and Markets Authority (FSMA).

Article 11 – End of the mandate of the Sole Director

11.1. The Sole Director is permanently appointed and his appointment, except with his consent, is not revocable except for lawful reasons in accordance with the Companies and Associations Code.

11.2. The functions of the Sole Director terminate in the following cases:

- » The resignation: the Sole Director can only resign if this resignation is possible within the framework of his commitments taken towards the Company and to the extent that he does not bring the Company into difficulties; his resignation must be announced by the convening of a general meeting with as its agenda the adoption of the resignation and the measures to be taken; this general meeting will have to meet at least one month before the resignation takes effect;
- » Dissolution, liquidation, disqualification, bankruptcy, manifest insolvency or any other similar proceeding relating to the Sole Director;
- » The loss, on the part of all members of the bodies of directors or of the daily management of the Sole Director of the requirements of reliability, competence and experience required by the GR legislation; in this case, the Sole Director or the auditor must convene a general meeting with as its agenda the possible determination of the loss of the requirements and the measures to be taken; this meeting must meet within six weeks if only one or more members of the bodies of directors or of the daily management of the Sole Director no longer meet the above-mentioned requirements, the Sole Director must replace them within one month; after this deadline, the meeting of the Company as described above will be convened; all this in the one or the other case, subject to the measures that the FSMA would take pursuant to the powers provided by the RREC legislation;

» The prohibition within the meaning of article 15 of the RREC law that would affect all the members of the bodies of management or the daily management of the Sole Director; in this case, the Sole Director or the auditor must convene the general meeting with as its agenda the determination of the loss of those requirements and the decisions to be taken; this meeting must take place within the month; if only one or more members of the bodies of directors or of the daily management of the Sole Director no longer meet the above-mentioned requirements, the Sole Director must replace them within one month; after this deadline, the meeting of the Company as described above will be convened; all this in the one or the other case, subject to the measures that the FSMA would take pursuant to the powers provided by the RREC legislation.

11.3. In case of termination of the functions of the Sole Director, the Company shall not be dissolved. This Sole Director shall be replaced by the general meeting, deliberating as for amendment of the Articles of Association, after being convened by the auditor or, failing this, by a provisional administrator appointed at the request of any interested party by the president of the corporate court, whether a shareholder or not. Within fifteen days of his appointment, the provisional administrator shall convene the general meeting in the manner provided by the Articles of Association. He shall then have no further liability for the performance of his duties.

The provisional administrator performs the urgent acts of mere management until the first general meeting.

Article 12 – Minutes.

The deliberations of the Sole Director shall be recorded in minutes signed by him.

These minutes shall be recorded in a special register. Delegations, as well as opinions and votes cast in writing or other documents shall be attached thereto.

Copies or extracts to be submitted in court or elsewhere shall be signed by the Sole Director.

Article 13 -Remuneration of the Sole Director.

The office of the Sole Director shall be remunerated and shall be determined by the general meeting in accordance with the legislation applicable from time to time from a total cost approach and shall be function of all expenses to be borne by the Sole Director directly related to the day-to-day operation of the Company (including, inter alia, the remuneration of the Directors, committees and Executive Management of the Sole Director).

Article 14 – Powers of the Sole Director.

14.1. The Sole Director has the most extensive powers to perform all acts necessary or useful for the accomplishment of the object with the exception of those reserved by law or by the Articles of Association for the general meeting.

14.2. The Sole Director shall prepare the semi-annual reports as well as the draft consolidated and statutory financial statements and annual reports.

The Sole Director shall appoint the expert(s) in accordance with the RREC legislation and, if necessary, propose any changes to the list of experts included in the file accompanying the application for RREC recognition.

The Sole Director may delegate to any agent, in whole or in part, his powers with respect to special and specific purposes.

The Sole Director may, in accordance with RREC legislation, determine the compensation of any agent to whom special powers have been granted. The Sole Director may revoke the mandate of such agent(s) at any time.

14.3. The consent of the Sole Director is required for any resolution of the general meeting (including, but not limited to, amendments to the Articles of Association), any distribution to shareholders or his resignation, without prejudice to the provisions of the Companies and Associations Code.

Article 15 – Advisory and specialized committees.

