



FIRST SIX MONTHS OF 2018

“In the first half of 2018, Qrf City Retail focused on the optimization of the existing portfolio and on divesting non-strategic properties. In this context, Qrf City Retail has recorded stable EPRA earnings per share of 0.76 EUR.”

– Anneleen Desmyter, CEO Qrf City Retail

Overview half year results 2018:

- Fair Value of the real estate portfolio amounted to 281.09 MEUR on 30 June 2018.
- Impairment on properties rented by H&M for an amount of 6.71 MEUR (4.51 MEUR of which already announced in the publication for the first quarter of 2018).
- IFRS NAV per share of 22.38 EUR and EPRA NAV per share of 22.68 EUR on 30 June 2018.
- Rise of the EPRA result by 9.83% to 4.28 MEUR in the first half of 2018.
- Stable EPRA earnings per share of 0.76 EUR.
- Occupancy rate of 95.72% on 30 June 2018.
- Sale of a non-strategic property situated in Sint-Niklaas for a net selling price of 675 KEUR.
- Successful launch of a commercial paper program.
- Debt ratio of 54.34% on 30 June 2018.

1. Key figures

Occupancy rate	Contractual Rents on an annual basis	Portfolio spread
95.72%	15.94 MEUR	88% (inner city) 12% (periphery)
Fair Value of the real estate portfolio	NAV per share	Debt ratio
281.09 MEUR	22.38 EUR (IFRS) 22.68 EUR (EPRA)	54.34%

2. Transactions and achievements in the first half of 2018

2.1. Acquisitions, divestments and other activities

2.1.1. Acquisitions

In the first half of 2018, no acquisitions took place.

2.1.2. Divestments

On 16 April 2018, Qrf City Retail sold a non-strategic property situated in Sint-Niklaas (Stationsstraat 39) for a net selling price (after deduction of registration fees and other transfer charges) of 675 KEUR. The property was not rented. The net selling price exceeded the last Fair Value estimated by the independent property expert.

Qrf City Retail is also at an advanced stage for the sale of a number of non-strategic properties in the second half of 2018.

2.1.3. Redevelopments

In the context of the optimization of its real estate portfolio, Qrf City Retail has submitted an urban permit application for the redevelopment of the *Bondgenotenlaan-Bogaardenstraat* project in Leuven.

2.1.4. Conversion of RIGS NV to a GVBF/FIIS/REIF

On 30 June 2016, Qrf City Retail acquired 100% of the shares of RIGS NV. The main asset of this company is the retail property in Hasselt (Demerstraat 21-25) rented to H&M and The Sting. On 6 April 2018, the company has been included on the list of specialized investment funds at the FPS Finance. RIGS NV has thus assumed the status of GVBF/FIIS/REIF.

2.1.5. *Sponsoring Retailer of the Year*

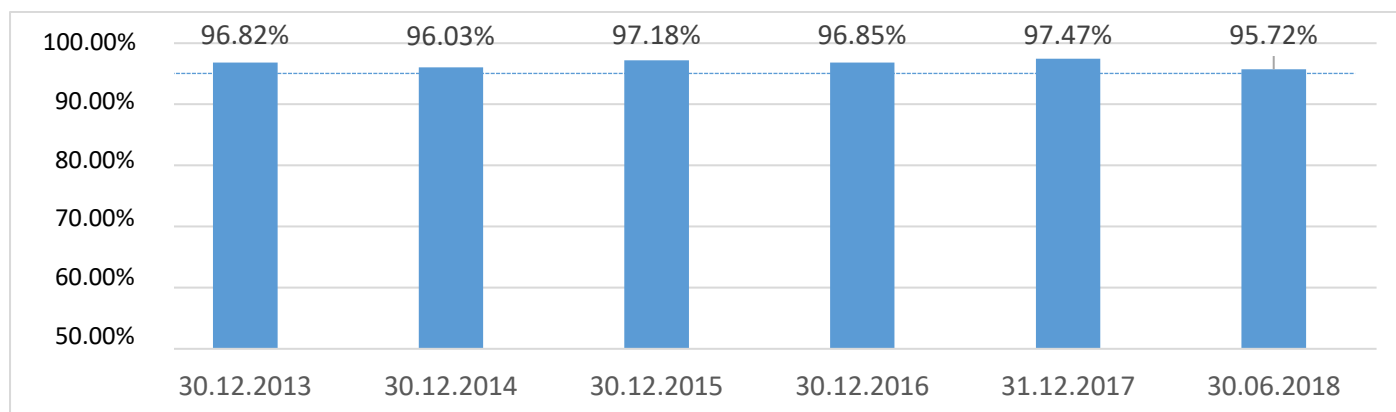
Qrf City Retail is the main sponsor of the “Retailer of the Year 2018” award for the third year in a row. The award for the best Belgian retailer has been conferred since 2006, based on independent consumer research. The search for the successor of Standaard Boekhandel, winner in 2017, started in June 2018. The winners will be announced during the RetailDetail Night on 29 November 2018.

