



BUSINESS UPDATE – THIRD QUARTER 2018

- Fair Value of the real estate portfolio amounted to 280.47 MEUR on 30 September 2018.
- IFRS NAV per share of 22.71 EUR and EPRA NAV per share of 22.96 EUR on 30 September 2018.
- Occupancy rate of 94.78% on 30 September 2018.
- Debt ratio of 53.76% on 30 September 2018.
- Confirmation of outlook for an expected EPRA result of 1.45-1.55 EUR per share for 2018.
- Agreement on the sale of properties for a net sales value of 7.3 MEUR. The sales are expected to go through in the fourth quarter of 2018.

1. Key figures

Consolidated key figures			
Real estate portfolio			
		30/09/2018	31/12/2017
Fair Value of the real estate portfolio ¹	(KEUR)	280,474	287,404
Total gross surface area	(m ²)	90,530	91,573
Contractual Rents on an annual basis ²	(KEUR)	15,805	16,025
Estimated Rental Value of vacant property	(KEUR)	870	417
Gross portfolio yield ³		5.64%	5.58%
Occupancy rate ⁴		94.78%	97.47%
Balance sheet			
		30/09/2018	31/12/2017
Shareholders' equity (excl. minority interests)	(KEUR)	128,686	134,710
Debt ratio (under the RREC Act) ⁵		53.76%	52.69%
Key figures per share			
		30/09/2018	31/12/2017
Total number of shares outstanding at the end of the period		5,665,822	5,665,822
Closing price of the share at the end of the period	(EUR)	15.90	24.38
IFRS NAV per share ⁶	(EUR)	22.71	23.78
Premium/discount to IFRS NAV (end of period)		-30.0%	2.5%
EPRA NAV per share ⁷	(EUR)	22.96	24.12
Premium/discount to EPRA NAV (end of period)		-30.7%	1.1%

¹ 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.

² 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.

³ Gross portfolio yield = (Contractual Rents on an annual basis) / (Fair Value of the real estate portfolio).

⁴ Occupancy rate = (Contractual Rents on an annual basis) / (Contractual Rents on an annual basis including the Estimated Rental Value of vacant property).

⁵ Calculated according to the R.D. of 13 July 2014 pursuant to the Regulated Real Estate Companies Act of 12 May 2014

⁶ IFRS NAV per share = Net Asset Value per share according to IFRS.

⁷ EPRA NAV per share = Net Asset Value per share according to EPRA *Best Practice Recommendations*.

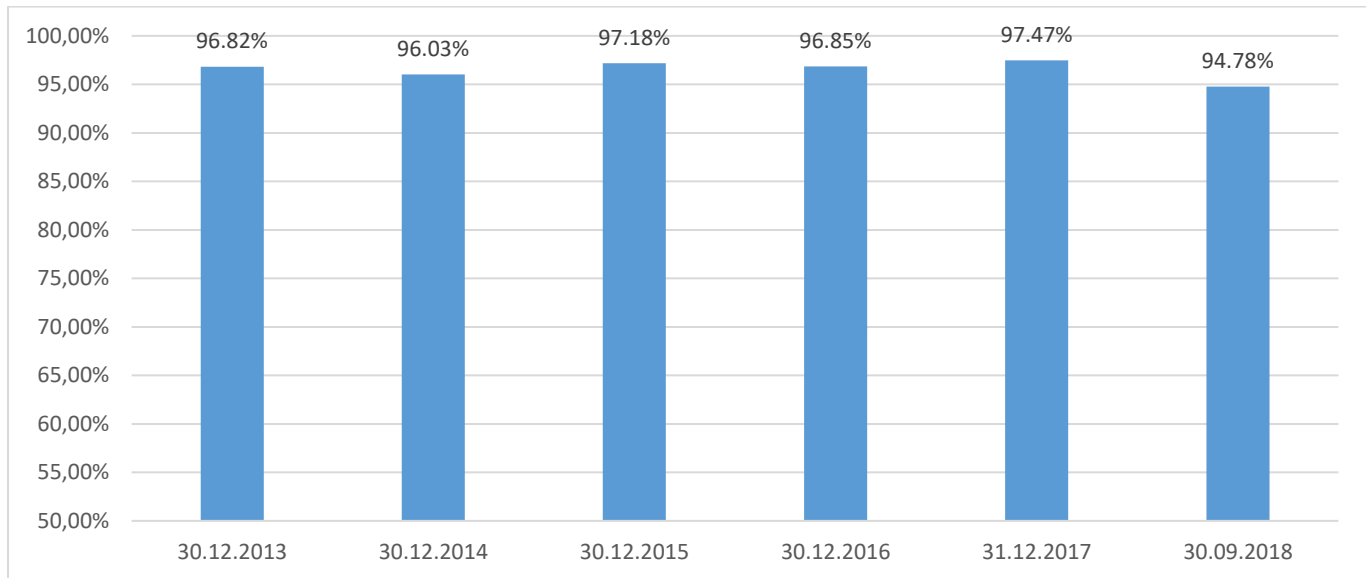
2. Evolution of the real estate portfolio in the first nine months of 2018

The **Fair Value of the real estate portfolio** amounted to 280.47 MEUR on 30 September 2018 (compared with 287.40 MEUR on 31 December 2017).

Overall, the portfolio was valued at a **Gross portfolio yield** of 5.64% (compared with 5.58% on 31 December 2017).

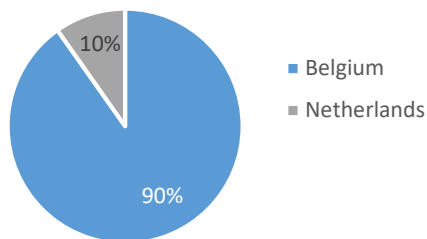
On 30 September 2018, the **Occupancy Rate** of the portfolio stood at 94.78%.

