



# Solid results and investment in the future

Annual results 2022 | February 24, 2023 | 07.40  
Regulated information

MEUR **12.53**

**Net rental income** of MEUR 12.53 (+8.64% vs. 2021) driven by active management of the portfolio, strict collection management and long-term relationships with tenants.

EUR **15.65** per share

**EPRA NTA per share** is EUR 15.65 (down -1.17% from December 31, 2021), IFRS NAV is EUR 16.53 (up 4.43% from December 31, 2021).

EUR **1.00**

**EPRA-profit** increased 6.53% to MEUR 7.45 in 2022 (MEUR 6.99 in 2021). EPRA earnings per share were EUR 1.00, up 3.01% from 2021.

EUR **0.80**

Proposed stable **gross dividend** of EUR 0.80 per share, representing a payout percentage of EPRA earnings of 81.45% and a gross dividend yield of 8.75% at the closing price of EUR 9.14. Also in 2023, Qrf offers its shareholders the option of an optional dividend.

**53.64%**

**Debt ratio** of 53.64% at the end of 2022 (50.29% at the end of 2021). The evolution in debt ratio is a result of the acquisition of Korenmarkt 1 in Ghent. Based on the already known divestments in 2023, the debt ratio will fall back to 51.29% this year, based on the same parameters.

**1.75%**

The **Average Interest Rate** in 2022 was 1.75% (1.74% in 2021). The stable financing cost is due to a hedging ratio of financial instruments of total financial debt at the end of 2022 of 88.89%. The average maturity of hedging instruments is 3.9 years.

MEUR **258.88**

**Fair Value of the property portfolio** of MEUR 233.25 of which MEUR 214.87 (92.12%) in Core locations and only MEUR 18.38 (7.88%) in Non-Core locations. In addition, Qrf holds a financial participation amounting to MEUR 19.18 in a redevelopment project for the Century Center in Antwerp and holds MEUR 6.44 as Assets held for sale (the participation in the joint venture at Bondgenotenlaan, Leuven)

**99.35%**

**Occupancy rate (excluding redevelopment)** of 99.35% (98.20% in 2021): 99.28% for the Core portfolio and 100% for the Non-Core portfolio.

**ESG**

Identification of 7 sites where 7,000 m<sup>2</sup> and 1,600 kWh/p of green electricity will be generated over the next three years, for the benefit of the Tenants.

**Corporate Governance**

Appointment of Alex van Ravels as an observer to the Board of Directors from fiscal year 2023 and as an independent director from fiscal year 2024. With this appointment, Qrf secures additional deep-rooted real estate experience in Capital Markets

**Outlook**

**Gross dividend forecast** of at least EUR 0.80 per share for 2023.

# 1 Commercial results

## 1.1 FOCUS ON LONG-TERM PARTNERSHIP WITH TENANTS

The **Net rental result** for the year 2022 is MEUR 12.53, which is 8.64% or MEUR 1.00 more than in 2021. This increase is the result, on the one hand, of a positive impact due to the elimination of COVID-19 related commercial allowances (MEUR +0.54); of the indexations of the current leases (MEUR +0.64) and of new leases (MEUR +0.04); and, on the other hand, of a negative impact due to the disinvestments realized (MEUR -0.20).

Contractually, the Commercial Tenancy Act allows the Landlord to pass on rising life costs in full to its tenants through **annual indexation**. However, we are in unseen times, and Qrf has acted, as it did during the COVID-19 crisis, as a long-term partner to our tenants. As a result, for specific individual cases, we have allowed a dampening of indexation, and for a limited period in time, moreover often conditional on not terminating the current lease. On average, Qrf passed on 84% of the total indexation to its tenants.

Throughout the fiscal year, Qrf succeeded in renewing all **current leases** that had a contractual break option or securing a new tenant for them, and, through some limited new leases, continued to increase the occupancy rate (excluding redevelopment projects) to 99.35% in 2022 (98.20% in 2021).

In 2022, 18 commercial leases were renewed for a total value of MEUR 2.08 with an increase in rental income, on a like-for-like basis, of 0.93% compared to the end of 2021. In addition, KEUR 180 worth of residential leases were renewed with an increase of 23.29% compared to 2021. After several years of declines, an almost stable rent level was renegotiated in 2022.

Qrf and INNO reached an agreement to continue the lease under new terms in August 2022. In line with the market rent assessed by the independent valuer, the rent was renegotiated to a Contractual Rent of MEUR 1.1 per year and this from August 2023 (compared to MEUR 1.7 as of December 31, 2022). For Qrf, this new contractual rent had no impact on rental income for fiscal year 2022.