Qrf City Retail wants to do more than invest in and rent out retail properties. It wants to stay in touch with retailers and consumers. The award “Retailer of the Year Belgium” has become a quality mark and the election is for both retailers and Qrf City Retail an excellent way of gaining insight in the needs of the modern consumer through the gathering of qualitative and quantitative knowledge of the retail market.

2.2. *Occupancy rate and rental activities*

Within her portfolio of 51 properties, rented to more than a 100 tenants, Qrf City Retail succeeded in maintaining the high level of the Occupancy rate¹ during the first half of 2018. On 30 June 2018, the Occupancy rate of the portfolio amounted to 95.72% .

Evolution Occupancy rate

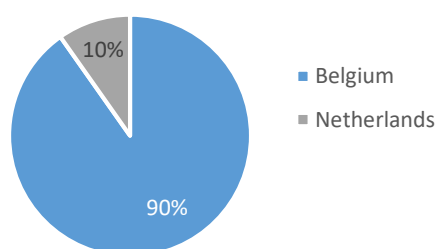


2.3. *Evolution of the real estate portfolio*

The share of inner city real estate amounts to about 88% of the portfolio. More than 75% of the total real estate portfolio is located in 10 important shopping cities in Belgium (Antwerp, Brussels, Ghent, Hasselt, Liège, Namur, Leuven, Mechelen, Aalst and Ostend) and 5 important shopping cities in The Netherlands (Maastricht, Den Bosch, Nijmegen, Zwolle and Enschede).

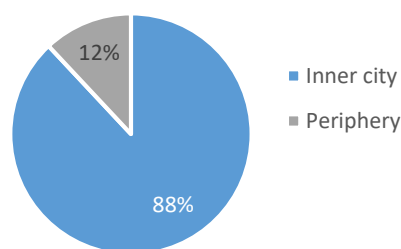
Geographical spread of the real estate portfolio on 30 June 2018

(% of the Fair Value)



Spread of the type of real estate on 30 June 2018

(% of the Fair Value)



¹ Occupancy rate = (Contractual Rents on an annual basis) / (Contractual Rents on an annual basis including the Estimated Rental Value of vacant property).

3. Financial results for the first half of 2018

Consolidated key figures			
Real estate portfolio		30/06/2018	31/12/2017
Fair Value of the real estate portfolio ²	(KEUR)	281,094	287,404
Total gross surface area	(m ²)	90,530	91 573
Contractual Rents on an annual basis ³	(KEUR)	15,943	16.025
Estimated Rental Value of vacant property	(KEUR)	712	417
Gross portfolio yield ⁴		5.67%	5.58%
Occupancy rate ⁵		95.72%	97.47%
Balance sheet		30/06/2018	31/12/2017
Shareholders' equity (excl. minority interests)	(KEUR)	126,798	134,710
Debt ratio (under the RREC Act) ⁶		54.34%	52.69%
Consolidated profit-and-loss account		30/06/2018	30/06/2017
Net rental income	(KEUR)	7,756	7,205
Operating result before result on the portfolio	(KEUR)	6,000	5,473
Operating margin ⁷		77.4%	76.0%
Portfolio result	(KEUR)	-5,229	-1,478
Financial result	(KEUR)	-2,244	-1,299
Taxes	(KEUR)	-119	-205
Net result (group share)	(KEUR)	-1,586	2,497
Adjustment for Portfolio Result	(KEUR)	5,229	1,478
Adjustment for changes in the Fair Value of the financial assets and liabilities (non-effective interest rate hedging)	(KEUR)	636	-80
EPRA earnings ⁸	(KEUR)	4,279	3,896
Key figures per share		30/06/2018	30/06/2017
Total number of shares outstanding at the end of period		5,665,822	5,129,802
Weighted average number of shares ⁹		5,665,822	5,129,802
Net result per share	(EUR)	-0.28	0.49
EPRA earnings per share	(EUR)	0.76	0.76
Closing price of the share at the end of period	(EUR)	20.00	24.75
IFRS NAV per share ¹⁰	(EUR)	22.38	23.32
Premium/discount to IFRS NAV (end of period)		-10.6%	6.1%
EPRA NAV per share ¹¹	(EUR)	22.68	23.76
Premium/discount to EPRA NAV (end of period)		-11.8%	4.2%

² Fair Value of the real estate portfolio = The investment value as defined by an independent chartered surveyor, from which the transfer costs are deducted. The Fair Value is equivalent to the book value under IFRS.

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

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

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

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

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

⁸ EPRA earnings = Net result (group share) excluding the portfolio result and changes in the Fair Value of the non-effective interest rate hedges. This term is used in accordance with the *Best Practice Recommendations* of the EPRA.

⁹ Shares are counted pro-rata temporis from the time of issue. The time of issue differs in this case from the time of profit-sharing.

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

¹¹ EPRA NAV per share = Net Asset Value per share according to EPRA *Best Practice Recommendations*.

3.1. Results

The **Net rental income** rose by 7.7% from 7.21 MEUR (30 June 2017) to 7.76 MEUR (30 June 2018). This is attributable mainly to the acquisition of additional properties since 30 June 2017 and the full contribution in 2017 of properties that Qrf City Retail purchased in in the first half of 2017.

