



QRF CITY RETAIL EXPANDS INTO THE NETHERLANDS - PORTFOLIO GROWS BY OVER 10% -

QRF CITY RETAIL HAS ACQUIRED 5 PREMIUM RETAIL PREMISES LOCATED IN DEN BOSCH, MAASTRICHT, ENSCHEDE, NIJMEGEN AND ZWOLLE

FAIR VALUE OF THE PROPERTY PORTFOLIO GROWS TO APPROXIMATELY 280 MEUR

ANTWERP, 2nd May 2017 – Qrf City Retail, the specialist in inner-city retail property, has acquired five premium retail premises (some with residential accommodation above), spread across a variety of top locations in the Netherlands.

The premises, located in Den Bosch, Maastricht, Enschede, Nijmegen and Zwolle, are leased to established concepts such as America Today, KFC, Mango and Only.

The total investment value of the properties amounts to 28.8 MEUR. Together, the premises generate more than 1.38 MEUR in annual rental income. This transaction lifts the Fair Value of the property portfolio to approximately 280 MEUR.

1. Qrf City Retail expands into the Netherlands



As part of its ambitious growth strategy, Qrf City Retail has decided to expand its (Belgian) operations into the Dutch market.

“This is an important next step for Qrf City Retail,” says Qrf City Retail CEO, Anneleen Desmyter. “Over the past year we have taken advice from Dutch market experts and gradually built up a network in the Netherlands. We are already working with major Dutch retailers and the economy in the Netherlands is running well. Statistics are pointing to economic growth, a drop in unemployment and a strong pattern of consumption.”

Entering the Dutch market will further bolster Qrf City Retail’s growth story. The company is entering a market that has undergone enormous changes in recent years. The severe economic crisis in the Netherlands not only caused a number of bankruptcies, but also brought about a range of adjustments and enhancements designed to respond even better to the demands of ‘tomorrow’s shopper’. Now that the Dutch economy is picking up and consumer confidence has been restored, Qrf City Retail feels the time is right to break into the Dutch retail property market.

“With this move our shareholders will have a portfolio that is spread even better, with the same clear-cut strategy: a focus on the ‘Golden Mile’ in a selection of strong retail cities,” says Desmyter. “We are also enhancing our ‘inner-city recipe’, which has enabled us to yield strong results for three successive years, while at the same time offering our shareholders greater diversification.”

2. Portfolio of premium retail premises as a foundation for further growth

As its first step into the Dutch market, Qrf City Retail has acquired a portfolio of five premium retail premises (some with residential accommodation above) at top locations in the Netherlands, for a total investment value of approximately 28.8 MEUR. Together, the five properties generate more than 1.38 MEUR in annual rental income. The premises have a gross surface of 4,370 m². The shop units are fully let to established brands such as America Today, KFC, Mango and Only. The commercial lease agreements have a weighted average remaining term (until first break option) of 5.0 years.

“We have consciously opted to go into the Netherlands with a high-quality portfolio that provides a solid foundation to further expand our Dutch portfolio,” says Desmyter.

2.1. Den Bosch – Hinthamerstraat 41-45

The unit in Den Bosch – Hinthamerstraat 41-45, has retail surface of approx. 791 m². In addition, the upper floors of the property, representing some 250 m², are leased as residential units.

The shop space is leased in full to America Today, a brand that focuses on student clothing, based on the American ‘college look’. Total annual rental income is 264 KEUR.



Because of its historic inner city, 's-Hertogenbosch, or simply ‘Den Bosch’, is considered to be one of the most pleasant (shopping) cities in the Netherlands. In addition to a population in excess of 150,000 residents, the city also enjoys the features of an extensive hinterland and a high level of tourism (museums, St. John’s cathedral, tours). Hinthamerstraat is one of the top 3 shopping streets in Den Bosch.

2.2. Maastricht – Grote Staat 58 / Helmstraat 9-11

The property, situated in Maastricht on the corner of Grote Staat 58 and Helmstraat 9-11, offers a gross surface of approx. 629 m², making it one of the dominant retail properties in the centre of the city. The premises are leased to America Today and the Gebrs. Coster group and represents more than 427 KEUR in annual rental income in total.