## 1.2 ROBUST PROPERTY PORTFOLIO WITH OPPORTUNITIES FOR THE FUTURE

Qrf has a **diversified, commercial real estate portfolio in Belgium and the Netherlands**. Total real estate-related assets amount to MEUR 258.9.

Inner-city retail property in Belgium	148,110,238 €	57.21%
Peripheral retail property in Belgium	25,590,000 €	9.88%
State Archives, Bruges	22,720,000 €	8.78%
Inner-city retail in the Netherlands	21,120,000 €	8.16%
Participation redevelopment Century Center	19,184,496 €	7.41%
Sales to be realised 2023	12,210,319 €	4.72%
Redevelopment Veldstraat	9,944,050 €	3.84%
<b>TOTAL</b>	<b>258,879,103 €</b>	<b>100%</b>

Qrf acquired an additional **strategic position in Ghent** at the end of 2022 (Korenmarkt 1 shopping complex) based on a gross property value of MEUR 21 and a net rent collection<sup>1</sup> of MEUR 1.34. Together with the redevelopment of Veldstraat 88 and a property at Lange Munt, Qrf has an important inner-city cluster in Ghent. The property value of the Ghent cluster today amounts to MEUR 43.11 (16.7% of total property-related assets).

The property Veldstraat 88 in Ghent will undergo a redevelopment trajectory in 2023 and 2024. By the end of 2023 Nike will open its European concept RISE on the ground floor for a contractual rent of EUR 450,000 and by the end of 2024, subject to obtaining a current permit, 3,000 m<sup>2</sup> of office space will be commercialized. The additional investment is estimated today at MEUR 8.00

Through 2022, Qrf has sold **three Non-Core sites** for a total value of MEUR 3.24, representing a capital gain of MEUR 0.28 or 9.59% on the last known Fair Value. With the sales in Liège, Oudenaarde and Mechelen, the Non-Core portfolio drops to MEUR 18.38 (7.09% of property-related assets) at the end of 2022.

The active management of the portfolio (both the relationship with the tenants, the sale of Non-Core properties and the further optimization of the real estate portfolio) has ensured that throughout the full year 2022 the **portfolio has a stable value** (decrease of MEUR 1.53 or 0.66% compared to the end of 2021). The Portfolio result (MEUR -1.31) consists of the activations on the various properties (MEUR -1.98), offset by the positive variations in the Fair Value of the real estate portfolio (MEUR +0.44) and the capital gains realized on sales (MEUR +0.22)

In addition, on December 21, 2022, Qrf entered into a binding agreement for the **sale of its participation (30%) in the joint venture for the redevelopment of the Bondgenotenlaan 58 site in Leuven** with Dyls NV, the current majority shareholder in the joint venture. Qrf will transfer its participation for an amount of MEUR 6.44, representing a nominal capital gain on the last reported financial participation of MEUR 2.99 (or 86% above book value). Relative to the initial investment amount, a nominal capital gain of MEUR 1.88 will be realized, constituting a net annual return of 12.5%.