The **operating result before the result on the portfolio** rose to 6.00 MEUR in the first half of 2018, up 9.6% over that of the first half of 2017 (5.47 MEUR). The operating margin amounted to 77.4%.

The **portfolio result** for the first half of 2018 amounts to -5.23 MEUR, consisting of:

- a positive **result from the sale of investment properties** for an amount of 0.15 MEUR (sale of a building at Sint-Niklaas, Stationsstraat 39); and
- negative **changes in the Fair Value of the investment properties** for an amount of -5.37 MEUR.

These negative changes in the Fair Value of the investment properties consist primarily of:

- a negative change in the Fair Value of the portfolio in Belgium (-2.3%);
- a positive change in the Fair Value of the portfolio in the Netherlands (+0.6%).

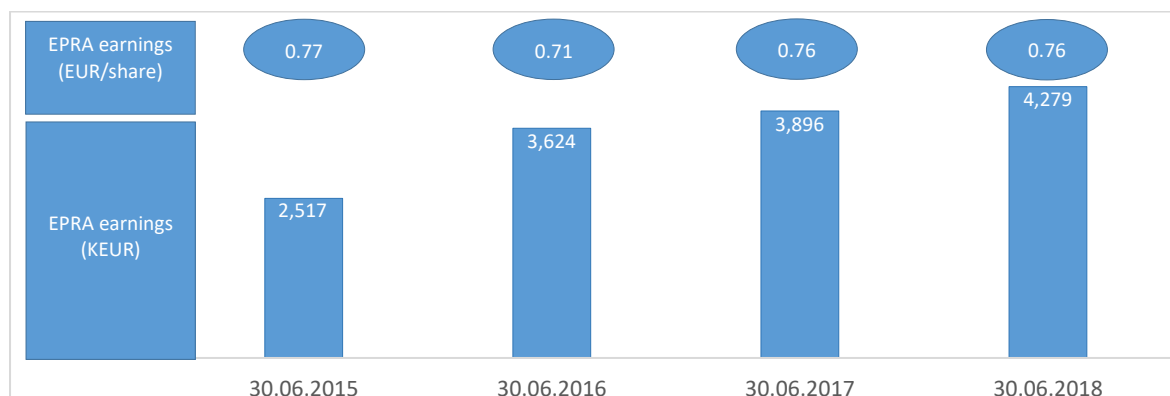
The **financial result** amounts to -2.24 MEUR for the first half of 2018. The most significant components of the financial results are:

- **net interest costs**, which have risen from -1.35 MEUR in the first half of 2017 to -1.43 MEUR in the first half of 2018. This rise is attributable to an increase in the drawn lines of credit. The **Average Cost of Financing**¹² of Qrf City Retail has dropped to 1.92% in the first half of 2018 (compared to 2.01% in the first half of 2017); and
- a negative **change in the Fair Value of the financial assets and liabilities** of -0.64 MEUR recorded in the profit and loss-account.

The **Net result (group share)** (IFRS) amounts to -1.59 MEUR, or -0.28 EUR per share.

After adjustment for the portfolio result and the variation in the Fair Value of financial assets and liabilities, Qrf City Retail recorded a rise in the **EPRA earnings** of 9.8% to 4.28 MEUR in the first half of 2018 (compared to 3.90 MEUR in the first half of 2017). The **EPRA earnings per share** is stable at 0.76 EUR.

Evolution EPRA earnings



¹² Average Cost of Financing = (Net interest costs on an annual basis) / (The average amount of outstanding debt).

3.2. Balance sheet

On 30 June 2018, the **Fair Value of the real estate portfolio** stood at 281.09 MEUR (compared to 287.40 MEUR on 31 December 2017). This drop in the Fair Value of the real estate portfolio of 6.31 MEUR is attributable to the impairment on the properties rented by H&M for a total amount of 6.71 MEUR. This decline in Fair Value has a negative impact on the reserves of Qrf City Retail.

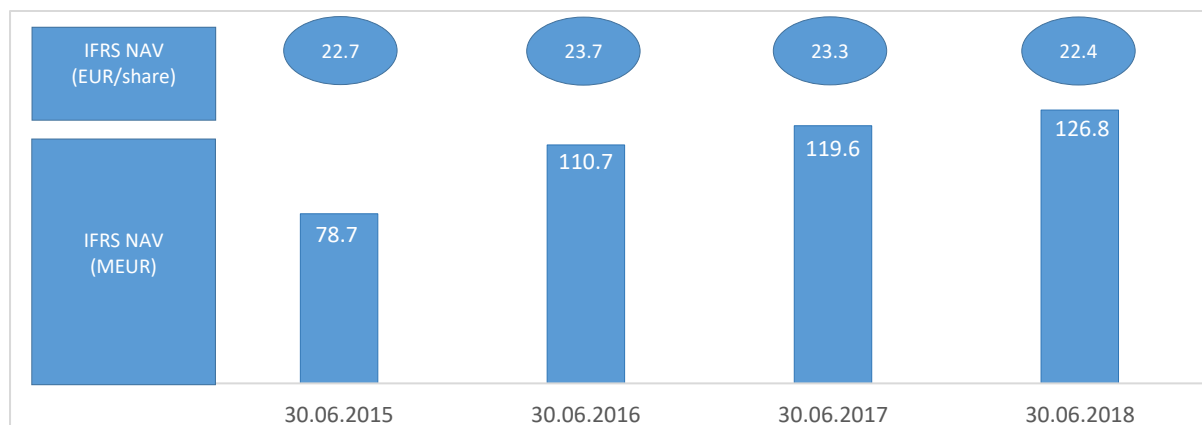
The **Gross portfolio yield** amounts to 5.67%.