The city of Maastricht, with more than 122,000 residents, is one of the most popular (retail) cities in the Netherlands, thanks partly to its major ability to attract shoppers from the Netherlands, as well as from Germany and Belgium. Maastricht's popularity is due to some extent to the city's historic character, as well as to its variety of shops, restaurants and bars. Maastricht is also a major student city, with more than 15,000 students enrolled at the University of Maastricht.

The main shopping streets in the central retail district of Maastricht are Grote Staat, Kleine Staat, Muntstraat and Wolfstraat. These streets are home to well-known international and national chains such as De Bijenkorf, Hema, C&A, Mango and H&M, as well as Hudson's Bay, which is coming soon.



2.3. Nijmegen – Broerstraat 49 / Gruitberg 33-35

The premises located in Nijmegen – Broerstraat 49 / Gruitberg 33-35, consist of retail surface of approx. 571 m², with a further 320 m² above, spread across over three residential units.

In total, this property generates some 248 KEUR in annual rental income. The retail space is let to Mango.

Nijmegen, a city of some 172,000 people, is one of the oldest cities in the Netherlands. Around 10% of all the inhabitants are students. This makes Nijmegen the fourth-largest student city in the Netherlands.

Broerstraat, Burchtstraat and Marikenstraat are the main shopping streets in the central retail district of Nijmegen. Various well-established national and international chains are in place, including H&M, Zara, The Sting, Topshelf and Hema.



2.4. Zwolle – Diezerstraat 60 / Brouwerstraat 1-3

The property in Zwolle – Diezerstraat 60 / Brouwerstraat 1-3, is made up of retail surface of approx. 335 m² on the ground floor and five residential units that together represent an area of 500 m².

The retail space is leased to Only Store and generates some 241 KEUR in annual rental income.

Zwolle, a city of around 124,000 inhabitants, fulfils an important retail function in its region and has little in the way of competition from other nearby towns.

Diezerstraat is Zwolle's main shopping street. Well-known chains such as Hema, H&M and The Sting are located in the vicinity.



2.5. Enschede – Kalenderstraat 2-4

The corner property situated in Enschede – Kalenderstraat 2-4, consists of a retail space of approx. 972 m².

The tenant, Kentucky Fried Chicken (KFC), leases the premises for around 200 KEUR annually. Given the volume of the building and good visibility from every angle, this is one of the most dominant properties in the city centre. The premises are located right across from the flagship store of Zara. On the other side of the street, there is redevelopment taking place at the former Hema site and already a number of (inter)national retailers have expressed an interest in the space.



Enschede, a city of some 159,000 residents, is the largest city in the eastern Netherlands and is strategically located close to the border with Germany. Its location means that Enschede attracts a great many German shoppers, extending its catchment area well outside the region. The city of Enschede is seen as the best location for fun shopping in the east of the Netherlands.

3. Transaction structure and financing

The transaction is fully funded by bank finance. Qrf City Retail's debt ratio will increase after the transaction to approx. 56%.

4. Development of the portfolio

As of 18th December 2016, Qrf City Retail had been in the marketplace for three years. Over that three-year period, the Fair Value of its property portfolio grew from 114 MEUR to more than 250 MEUR. During the same period, the proportion of inner city property within the portfolio grew to approximately 86%. More than 70% of the Qrf City Retail portfolio is located in 9 major cities in Belgium (Antwerp, Brussels, Liège, Ghent, Hasselt, Leuven, Aalst, Namur and Mechelen).

As a result of this transaction, Qrf City Retail is now also operating in five major cities in the Netherlands: Den Bosch, Enschede, Maastricht, Nijmegen and Zwolle. Qrf City Retail aims to develop a Dutch portfolio by investing in some 20 major cities that have demonstrated their impact on the retail market.

After this transaction, the portfolio value will expand to almost 280 MEUR, spread across Belgium (90%) and the Netherlands (10%).

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 materialise, 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.

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About Qrf City Retail

Qrf City Retail is a listed Belgian REIT (BE-REIT) specialising 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. In doing so, Qrf City Retail targets cities with a catchment area of at least 50,000 consumers and specific streets with high numbers of footfall. At 30 December 2016, the real estate portfolio consisted of 42 retail properties with a total fair value of more than 250 MEUR. As a result of the abovementioned transactions, the portfolio's fair value will increase to approximately 280 MEUR.

Qrf City Retail has been listed on Euronext Brussels (QRF:BB) since December 2013. At 30 December 2016, the company's market capitalisation was 138 MEUR.