The board of directors of the Sole Director shall set up in its midst an audit committee as well as a remuneration and nomination committee, and shall define their composition, missions and powers. The board of directors of the Sole Director may create one or more consultative committees from among its members and under its responsibility, whose composition and missions it shall define.

Article 16 – Effective leadership

Without prejudice to the transitional provisions provided by the RREC legislation, the effective management of the Company is entrusted to at least two natural persons.

The persons in charge of effective management must meet the requirements of reliability and competence as provided in the RREC legislation and must not fall within the scope of the prohibitions laid down in the RREC legislation.

The appointment of the effective leaders is submitted for prior approval to the FSMA

Article 17 – Representation of the Company and signing of deeds

Except for special delegation of authority by the Sole Director, the Company shall be validly represented in all actions, including those to which a public or ministerial official lends his assistance, as well as in court, either as plaintiff or defendant, by the Sole Director, in turn represented by his permanent representative.

The Company is also validly represented by special proxies of the Company within the limits of the mandate entrusted to them to that end by the Sole Director.

Article 18 – Auditing

The Company shall appoint one or more auditors to perform the functions entrusted to them under the Belgian Companies and Associations Code and the RREC legislation.

The auditor must be approved by FSMA.

TITLE IV – GENERAL MEETING

Article 19 – Meeting

The annual general meeting meets on the third Tuesday of the month of May at 2 p.m.

If this day is a legal holiday, the meeting shall be held at the same hour on the next working day (a Saturday or a Sunday are not working days).

Ordinary, special or extraordinary general meetings shall be held at the registered office of the Company, except as otherwise provided in the notice of meeting.

The threshold from which one or more shareholders may demand a convocation of a general meeting to present one or more proposals, and this in accordance with Article 7:126 of the Companies and Associations Code, is set at shareholders representing 1/10th of the capital.

One or more shareholders who together hold at least three percent (3%) of the capital of the Company may, in accordance with the provisions of Article 7:130 of the Companies and Associations Code, request that items to be discussed be included on the agenda of any general meeting and may submit motions for resolutions concerning items to be discussed that have been or will be included on the agenda.

Article 20 – Participation in the meeting

The right to participate in a general meeting and exercise voting rights therein is made conditional on the accounting registration of the shareholder's registered shares on the fourteenth day prior to the general meeting at twenty-four hours (Belgian time) (hereinafter referred to as the registration date), either by their registration in the register of the Company's registered shares or by their registration in the accounts of an authorized account holder or of a clearing institution, regardless of the number of shares held by the shareholder on the day of the general meeting.

The owners of dematerialized shares who wish to participate in the meeting must present a certificate issued by the authorized account holder or the settlement institution showing the number of dematerialized shares registered in their accounts in the name of the shareholder on the record date, and for which the shareholder has indicated a desire to participate in the general meeting. No later than the sixth day before the date of the meeting, the shareholder shall notify the Company that he wishes to participate in the general meeting, via the Company's e-mail address or the e-mail address specified in the notice of the general meeting or by ordinary mail. The owners of dematerialized shares shall also provide the aforementioned certificate to the Company no later than the sixth day.

Holders of non-voting shares, convertible bonds, subscription rights or certificates issued with the cooperation of the Company and holders of bonds that have acquired the right to participate in the general meeting pursuant to the terms and conditions of issue must meet the same conditions as shareholders in order to be admitted to the general meeting.

Article 21 – Voting by proxy

Any owner of securities entitling him to participate in the meeting may be represented by a proxy, who may or may not be a shareholder.

The shareholder may appoint only one person as proxy for a given general meeting, subject to derogations provided for in the Companies and Associations Code.

The proxy must be signed by the shareholder as provided for in the Belgian Companies and Associations Code and must be delivered to the Company no later than the sixth day prior to the general meeting via the Company's e-mail address or the e-mail address indicated in the notice of the general meeting or by ordinary mail.

The Sole Director may prepare a proxy form.

The co-owners, others in undivided ownership, usufructuaries and bare owners, pledge creditors and debtors must be represented by one and the same person respectively.

Article 22 – Office

All general meetings shall be chaired by the Sole Director.

The president shall designate the secretary.

The meeting shall elect two tellers.

Article 23 – Number of votes

The shares each give the right to one vote, subject to the cases of suspension of voting rights provided for in the Companies and Associations Code.