The **shareholder's equity** (IFRS) (excl. minority interests) fell by 5.9% from 134.71 MEUR on 31 December 2017 to 126.80 MEUR on 30 June 2018.

The **IFRS NAV per share** dropped by 4.0% from 23.32 EUR on 30 June 2017 to 22.38 EUR on 30 June 2018. The **EPRA NAV per share** dropped by 4.6% from 23.76 EUR to 22.68 EUR over the same period.

The **Debt ratio** rose from 52.69% on 31 December 2017 to 54.34% on 30 June 2018.

Evolution IFRS NAV



3.3. Financial structure

3.3.1. Financial activities in the first half of 2018

Launch of a commercial paper program

In line with the continuous optimization of the composition and cost of its debt financing, Qrf City Retail launched a commercial paper program in the first half of 2018 with Belfius Bank as dealer. Qrf City Retail has issued commercial paper for an amount of 17 MEUR.

“Qrf City Retail can look back with satisfaction to the launch of the commercial paper program and the successful issue of 17 MEUR under that program. Investors showed strong interest. The commercial paper program enables Qrf City Retail to further diversify its financing sources.”

– Preben Bruggeman, CFO Qrf City Retail

Contracting of new credit lines and premature restitution of existing credit lines

Qrf City Retail has contracted new credit lines in the first half of 2018 for a total amount of 45 MEUR with durations of 5 to 8 years. These credit lines will be used, amongst others, to reconstitute credits with expiry dates in December 2018 for an amount of 25 MEUR. Moreover, Qrf City Retail has prematurely restituted credit lines in the first half of 2018 with expiry dates in December 2019 for an amount of 15 MEUR.

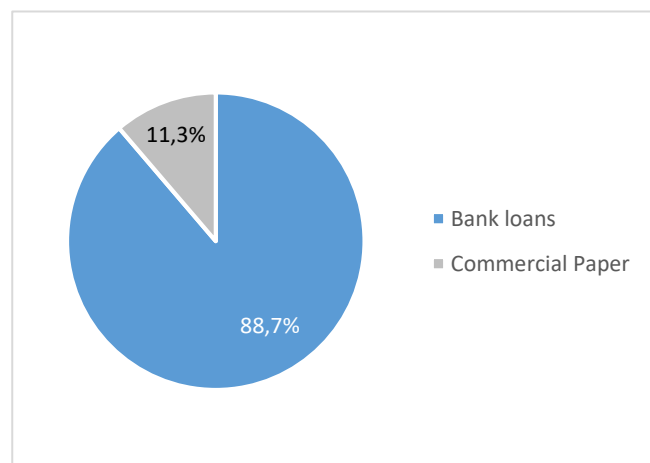
This way, Qrf City Retail succeeds in prolonging the durations of her financial debts and lowering her financing risk.

3.3.2. Composition of the debts

On 30 June 2018 Qrf City Retail has 151 MEUR financial debts consisting of:

- Bilateral credit lines drawn for an amount of 134 MEUR. The drawn bilateral credit lines are contracted with 7 financial institutions with expiry dates that are well spread between 2018 and 2026, and a weighted average residual duration of 4.1 years.
- Commercial paper for an amount of 17 MEUR. The total amount of outstanding commercial paper is fully covered by available long term back-up lines.

