



QRF CITY RETAIL REACHES AN AGREEMENT TO ACQUIRE SIX RETAIL PREMISES IN ANTWERP AND OSTEND

TRANSACTION THROUGH CONTRIBUTION IN KIND WITHIN THE FRAMEWORK OF THE AUTHORISED CAPITAL
- STRENGTHENING SHAREHOLDERS' EQUITY BY 12 MEUR -

ANTWERP, 19 October 2017 – Qrf City Retail, specialist in inner-city retail property, has reached an agreement regarding the acquisition of six retail premises at top locations in Antwerp and Ostend.

The total investment value of the real estate amounts to 12.5 MEUR. The properties generate an aggregate annual rental income of approximately 665 KEUR. As a result of this transaction, Qrf City Retail strengthens its position in the inner-city retail property market. The Fair Value of the real estate portfolio increases to more than 290 MEUR.

The contemplated transaction will be carried out through a contribution in kind of the six retail premises in the capital of Qrf City Retail within the limits of the authorised capital. This enables Qrf City Retail to further strengthen its shareholders' capital by 12.5 MEUR to approximately 132 MEUR.

1. Acquisition of six retail premises in Antwerp and Ostend

Qrf City Retail has reached an agreement in principle, subject to conditions precedent, to acquire six retail premises at top locations in Antwerp and Ostend, for a total investment value of 12.5 MEUR. The six retail premises together will generate 665 KEUR rental income on an annual basis.

1.1. Strengthening of the Antwerp portfolio

Qrf City Retail will acquire three properties situated in the popular “de Wilde Zee” district at the heart of Antwerp, and more specifically at Schrijnwerkersstraat 15, Wiegstraat 4 and Wiegstraat 6.

As such, Qrf City Retail strengthens its position in Antwerp, Belgium’s premier shopping city. After this transaction, 19% of Qrf City Retail’s real estate portfolio will be located in the Antwerp city centre.

Antwerp is Belgium’s second largest city in terms of population (with more than 500,000 inhabitants). Its inhabitants have solid purchasing power of approximately 5% above national average. The city also has a very good international reputation as a fashion town.

Furthermore, Antwerp is a popular destination for tourists, with 1.8 million overnight stays in 2016. The number of day tourists is considerably higher, as the city welcomed more than 2 million day tourists in July and August of last year alone.

We can see the international character of Antwerp also in the retail market, where a diverse mix of local and international retailers accounts for a unique experience. ‘De Wilde Zee’ is a popular retail cluster, with such outlets as & Other Stories, COS, Neuhaus, NYX, Terre Bleue, Princess, MAC and New Paris Londres. This district is known as an important location for lifestyle brands that attract a hip crowd.

Other properties in Qrf City Retail’s portfolio in Antwerp are located on the Meir, De Keyserlei, Wapper, Schuttershofstraat and Kammenstraat.



Antwerp, Wiegstraat 4

The property located at Wiegstraat 4, Antwerp, has an 11 metres wide facade and a gross surface area of approximately 184 m², of which approximately 135 m² are located on the ground floor. It is leased to NZA (New Zealand Auckland) and generates an annual rental income of about 80 KEUR.

Antwerp, Wiegstraat 6

The property located at Wiegstraat 6, Antwerp, has a facade of approximately 5 metres and a gross surface area of approximately 114 m², of which approximately 75 m² on the ground floor. It is leased to Who’s That Girl, a fashion concept with 7 stores and more than 300 points of sale in Europe. The property generates an annual rental income of about 50 KEUR.



Antwerp, Schrijnwerkersstraat 15

The property located at Schrijnwerkersstraat 15, Antwerp, has a 5 metre wide facade and a gross surface area of approximately 264 m², of which approximately 71 m² are located on the ground floor. Today, the property is not occupied. The estimated rental value amounts to 75 KEUR. The contributor will grant Qrf City Retail a rental income guarantee for an amount of 75 KEUR for a period of two years.



1.2. First acquisition in Ostend

Qrf City Retail has acquired its first properties in Ostend with the contribution in kind of three commercial premises located at Kapellestraat 105, Adolf Buylstraat 1A and Adolf Buylstraat 36. After this transaction, Ostend will account for 3% of the Fair Value of the property portfolio.

With more than 70,000 inhabitants, Ostend is also known as the “Queen of Seaside Resorts.” The city has a good reputation for tourism, cultural offering and shopping destination. Many tourists find their way to Ostend thanks to the various direct connections per train from Bruges, Kortrijk, Brussels, Ghent, Liège and Antwerp, among other places. In 2016, the city registered approximately 1.3 million overnight stays and 3.8 million day tourists.

The city’s popularity is reflected also in the Ostend retail market where a diverse mix of local and international retailers ensures a unique experience.

The Kapellestraat is the longest shopping street in Ostend and is located between the Wapenplein and the Mercator Marina. It plays host to a very extensive shopping offer that includes Galleria Inno, Zara, Brax, Holland&Barrett, Hema, Pearle, C&A, Versato, Tommy Hilfiger, Oil&Vinegar, Swarovski and G-Star Raw.