Article 24 – Deliberation

The general meeting may validly deliberate and vote regardless of the proportion of capital present or represented, except in cases where the Belgian Companies and Associations Code imposes an attendance quorum.

The general meeting can only validly deliberate on amendments to the articles of association if at least half of the capital is present or represented. If this condition is not met, then the general meeting must be reconvened and the second meeting decides validly regardless of the proportion of capital represented by the shareholders present or represented.

Unless otherwise stipulated by law, every decision by the general meeting is taken by a simple majority of votes, regardless of the number of shares represented. Blank or invalid votes cannot be added to the number of votes cast.

Any amendment to the bylaws shall be permitted only if it is approved by at least three-fourths of the votes or, if it is to change the object and purposes, by four-fifths of the votes.

The decisions of the general meeting, including the amendment of the bylaws, are validly taken only with the consent of the Sole Director.

Voting is done by a show of hands or roll call, unless the general meeting decides otherwise by a simple majority of the votes cast. Any draft amendment to the Articles of Association must be submitted in advance to the FSMA.

The general meeting may validly deliberate on items not on the agenda only when all shares are represented at this meeting and when this is decided unanimously.

An attendance list listing the names of the shareholders and the number of shares is signed by each of them or by a representative before the session begins.

Article 25 – Postal voting

Shareholders will be able to vote for the general meeting by letter using a form prepared by the Company if the Sole Director has given the authorization to do so in his notice of meeting. This form must compulsorily indicate the date and place of the meeting, the name of the shareholder and his place of residence or registered office, the number of votes with which the shareholder wishes to vote at the general meeting, the form of the shares he holds, the items on the agenda of the meeting (including the proposals for decision), a space allowing to vote for or against any decision or to abstain, as well as the deadline by which the Company must receive the form to vote by proxy. The form must be handwritten or electronically signed by the shareholder in accordance with Article 7:146, §2, 6° of the Companies and Associations Code. The form may be addressed to the Company by letter or via the Company's e-mail address or the e-mail address that was provided in the notice of the general meeting. The Company must receive the voting form no later than the sixth day before the date of the general meeting.

Article 26 – Minutes

The minutes of the general meeting shall be signed by the members of the office and by the shareholders who request them. Copies or excerpts of the minutes to serve in court or otherwise shall be signed by two directors of the Sole Director.

Article 27 – General meeting of bondholders.

The Sole Director and auditor(s) of the Company may convene a general meeting of bondholders and determine its agenda. They must also convene the general meeting of bondholders within three weeks when bondholders representing one-fifth of the amount of securities in circulation request it, with at least the agenda items proposed by the bondholders concerned. The notice shall contain the agenda and shall be prepared and made in accordance with the provisions of the Companies and Associations Code. In order to be admitted to the general meeting of bondholders, bondholders must comply with the formalities provided for in Article 7:166 of the Companies and Associations Code, as well as any formalities provided for in the terms and conditions of issue of the bonds or in the convening notices.

TITLE V – FINANCIAL YEAR – FINANCIAL STATEMENTS – DIVIDENDS – ANNUAL REPORT

Article 28 – Financial year – Annual accounts

The Financial year begins on January 1 and ends on December 31 of each year. At the end of each Financial year, the books and accounting operations are closed and the Sole Director draws up an inventory as well as the financial statements.

The Sole Director prepares a report (the “annual report”) in which the board of directors accounts for its management. The auditor prepares a written and comprehensive report (the “audit report”) for the annual general meeting.

Article 29 – Dividends

The Company must pay to its shareholders, within the limits set by the Belgian Companies and Associations Code and the RREC legislation, a dividend, the minimum amount of which is prescribed by the RREC legislation. Such decision requires the consent of the Sole Director.

Article 30 – Interim dividends

The Sole Director may decide to distribute interim dividends, in the cases and within the time limits permitted by law.

Article 31 – Making available the annual and HALF-YEARly reports

The Company's annual and semi-annual reports, which include the Company's statutory and consolidated annual and half-year accounts as well as the auditor's report, are made available to shareholders in accordance with the provisions applicable to issuers of financial instruments admitted to trading on a regulated market and with the RREC legislation.

The Company's annual and semi-annual reports are published on the Company's website.

Shareholders may obtain a free copy of the annual and semi-annual reports at the Company's registered office.