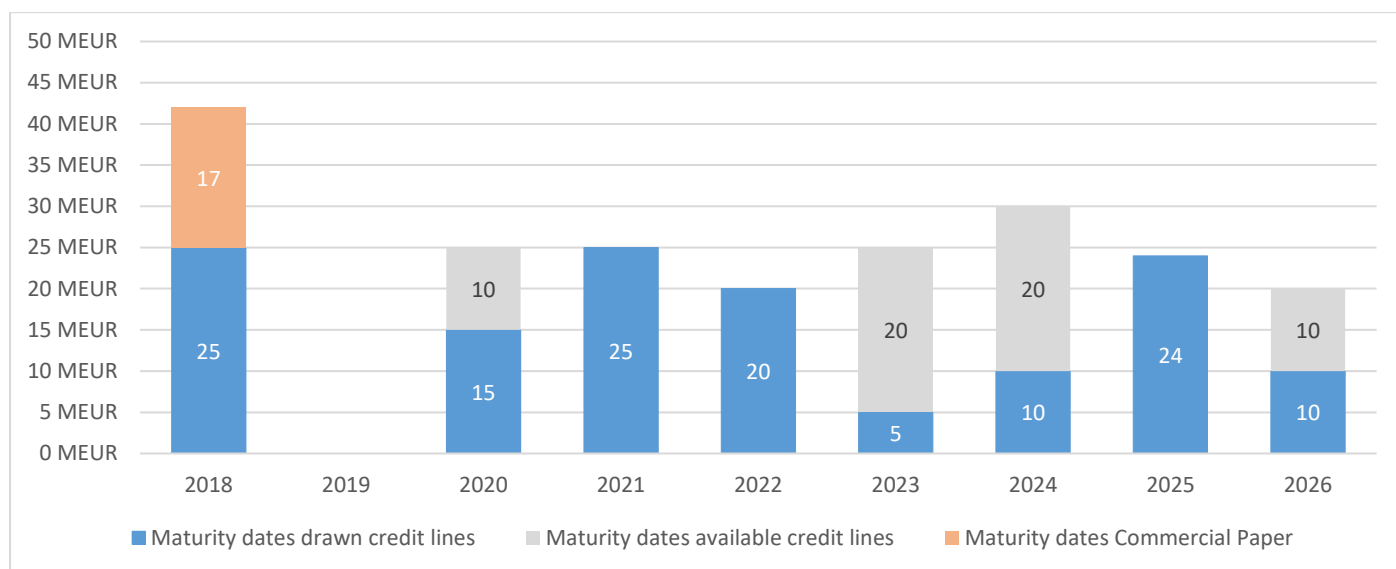
Composition financial debts on 30 June 2018



On 30 June 2018 Qrf City Retail disposes over 194 MEUR credit lines. An amount of 60 MEUR of the credit lines is not drawn and available.

The Average Cost of Financing¹³ is 1.91 % in the first half of 2018 (opposed to 2.01% in the first half of 2017).

Maturity dates of the drawn and available lines of credit on 30 June 2018 (in MEUR)

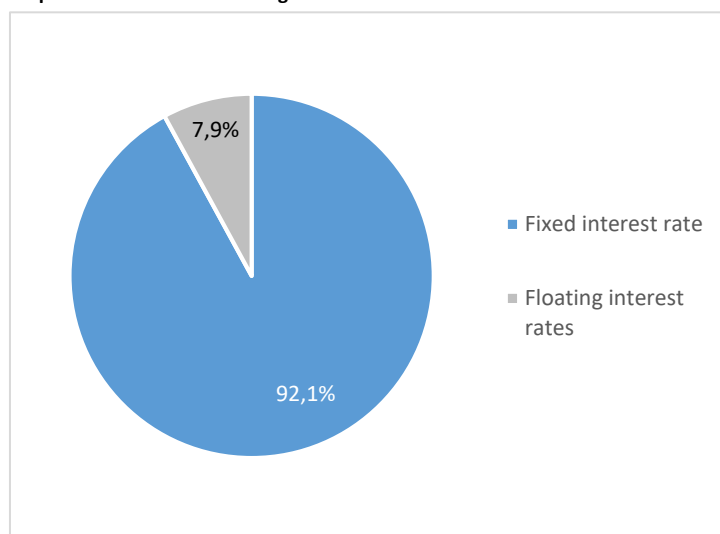


3.3.3. Interest rate hedge

On 30 June 2018, the drawn lines of credit had a fixed interest rate for 92.1% of the cases (for a sum amounting to 139 MEUR), for example by using Interest Rate Swaps as a hedge. The fixed interest rates have a weighted average residual term of 4.0 years.

The total value of the hedges on the closure date was negative for the amount of 1.55 MEUR, because of a decline of the interests after the closure of the hedges. The management of Qrf City Retail wishes to stress the fact that they want to protect the association against potential interest rises to the maximum.

Proportion of fixed and floating interest rates on 30 June 2018



¹³ Average Cost of Financing = (Net interest costs on an annual basis) / (The average amount of outstanding debt).

4. Outlook for 2018

Prospects for H&M – most important tenant of Qrf City Retail

H&M published communication in recent months which shows that the profitability of the Swedish fashion group is under pressure. These developments at H&M have an impact on the real estate portfolio of Qrf City Retail, in which H&M is the most important tenant as at 30 June 2018. H&M rents five Qrf City Retail properties and represents, in total, 16.5% of the Contractual Rents on an annual basis.

In the portfolio of Qrf City Retail, H&M put an early end to its lease for Sint-Niklaas (Stationsstraat 33). This lease agreement represents 1.3% of the Contractual Rents and will expire on 31 August 2018.

Qrf City Retail moreover received a request from H&M to renew the leases for the properties in Hasselt (Demerstraat 21-25)¹⁴ and Uccle (Alsembergsesteenweg 767) at conditions which in the view of Qrf City Retail are not market compliant or unclear. In case of disagreement on the conditions of a valid request for the renewal of a commercial lease, the tenant is entitled, pursuant to the Commercial Lease Act, to apply for enforcement of the requested renewal to the competent justice of the peace, albeit at conditions defined by the latter. There is a risk that the conditions defined by the court would lead to a lowering of the rent, which could in turn entail a considerable loss in value for the properties concerned, a part of which is already accounted in the financial statements as at 30 June 2018.