Evolution of the Occupancy rate



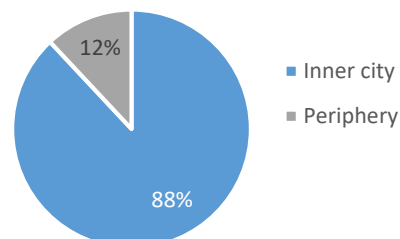
Geographic spread of the real estate portfolio on 30 September 2018

(% of the Fair Value)



Spread of the type of real estate on 30 September 2018

(% of the Fair Value)



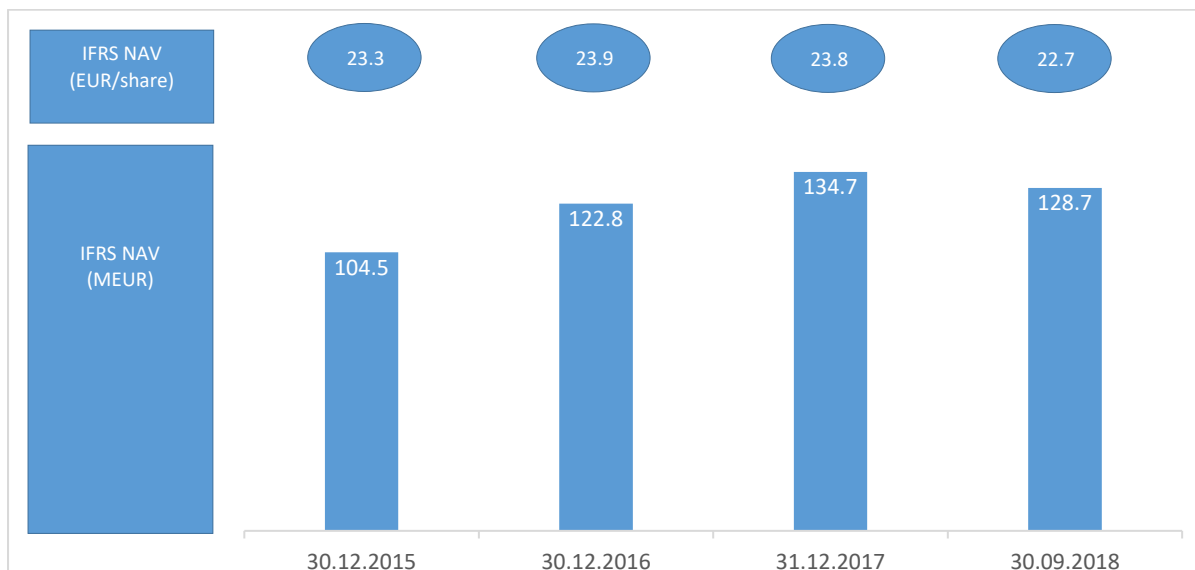
3. Balance sheet on 30 September 2018

On 30 September 2018, the **shareholders' equity** (IFRS), exclusive of minority interests, fell by 4.5% from 134.71 MEUR on 31 December 2017 to 128.69 MEUR on 30 September 2018.

The **IFRS NAV per share** dropped by 4.5% from 23.78 EUR on 31 December 2017 to 22.71 EUR on 30 September 2018. The **EPRA NAV per share** dropped by 4.8% from 24.12 EUR to 22.96 EUR over the same period.

The **Debt ratio** rose from 52.69% on 31 December 2017 to 53.76% on 30 September 2018.

Evolution of the IFRS NAV



4. Financial reporting – EPRA Gold Award

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

5. Significant events after 30 September 2018

Agreement on the sale of four properties for a net selling price of 7.3 MEUR

As announced in the press release of 9 October 2018, Qrf City Retail has reached an agreement, under the usual conditions precedent, on the sale of four retail premises: two peripheral retail premises situated in Marche-en-Famenne (4 Rue du Parc Industriel) and two inner city properties situated in Mons (5 Grand Rue) and Ostend (36A Adolf Buylstraat).

The properties are rented and together generate 443 KEUR in Contractual Rents on an annual basis. The net selling price (after deduction of registration fees and other transfer charges) amounts to a total of 7.3 MEUR and is above the Fair Value as last estimated by the property expert.

Qrf City Retail expects these sales to go through in the last quarter of 2018. The proceeds from the sales will be used to reduce the debt and to redevelop the project in Leuven. All other things being equal, the Debt ratio is to drop as a result of these sales from 53.8% on 30 September 2018 to 52.5%.

6. Outlook for 2018

On the basis of information available at this time, the company confirms its outlook for an expected EPRA result per share of 1.45 EUR – 1.55 EUR in 2018.

As already indicated in the press release for the first half of 2018, these EPRA earnings will translate to a gross dividend within the limits of the minimum distribution obligation imposed by the RREC Act⁸ and the maximum distribution constraints to which Qrf City Retail is limited for technical reasons.⁹

⁸ 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 a 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.

⁹ 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.

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.

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 September 2018, the real estate portfolio consisted of 51 retail properties with a total Fair Value of 280 MEUR.

Qrf City Retail has been listed on Euronext Brussels (QRF:BB) since December 2013. On 30 September 2018, the company's market capitalization was 90 MEUR.



Qrf City Retail won the EPRA Gold Award for Financial reporting for its Annual Report 2017. EPRA, the European Public Real Estate Association, is the voice of the European listed real estate sector. It represents EUR 450 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.