TITLE VI – DISSOLUTION – LIQUIDATION

Article 32 – Loss of capital

When, as a result of losses suffered, the net assets have fallen to less than half or one-fourth of the capital, the Sole Director must convene the general meeting in order to decide on the dissolution of the Company or on the measures announced in the agenda in order to safeguard the continuity of the Company in accordance with what is stipulated in Article 7:228 of the Companies and Associations Code.

Article 33 – Appointment and powers of liquidators.

In case of dissolution of the Company for any reason and at any time, the liquidation shall be carried out by the Sole Director who shall receive compensation in accordance with this of Article 13 of the Articles of Association.

In the event that the Sole Director does not accept this assignment, liquidation shall be carried out by one or more liquidators, who may be natural or legal persons and who shall be appointed by the general meeting of shareholders, subject to the agreement of the Sole Director.

The general meeting will determine his (their) powers and his (their) compensation. If the statement of assets and liabilities shows that not all creditors can be fully repaid and subject to the exceptions mentioned in the Companies and Associations Code, the appointment of the liquidators must be submitted to the president of the court for confirmation in the articles of association or by the general meeting. Such confirmation is not required if that statement of assets and liabilities shows that the Company is indebted only to its shareholders and all shareholders who are creditors of the Company confirm in writing their agreement to the appointment.

The liquidation of the Company is concluded in accordance with the provisions of the Companies and Associations Code.

Article 34 – Distribution

Distribution to shareholders will not take place until after the meeting to close the liquidation.

Except in the case of a merger, the net assets of the Company, after the discharge of all debts or a consignment of the sums necessary for this purpose, shall first be applied to repay the paid-up capital, and any balance shall be divided equally among all shareholders of the Company, in proportion to the number of shares they own.

TITLE VII – GENERAL AND TRANSITIONAL PROVISIONS

Article 35 – Choice of domicile

For the implementation of the Articles of Association, any shareholder domiciled abroad, any director, auditor, shareholder or liquidator shall be deemed to elect domicile in Belgium. Failing this, he shall be deemed to have elected domicile at the registered office where all notices, summonses, writs and service of process on him may be validly effected.

The holders of registered shares must notify any change of residence to the Company. If this is not done, all communications, notices or official notifications will be validly made at the last known domicile.

Article 36 – Jurisdiction

For all disputes between the Company, its shareholders, debenture holders, directors, auditors and liquidators relating to the Company's affairs and in implementation of these bylaws, exclusive jurisdiction shall be granted to the Corporate Court of the registered office unless expressly waived by the Company.

Article 37 – Common law

The provisions of these bylaws that would be contrary to the mandatory provisions of the Belgian Companies and Associations Code and the RREC legislation are held to be unwritten. The nullity of one article or part of an article of these Articles of Association will not affect the validity of the other statutory clauses.

Article 38 – Transitional provisions

Notwithstanding Article 13, in application of what was provided in the Company's Articles of Association at the time of its creation, the annual remuneration of the Sole Director shall be calculated, for a term of 15 (fifteen) years starting on September 3, 2013, on the basis of the Sole Director's net current result before expenses, before taxes and excluding portfolio result. Such remuneration shall be maintained during such period, in addition to the reimbursement of all costs directly related to the daily operation of the Company (including, among other things, the remuneration of the Directors, the committees and the Executive Management of the Sole Director), at 4% of the net current result before cost of the Sole Director, before taxes and excluding portfolio result. The fee thus calculated is due on the last day of the Financial year in question but is payable only upon approval at the Company's meeting. The calculation of such fee is subject to the control of the auditor

13.5 THE RREC AND ITS FINANCIAL REGIME.

Qrf has had the status of a public Regulated Property Company (public RREC) since November 7, 2014.

This system was regulated by the Law of May 12, 2014 and the Royal Decree of July 13, 2014 on Regulated Property Companies and was amended by the Law of October 22, 2017.

The RREC statute is open to operating property companies that specialize in the provision of property to users, and meet the legal characteristics of the RREC.

The RREC may own, within legal limits, other types of property (shares in public Property Investment Trusts, units in certain foreign UCIs, shares issued by other REITs and property certificates), and carry out all activities associated with the creation, conversion, renovation, development (for its own portfolio), acquisition, disposal, management and operation of property. A RREC pursues general long-term business objectives and, like any other operational and commercial enterprise, acts in the interest of the Company and by extension of all its stakeholders.