Outlook Qrf City Retail for 2018

Retail is one of the most innovative sectors and will continue to undergo major changes in the coming years. The developments in the retail landscape in general constitute a source of uncertainty for Qrf City Retail in the short and medium term. There is little influx of new retailers in the market at the time being, and the risk of vacancy is increasing as a result. This could have a negative impact on the valuation of the real estate portfolio. Qrf City Retail is consequently cautious about its prospects.

Qrf City Retail is at an advanced stage for the sale of a number of non-strategic properties the second half of 2018. Next to divesting a part of its portfolio, Qrf City Retail wishes to look actively for opportunities in its own portfolio (such as making use of the redevelopment potential) and in the market.

From that perspective, Qrf City Retail sees 2018 as a year of “*rebalancing for future growth*”.

EPRA earnings and dividend for financial year 2018

Based on the current portfolio and the available information known today, the company expects EPRA earnings of 1.45 EUR – 1.55 EUR per share for 2018. These EPRA earnings will translate to a gross dividend within the limits of the minimum distribution obligation imposed by the RREC Act¹⁵ and the maximum distribution constraint to which Qrf is limited for technical reasons,¹⁶ with due account of further developments in the second half of 2018.

¹⁴ Cf. Note 13.1 of chapter 6 “Condensed consolidated financial statements for the first half of 2018” of the Half year report 2018 regarding a dispute between Qrf City Retail and H&M that relates to a request from H&M for lease renewal for the premises located at Hasselt (Demerstraat 21-25) and Uccle (Alsembergsesteenweg 767).

¹⁵ We refer to Article 13 of the Royal Decree on Regulated Real Estate companies which sets out the conditions to be met by a regulated real estate company in order to pay out a dividend. Accordingly, a public regulated real estate company must pay out as remuneration of capital at least 80% of the corrected positive net profit, minus the net drop in the debt burden in the course of the financial year.

¹⁶ The Company refers to the importance of Article 617 of the Companies Code which stipulates that no dividend may be paid out if, on the closing date of the last financial year, the net assets, as they appear in the annual financial statements, have dropped or would drop as a result of the dividend payment below the amount of the paid-up capital (or if higher, the called-up capital), plus all reserves which pursuant to the relevant legislation or the articles of association may not be paid out. The distributable equity referred to in Article 617 of the Companies Code, calculated in accordance with Annex C, Chapter 4 of the Royal Decree on Regulated Real Estate Companies, amounted to 3,980 KEUR on 31 December 2017.

5. Financial calendar 2018-2019

	Datum
Publication of the Q3 2018 update	14/11/2018
Press release on the 2018 annual results	20/02/2019
Publication of the annual report for the 2018 financial year	19/04/2019
Publication of the Q1 2019 update	08/05/2019
Annual General Meeting of Shareholders	21/05/2019
Dividend 2018 - Ex date*	22/05/2019
Dividend 2018 - Record date*	23/05/2019
Dividend 2018 - Payment date*	24/05/2019
Publication of H1 2019 results	21/08/2019
Publication of the Q3 2019 update	13/11/2019

Caution regarding forward-looking statements

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

Audit activities

The auditor has confirmed that his audit activities, which have been properly finalized, did not reveal any meaningful correction that should be implemented in the accounting information included in this release.

For more information:

Anneleen Desmyter

CEO

Tel.: +32 3 233 52 46

GSM.: +32 476 98 21 94

Anneleen.desmyter@qrf.be

Preben Bruggeman

CFO

Tel. +32 3 233 52 46

GSM: +32 496 15 80 44

Preben.bruggeman@qrf.be

www.qrf.be

Follow us on :



About Qrf City Retail:

Qrf City Retail is a listed Belgian REIT (BE-REIT) specializing in the niche market of retail properties in Belgium and the Netherlands. More specifically, the company focuses on the acquisition, development and leasing of centrally located city premises, within areas known as the "Golden Mile" – inner city streets with major catchment areas. On 30 June 2018, the real estate portfolio consisted of 51 retail properties with a total Fair Value of 281 MEUR.

Qrf City Retail has been listed on Euronext Brussels (QRF:BB) since December 2013. On 30 June 2018, the company's market capitalization was 113 MEUR.



Qrf City Retail won the EPRA Gold Award for Financial reporting for its Annual Report 2016. EPRA, the European Public Real Estate Association, is the voice of the European listed real estate sector. It represents EUR 430 billion in immovable assets (www.epra.com).



Qrf City Retail is in 2018 the main sponsor of "Retailer of the Year Belgium" for the third year in a row, an award conferred by consumers to the best retail chain in Belgium, which went to Standaard Boekhandel in 2017. Qrf City Retail believes in the strength of the physical store. Retailers are making concrete efforts to improve and renew their offer and service. With this initiative, Qrf City Retail wants to give its customers, the retailers, a unique chance to understand the consumer even better.