The Adolf Buylstraat runs directly into the Kapellestraat, and the two together make the most important shopping street in Ostend. The Adolf Buylstraat in turn boasts such names as Delvaux, Nathan Baume, Terre Bleue, Formen, River Woods, Paris Londres, Mayerline and Scotch&Soda.

Ostend, Adolf Buylstraat 1A



The property is located at Adolf Buylstraat 1A, Ostend, has an 8 metres wide facade and a gross surface area of approximately 534 m², about 264 m² of which on the ground floor.

The property is located at the corner of the Kapellestraat and is leased to Planet Parfum, a Belgian perfume chain with 800 points of sale in Belgium and Luxembourg. Planet Parfum is a reference player in perfumes, make-up and care products. The total annual rental income amounts to approximately 135 KEUR.

Ostend, Adolf Buylstraat 36

The property located at Adolf Buylstraat 36, Ostend, has a 8 metres wide facade and a gross surface area of approximately 910 m², of which about 253 m² are located on the ground floor. In 2013, the facade has been refreshed, which gives an attractive appearance to the building.

The property is leased entirely to Edisac, a French family company that specialises in the sale of quality bags and shoes for young and old. Edisac has three establishments in Belgium (Bruges, Ostend and Nieuwpoort) and eleven in France (including in Lille, Roubaix, Dunkirk and Arras). The total annual rental income amounts to approximately 175 KEUR.



Ostend, Kapellestraat 105



The property located at Kapellestraat 105, Ostend, has a 9 metres wide facade and a gross surface area of approximately 552 m², about 265 m² of which on the ground floor. The total annual rental income amounts to approximately 150 KEUR. The property is fully leased to Jack Wolfskin, which specialises in quality outdoor clothing and equipment. The lease has moreover just been renewed.

2. Transaction structure and financing

The transaction will be realised by means of a contribution in kind of the six retail premises in the capital of Qrf City Retail within the framework of the authorised capital in return for newly issued shares.

The contributors¹ will receive a total of 536,020 new shares in Qrf City Retail by way of remuneration for the contribution. As a result the Vanmoerkerke family will control approximately 9.5% of Qrf City Retail shares.

The issue price of the new shares amounts to 23.32 EUR per share. This value corresponds to the IFRS NAV per share at 30 June 2017. The new shares do not entitle holders to dividend for financial year 2017. This means that the new shares will be eligible for their part in the profit as of the subsequent financial year of Qrf City Retail, which will start on 1 January 2018.

The contribution in kind will take place as soon as possible and no later than on 29 October 2017, subject to a number of customary conditions precedent.

Through this transaction Qrf City Retail will strengthen its shareholders' equity by 12.5 MEUR. As a result, the debt ratio shall (be estimated to) decrease to approximately 54.3% (compared with 56.7% on 30 June 2017).

3. Development of the portfolio

Qrf City Retail is continuing its growth in the market of inner-city retail properties.

In April 2017, Qrf City Retail took its first step on the Dutch market with the purchase of a portfolio of five premium retail properties (some with residential accommodation above) at top locations in the Netherlands for a total investment value of 28.8 MEUR.

In 2017 (following the completion of this transaction) Qrf City Retail shall have acquired inner-city properties for more than 45 MEUR in Belgian and Dutch major cities.

At the same time, Qrf City Retail wants to continue to sell non-strategic properties to increase the quality of its portfolio.

As a result of this transaction, the Fair Value of the property portfolio grows further to more than 290 MEUR. The share of inner-city real estate within the portfolio amounts to 87%.

¹ The retail premises located in Ostend were contributed by Horizon Retail Investerings WP BVBA. The retail premises located in Antwerp were contributed by Horizon Retail Investerings DMB NV. The two contributing companies are controlled by the Vanmoerkerke family.

Caution concerning 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. If one or more of these risks or uncertainties were to occur or should the basic hypotheses used be inaccurate, the final results may differ significantly from the assumed, expected, estimated or extrapolated results. 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

Mobile telephone: +32 476 98 21 94

Anneleen.desmyter@qrf.be

Preben Bruggeman

CFO

Tel. +32 3 233 52 46

Mobile telephone: +32 496 15 80 44

Preben.bruggeman@qrf.be

www.qrf.be

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About Qrf City Retail

Qrf City Retail is a listed Belgian REIT (GVV/SIR) specialising in the niche market of inner-city 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 2017, the real estate portfolio consisted of 47 retail properties with a total fair value of 281 MEUR. As a result of the transactions mentioned above, the portfolio's Fair Value will increase to more than 290 MEUR.

Qrf City Retail has been listed on Euronext Brussels (QRF:BB) since December 2013. On 30 June, the company's market capitalisation was 127 MEUR.



Qrf City Retail won the European Public Real Estate (EPRA) Gold Award for Financial Reporting for its annual report. EPRA is the voice of the European sector of real estate listed on the stock exchange, and represents 430 BEUR in property assets (www.epra.com).



Qrf City Retail is the main sponsor of Retailer of the Year Belgium 2017. On 21 September 2017 the category winners were announced during the RetailDetail Day. The overall winner will be announced on 23 November 2017. Qrf City Retail believes in the strength of the physical shop. Retailers are making concrete efforts to improve and renew their offer and service. By supporting this initiative, Qrf City Retail wants to give its customers, the retailers, a unique opportunity to understand the customer even better.