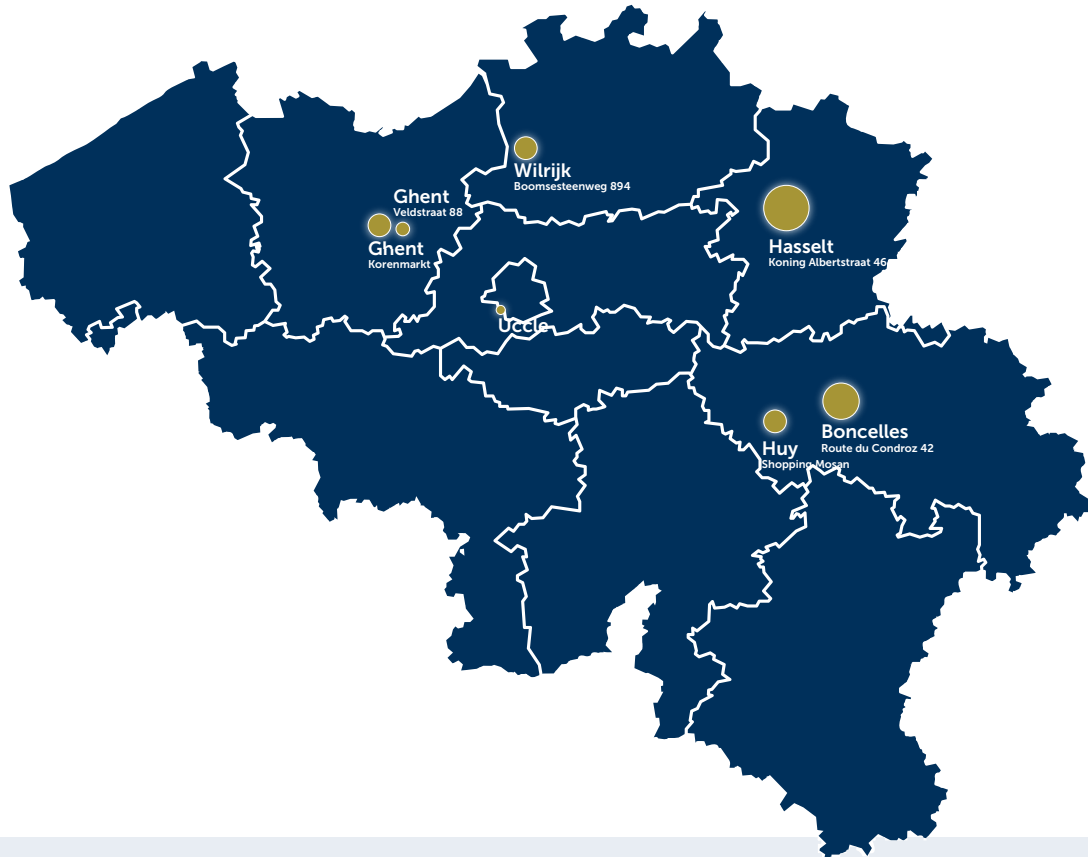
After the balance sheet date, **two binding sale agreements** were concluded for the Non-Core properties in Dendermonde and Namur for total net proceeds of MEUR 6.04, which will represent a capital gain of MEUR 0.27 (4.67%) on the last known Fair Value. With these sales, the Non-Core portfolio will decrease to MEUR 12.61 (5.54% of property-related assets) by the end of 2023.

<sup>1</sup> Taking into account rental payments under the long-term lease for part of the property.

### 1.3 GREENING THE PROPERTY PORTFOLIO

Qrf has identified 7 sites for a sustainability project through the installation of solar panels. The preliminary feasibility study is in progress. It involves a total of more than 7,000 m<sup>2</sup> of roof area with an estimated installed capacity of 1,600 kWp.

Regardless of the evolution of energy prices, Qrf will offer the generated power to the tenants of the respective properties. We are 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 the two.



#### Ghent, Veldstraat 88

Number of tenants: 2  
 Type: Office + Commercial  
 Roof area: 600 m<sup>2</sup>  
 Target power: 120kWp

#### Ghent, Korenmarkt

Number of tenants: 13  
 Type: Commercial + Residential  
 Roof area: 1000 m<sup>2</sup>  
 Target power: 190kWp

#### Hasselt, Koning Albertstraat 48

Number of tenants: 2  
 Type: Commercial  
 Roof area: 2000 m<sup>2</sup>  
 Target power: 375kWp

#### Wilrijk, Boomsesteenweg 894

Number of tenants: 1  
 Type: Commercial  
 Roof area: 1000 m<sup>2</sup>  
 Target power: 250kWp

#### Uccle, Alsebergsesteenweg 769

Number of tenants: 1  
 Type: Commercial  
 Roof area: 400 m<sup>2</sup>  
 Target power: 100kWp

#### Bonnelles, Route du Condroz 42

Number of tenants: 4  
 Type: Commercial  
 Roof area: 1600 m<sup>2</sup>  
 Target power: 350kWp

#### Huy, Shopping Mosan

Number of tenants: 10  
 Type: Commercial  
 Roof area: 1000 m<sup>2</sup>  
 Target power: 200kWp