APPENDIX 1: FINANCIAL STATEMENTS¹⁷

I. CONDENSED CONSOLIDATED PROFIT-AND-LOSS STATEMENT

A. Condensed consolidated profit-and-loss statement

FIGURES IN THOUSANDS EUR		30/06/2018	30/06/2017
(+)	I. Rental income	7,845	7,298
(+)	II. Writebacks carried forward and discounted rents	0	0
(+/-)	III. Rental-related expenses	-89	-93
NET RENTAL INCOME		7,756	7,205
(+)	IV. Recovery of property charges	0	0
(+)	V. Recovery of rent charges and taxes normally borne by the tenant on the leased buildings	177	39
(-)	VI. Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0
(-)	VII. Charges and taxes normally payable by tenants on let properties	-262	-78
(+/-)	VIII. Other rental-related income and expenditure	0	0
PROPERTY RESULT		7,672	7,166
(-)	IX. Technical costs	-162	-118
(-)	X. Commercial costs	-39	-86
(-)	XI. Charges and taxes on un-let properties	-130	-154
(-)	XII. Real estate management costs	-294	-269
(-)	XIII. Other real estate charges	0	0
PROPERTY CHARGES		-626	-628
OPERATING PROPERTY RESULT		7,046	6,539
(-)	XIV. Corporate operating charges	-1,056	-1,065
(+/-)	XV. Other operating charges and income	10	0
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		6,000	5,473
(+/-)	XVI. Result on disposal of investment properties	145	128
(+/-)	XVII. Result on disposal of other non-financial assets	0	0
(+/-)	XVIII. Changes in the Fair value of investment properties	-5,374	-1,606
(+/-)	XIX. Other result on the portfolio	0	0
PORTFOLIO RESULT		-5,229	-1,478

¹⁷ Basic assumptions figures at 30 June 2018: The financial statements concerning the period ending on 30 June 2018 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved and adopted by the European Commission. This financial report should be read in connection with the financial statements for the financial year ending on 31 December 2017. In the first half of 2018, Qrf Comm. VA did not use any other IFRS standard or different interpretation, and the assessment rules used to prepare the financial statements are the same as those used for the financial year ending on 31 December 2017. The figures published in this annual report are consolidated figures; holdings and subsidiaries have been consolidated under the relevant legislation.

OPERATING RESULT		770	3,995
(+)	XX. Financial income	0	10
(-)	XXI. Net interest charges	-1,430	-1,354
(-)	XXII. Other financial charges	-177	-35
(+/-)	XXIII. Variations in the Fair value of financial assets and liabilities	-636	80
FINANCIAL RESULT		-2,244	-1,299
(+/-)	XXIV. Share in the result of associated companies and joint ventures	0	0

FIGURES IN THOUSANDS EUR		30/06/2018	30/06/2017
PRE-TAX RESULT		-1,473	2,696
(+/-)	XXV. Corporation tax	-119	-205
(+/-)	XXVI. Exit tax	0	0
TAXES		-119	-205
NET RESULT		-1,592	2,491

Attributable to:		
Group shareholders	-1,586	2,497
Minority interests	-6	-6
NET RESULT (GROUP SHARE)		
Correction for Portfolio Result	5,229	1,478
Correction for Changes in the Fair Value of financial assets and liabilities (ineffective interest rate hedges)	636	-80
EPRA EARNINGS *		
	4,279	3,896

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

B. Condensed statement of comprehensive income

FIGURES IN THOUSANDS EUR		30/06/2018	30/06/2017
I	NET RESULT	-1,592	2,491
II	OTHER ELEMENTS OF THE OVERALL RESULT RECYCLABLE IN PROFIT-AND-LOSS STATEMENT	0	0
OVERALL RESULT		-1,592	2,491
Attributable to:			
Group shareholders		-1,586	2,497
Minority interests		-6	-6

C. Result per share

	30/06/2018	30/06/2017
Number of ordinary shares outstanding at the end of the period	5,665,822	5,129,802
Weighted average number of shares during the period	5,665,822	5,129,802
NET RESULT PER SHARE – GROUP SHARE (in EUR)	-0.28	0.49
DILUTED NET RESULT – GROUP SHARE (in EUR)	-0.28	0.49