The following features are peculiar to the RREC public statute:

- » mandatory trading of the shares on a Belgian regulated market (Euronext Brussels);
- » statutory maximum debt ratio of 65% of its assets;
- » benefit obligation of at least 80% of adjusted earnings minus net debt reduction;
- » strict rules regarding conflicts of interest apply;
- » occasional and periodic valuation of the Fair Value of the property by an independent Property expert;
- » diversification of its properties in such a way that risks are appropriately spread, by property type, by geographic region and by category of user or tenant;
- » a transaction may not result in more than 20% of its consolidated assets constituting a single property entity;
- » specific rules on internal control structures apply.

A RREC is subject to corporate income tax at the standard rate, albeit on a limited tax base (i.e. on non-deductible professional expenses, abnormal or gratuitous advantages and the special assessment on undisclosed commissions). When a TSO participates in a merger, demerger or similar operation, this operation will not benefit from the regime of tax neutrality but will give rise to the application of the exit tax. Dividends paid by a RREC to a shareholder generally give rise to the collection of withholding tax at the 30% rate.

13.6 JUDICIAL AND ARBITRATION PROCEEDINGS

Qrf has several collection proceedings pending, which may have a very limited impact on the figures. In addition, Qrf is involved in some disputes. These disputes include some collections of rent arrears and the declaration of claims following a bankruptcy of some former tenants.

13.7 STATEMENTS BY THE SOLE DIRECTOR

13.7.1 Persons responsible for the content of the registration document

The Sole Director of Qrf, Qrf Management NV, with registered office in 8400 Ostend, Oud Vliegveld 12, and with company number BE 0537.925.079 is responsible for the information provided in this annual financial report. The Sole Director has made all reasonable efforts to verify this information. He hereby certifies that, to the best of his knowledge, the information contained in this annual financial report is in accordance with reality, and that no information has been omitted whose disclosure would alter the scope of this annual financial report.

13.7.2 Information sourced from third parties

The Sole Director of Qrf declares that the Auditor and the Property experts have given their approval that the content of their report and of their conclusions, respectively, be included in the annual financial report and that they have approved the content and the form of and the context in which relevant part is included in the annual financial report. For confidentiality reasons, the full report of the Property experts has not been included.

The information derived from third parties contained in this document has always been accurately reproduced, and to the best of Qrf's knowledge or belief from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

14 Lexicon



Mechelen

Bruul 15 – Botermarkt 1

Belgium

14 Lexicon

2IM BV

The private company under Belgian law 2IM BVBA, with registered office at Oud Vliegvelde 12, 8400 Ostend, registered with the Crossroads Bank for Enterprises under company number BTW BE 0888.808.129 (RPR Ghent, section Ostend).

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.

Act of 16 June 2006 (Prospectus Act)

The Law of 16 June 2006 on public offers of investment instruments and admission of investment instruments to trading on a regulated market, B.S. 21 June 2006, 31.341 as amended.

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.

Ardeno

The private limited liability company under Belgian law Ardeno BV, with its registered office at Pauline Van Pottelsberghelaan 10, 9051 Ghent, registered with the Crossroads Bank for Enterprises under the enterprise number BTW BE 0766.286.934 (RPR Ghent, section Ghent).

Arioso Investments Belgium NV

The limited liability company under Belgian law Arioso Investments Belgium NV, with registered office at 9050 Ghent, Gaston Crommenlaan 8, registered with the Crossroads Bank for Enterprises under company number VAT BE 0561.914.565 (RPR Brussels).

Belgian Companies and Associations Code (BCAC).

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

Benefit ratio

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

Board of Directors

The Board of Directors of the Sole Director.

Century Center Freehold 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 Crossroads Bank for Enterprises under the enterprise number BTW BE 0879.602.829 (RPR Ghent, department Ghent).

CEO

Chief Executive Officer.

CFO

Chief Financial Officer.

Commissioner

The Auditor of Qrf, i.e. KPMG represented by Mr. Filip De Bock.

Contractual Rents

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

Cushman & Wakefield

Cushman & Wakefield VOF, a limited liability company under Dutch law, with registered offices at Gustav Mahlerlaan 362, 1082ME Amsterdam, The Netherlands, registered with the Chamber of Commerce under number KvK 33154480, acting in Belgium through its Belgian branch with registered offices at Koningsstraat 97 (4th floor), 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under company number BTW 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-KB.