## 2 Funding

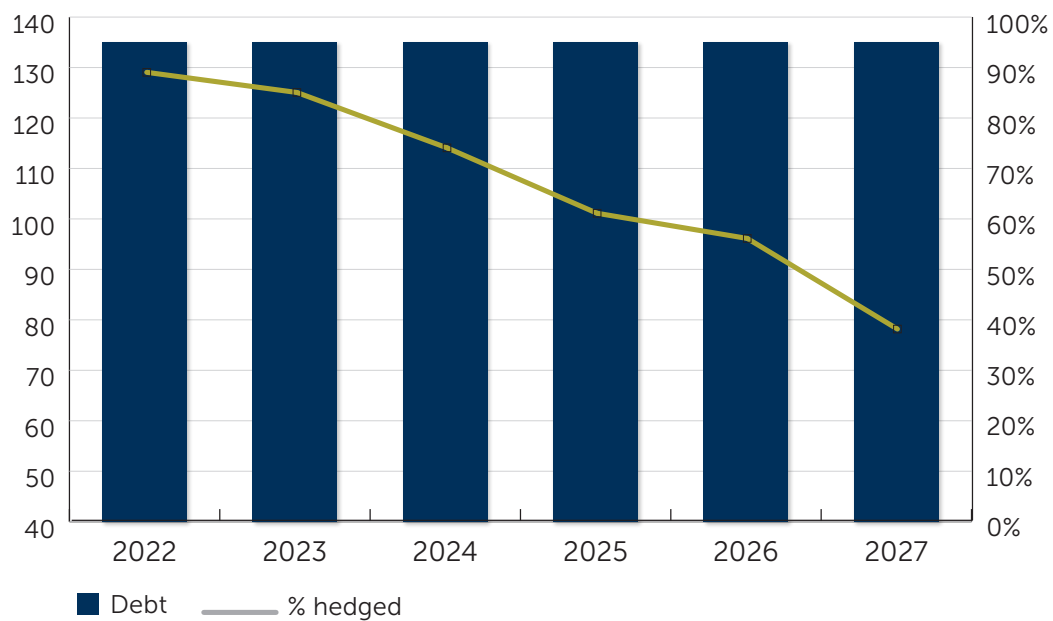
Through 2022, three credit lines totaling MEUR 30 came to maturity. Qrf renegotiated MEUR 20 of these based on its financing needs with a new maturity of 5 years. At the end of 2022, Qrf has MEUR 14 of unused credit facilities.

Thanks to an active hedging strategy, financial debts as of December 31, 2022 consist of 88.89% fixed-rate or variable-rate debt contracted at a fixed rate through hedging and 11.11% variable-rate debt contracted.

Throughout 2022, several forward starting hedging instruments were purchased, for a total hedged debt of MEUR 71. The purchase of Korenmarkt 1 was fully financed through available credit lines and 100% hedged through a forward starting interest rate swap until the end of 2032.

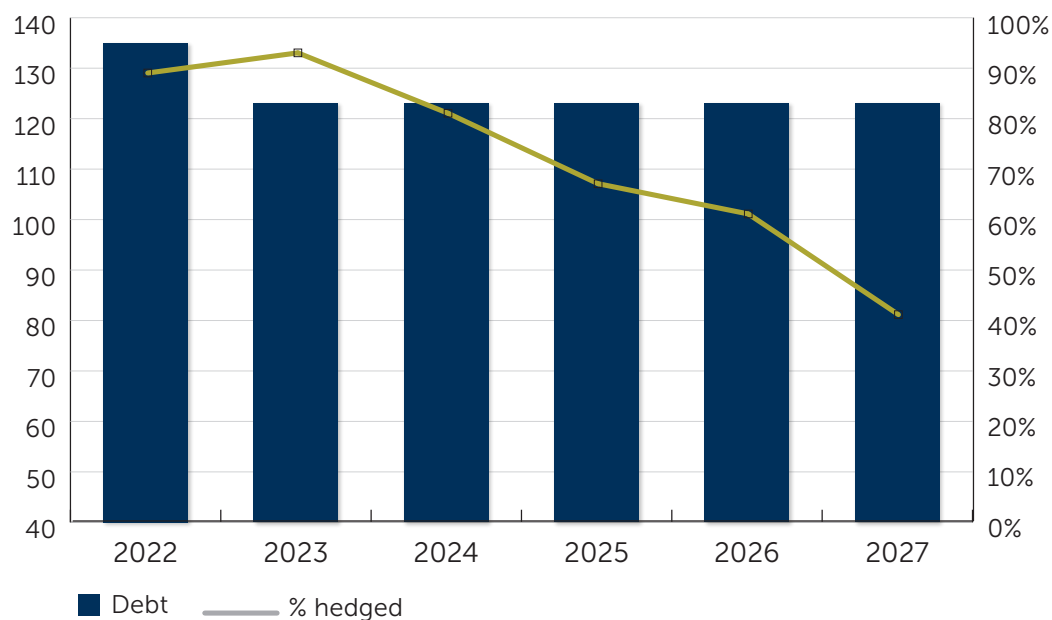
If the financial debt were to remain constant at MEUR 135, the expected average coverage ratio falls from 85% in 2023 to 38% in 2027.

Overview of debt and coverage ratio at constant debt



As cited supra in 1.2, financial debt will be reduced through 2023 as a result of the sales in Dendermonde and Namur (together MEUR 6.04) and the sale of joint venture company Bond 58 (MEUR 6.44). This debt reduction increases the expected average coverage ratio in 2023 from 85% to 93%.