II. CONDENSED CONSOLIDATED BALANCE SHEET

FIGURES IN THOUSANDS EUR

	30/06/2018	31/12/2017
ASSETS		
I. FIXED ASSETS	281,136	287,452
A Goodwill	0	0
B Intangible fixed assets	0	0
C Investment properties	281,094	287,404
D Other tangible fixed assets	43	49
E Financial fixed assets	0	0
F Financial leasing receivables	0	0
G Trade receivables and other fixed assets	0	0
H Deferred taxes – assets	0	0
I Participations in the result of associates and joint ventures, equity method	0	0
II. CURRENT ASSETS	2,515	3,870
A Assets intended for sale	0	0
B Current financial assets	0	0
C Finance leasing receivables	0	0
D Trade receivables	175	629
E Tax receivables and other current assets	740	513
F Cash and cash equivalents	1,453	2,577
G Accruals – assets	147	152
TOTAL ASSETS	283,651	291,321
LIABILITIES		
EQUITY	127,060	134,977
I. Equity attributable to the shareholders of the parent company	126,798	134,710
A Capital	131,572	131,572
B Issue premiums	1,496	1,496
C Reserves	-4,684	-3,124
D Net result for the financial year	-1,587	4,765
II. Minority interests	262	267
LIABILITIES	156,591	156,344
I. Non-current liabilities	110,769	126,456
A Provisions	0	0
B Non-current financial debts	108,936	124,434
<i>a. Credit institutions</i>	108,936	124,434
<i>b. Financial leasing</i>	0	0
<i>c. Other</i>	0	0
C Other non-current financial liabilities	1,459	1,639
D Trade debts and other non-current debts	0	0
E Other non-current liabilities	104	113
F Deferred taxes - liabilities	270	270
II. Current liabilities	45,822	29,888
A Provisions	0	0
B Short-term financial debts	41,997	24,994
<i>a. Credit institutions</i>	41,997	24,994
<i>b. Financial leasing</i>	0	0
<i>c. Other</i>	0	0
C Other short-term financial liabilities	88	174
D Trade debts and other short-term debts	1,759	2,640
E Other short-term liabilities	1,349	1,327
F Accruals – liabilities	630	753
TOTAL EQUITY AND LIABILITIES	283,651	291,321

III. CONSOLIDATED CASHFLOW STATEMENT

FIGURES IN THOUSANDS EUR	30/06/2018	30/06/2017
CASH AND CASH EQUIVALENTS AT START OF PERIOD	2,577	7,005
1. Cashflow from business activities	3,754	1,449
Net result	-1,594	2,491
Interests paid and bank charges	97	70
Adjustment of the result for non-cash-flow transactions	6,027	1,840
- Depreciation on intangible and other material fixed assets	19	14
- Result on the disposal of investment properties	11	15
- Result on the sale of investment properties	-145	-128
- Increase/decrease in the number of invoices receivable (+/-)	435	414
- Variation in the Fair Value of real estate investments and project developments	5,374	1,606
- Variation in the Fair Value of financial assets and liabilities	333	-81
Variations in the working capital requirement:	-778	-2,952
Movement of assets:	747	331
- Trade receivables	454	478
- Tax receivables and other current assets	288	-170
- Accruals	5	24
Movement of liabilities:	-1,525	-3,283
- Other non-current liabilities	-9	-18
- Deferred taxes – liabilities	0	-3,000
- Trade debts and other short-term debts	-1,161	-64
- Other short-term liabilities (incl. tax debts)	22	-220
- Accruals	-376	-17
2. Cashflow from investment activities	561	-31,813
Acquisitions of intangible and other tangible non-current assets	-5	-22
Acquisitions of shares in real estate companies	0	0
Acquisitions of real estate	0	-32,752
Investments in existing investment properties	-109	-167
Revenues from the disposal of investment properties	675	1,128
Bank interest received	0	0
3. Cashflow from financing activities	-5,438	24,969
Repayment of loans	-42,000	0
Taking out of new loans	43,500	31,000
Costs of increase of capital	0	-14
Payment of dividends	-6,925	-6,007
Payment of transaction costs	-13	-10
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,453	1,611

APPENDIX 2: ALTERNATIVE PERFORMANCE MEASURES (APM)

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

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

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

EPRA NAV:

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

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

Objective: This APM shows the Net Asset Value for a long-term investment strategy. For the reconciliation of this APM, reference is made to the reconciliation table EPRA NAV per share.

EPRA NAV per share:

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

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

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

Reconciliation:

FIGURES IN THOUSANDS EUR		30/06/2018	31/12/2017
IFRS NAV (group shareholders)		126,798	134,710
(iv)	Fair Value of financial instruments	1,547	1,813
(v.a)	Deferred tax	270	270
	Minority interests with regards to deferred tax	-132	-132
EPRA NAV		128,483	136,661
	Number of shares	5,665,822	5,665,822
EPRA NAV per share (in EUR)		22,68	24,12

EPRA earnings:

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

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

Reconciliation:

FIGURES IN THOUSANDS EUR		30/06/2018	30/06/2017
IFRS result (group share)		-1,587	2,497
(i)	Changes in the Fair Value of real estate investments	5,374	1,606
(ii)	Profit or loss on the sale of real estate investments	-145	-128
(vi)	Changes in the Fair Value of financial instruments	636	-80
EPRA earnings		4,279	3,896
Weighted average number of shares		5,665,822	5,129,802
EPRA earnings per share (in EUR)		0.76	0.76

Average Cost of Financing:

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

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

Reconciliation:

FIGURES IN THOUSANDS EUR		30/06/2018	30/06/2017
XXI. Net interest costs		1,430	1,354
Weighted average amount of financial debt during the period		74,582	67,456
Average Cost of Financing		1.92%	2.01%

Operating margin:

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

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

Reconciliation:

FIGURES IN THOUSANDS EUR		30/06/2018	30/06/2017
Operating result before the result on the portfolio		6,000	5,473
Net rental income		7,756	7,205
Operating margin		77.4%	76.0%