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.

EPRA

European Public Real Estate Association.

EPRA NDV

Net Disposable Value or Net Available Value according to EPRA Best Practices Recommendations. Reflects a scenario of sale of the Company's assets, resulting in the realisation of deferred taxes and liquidation of the liabilities and financial instruments.

EPRA NRV

Net Reinstatement Value or Net Replacement Value according to EPRA Best Practices Recommendations. Reflects what would be required to reconstitute the Company through the investment market and based on the current capital and financing structure, including real estate transfer taxes.

EPRA NTA

Net Tangible Assets or Net Asset Value according to EPRA Best Practices Recommendations. The NAV has been adjusted to include property and other investments at their Fair Value which excludes certain items that are not expected to materialise in a long-term investment property business model.

Estimated Rental Value (ERV)

This is the estimated annualised rental value used by the Property Expert in the valuation reports.

Euronext Brussels

The regulated market of Euronext Brussels SA/NV.

Euronext Brussels SA

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 BTW BE 0242.100.122 (RPR Brussels, Clerk of the Dutch Language Court of Commerce Brussels), the Belgian market company that operates Euronext Brussels.

EY

Ernst & Young Advisory Services. The co-operative company with limited liability with registered office at De Kleetlaan 2, 1831 Diegem, registered with the Crossroads Bank for Enterprises under the enterprise number BTW BE 0467.239.793 (RPR Brussels, Registry of the Dutch Language Court of Commerce 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.

Finance Manager

The Company's regular service provider who is responsible for the company's accounting.

FSMA

The Belgian Financial Services and Markets Authority.

Governance Code 2020

The Belgian Corporate Governance Code for listed companies of 2020, drawn up by the Corporate Governance Committee, and available on its website.

Group

Qrf and its Perimeter companies.

Handling Regulations

The document included as Appendix 2 of the Corporate Governance Charter.

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 or 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).

KPMG Bedrijfsrevisoren BV

The private limited liability company KPMG Bedrijfsrevisoren, with registered office at Brussels National Airport 1K, 1930 Zaventem, registered with the Crossroads Bank for Enterprises under enterprise number VAT BE 0419.122.548 (RPR Brussels, Registry of the Dutch-speaking Commercial Court of Brussels).

Law of June 16, 2006 (Prospectus Law).

The Law of June 16, 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market, B.S. June 21, 2006, 31.341 as amended, where appropriate.

Liquidity Provider

KBC Securities NV, with registered office at Havenlaan 2, 1080 Brussels, registered with the Crossroads Bank for Enterprises under the enterprise number BTW BE 0437.060.521 (RPR Brussels, Clerk of the Dutch Language Court of Commerce Brussels).

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.

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.

Pelican

The private company under Belgian law Pelican BV, with registered office at Pauline Van Pottelsberghelaan 10, 9051 Ghent, registered with the Crossroads Bank for Enterprises under enterprise number BTW BE 0766.287.231 (RPR Ghent, section Ghent).

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 Code).

Property expert

Cushman & Wakefield.

Qrf or the Company

The limited liability company 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 Crossroads Bank for Enterprises under company number BTW BE 0537.979.024.

Qrf Management NV

The public limited company under Belgian law Qrf Management NV, with registered office at 8400 Ostend, Oud Vliegfeld 12, registered with the Crossroads Bank for Enterprises under enterprise number BTW 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.

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.

RAB Invest NV

The public limited liability company under Belgian law RAB Invest NV, with registered office at 9050 Ghent, Gaston Crommenlaan 8, registered with the Crossroads Bank for Enterprises under the enterprise number BTW BE 0820.897.736 (RPR Ghent, section Ghent).

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 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.

Sole Director

Qrf Management NV.

Stadim BV

The limited liability company Stadim BV, with its registered office at Mechelsesteenweg 180, 2018 Antwerp, registered with the Crossroads Bank for Enterprises under enterprise number VAT BE 0458.797.033

(Statutory) Auditor

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

Trading Regulations

The document is included as Annex 2 to the Corporate Governance Charter.

Transfer fee

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.

Working day

A day (excluding Saturday, Sunday or the legal holidays in Belgium) on which banks are open for business in Belgium.



Qrf NV

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