#### Overview of debt and hedging ratio taking into account known sales



# 3 Corporate Governance

## **3.1 STRENGTHENING BOARD OF DIRECTORS**

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 has decided to replace one independent director each year from the second to the fourth year of this last mandate.

Qrf already announces that Mr. Alex van Ravels will be appointed as an independent director to replace Mr. Jan Brouwers, subject to approval by the FSMA. The mandate will take effect at the beginning of 2024 and, in order to ensure a proper handover, Mr. van Ravels will as of now sit on the Board of Directors as an Observer, without voting rights.

Mr. Alex van Ravels started his career at KPMG Corporate Finance. He continued his career at CBRE in Belgium and Luxembourg where he worked for more than 14 years and was Head of Capital Markets from 2015 to 2021. Since 2022, Mr. van Ravels has been a Partner at Baltisse Real Estate Investments. With this appointment, Qrf secures additional deep-rooted real estate experience. This appointment is fully in line with Qrf's ambitions.

The Board of Directors, as well as the shareholder of Qrf Management, would like to explicitly thank Mr. Jan Brouwers for his loyalty over a period of more than ten years since the establishment of Qrf.



# 4 Financial results

## 4.1 CONSOLIDATED KEY FIGURES 2022

Fiscal year 2022 covers the period from January 1, 2022 to December 31, 2022.

### CONSOLIDATED KEY FIGURES

REAL ESTATE PORTFOLIO		31/12/2022	31/12/2021
Fair Value of investment properties including assets held for sale <sup>1,2,3</sup>	(KEUR)	233,254	209,120
Total gross surface area	(m <sup>2</sup> )	80,338	69,883
Contractual Rents on an annual basis <sup>4</sup>	(KEUR)	14,777	12,380
Estimated rental value of vacant premises	(KEUR)	643	774
Gross rental yield <sup>5</sup>		6.34%	5.95%
Occupancy rate <sup>6</sup>		99.35%	98.20%
BALANCE SHEET		31/12/2022	31/12/2021
Shareholders' Equity (excluding minority interests)	(KEUR)	125,380	116,326
Debt ratio (RREC Law) <sup>7</sup>		53.64%	50.29%
PROFIT AND LOSS STATEMENT		31/12/2022	31/12/2021
Net rental income	(KEUR)	12,530	11,534
Operating result before result on portfolio	(KEUR)	9,731	9,139
Operating margin <sup>8</sup>		77.7%	79.2%
Portfolio result (including share of joint ventures)	(KEUR)	-972	-6,207
Financial result	(KEUR)	3,876	-1,233
Taxes	(KEUR)	-38	628
Net result (Group share)	(KEUR)	12,598	2,327
<i>Adjustment for portfolio result (including share of joint ventures)</i>	<i>(KEUR)</i>	<i>972</i>	<i>6,207</i>
<i>Adjustment for changes in Fair Value of financial assets and liabilities (ineffective part of interest rate hedges)</i>	<i>(KEUR)</i>	<i>-6,023</i>	<i>-862</i>
<i>Adjustment for result on realisation of shares in real estate companies</i>	<i>(KEUR)</i>	<i>0</i>	<i>0</i>
<i>Adjustment for deferred taxes in respect of EPRA adjustments</i>	<i>(KEUR)</i>	<i>-99</i>	<i>-682</i>
EPRA result <sup>9</sup>	(KEUR)	7,447	6,991

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 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.

3 Including the right of use on a long-term lease in Ghent, Korenmarkt as defined under IFRS16.

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 July 13, 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		31/12/2022	31/12/2021
Number of shares outstanding at end of the financial year		7,582,737	7,346,676
Weighted average number of shares <sup>10</sup>		7,479,258	7,260,859
Net result per share	(EUR)	1.68	0.32
EPRA result per share	(EUR)	1.00	0.96
Closing price of the share at the end of the financial year	(EUR)	9.14	11.00
IFRS NAV per share <sup>11</sup>	(EUR)	16.53	15.83
Premium/discount versus IFRS NAV <sup>12</sup> (end of the financial year)		-44.7%	-30.5%
EPRA NTA per aandeel <sup>13</sup>	(EUR)	15.65	15.83
Premium/discount with regard to EPRA NAV <sup>14</sup> (end of the financial year)		-41.6%	-30.5%

## 4.2 RESULTS

The **Net rental result** amounts to MEUR 12.53, an increase of 8.64% or MEUR 1.0 compared to 2021 (MEUR 11.53). This increase is the result, on the one hand, of a positive impact due to the elimination of COVID-19 related commercial allowances (MEUR +0.54); of the indexations of the current leases (MEUR +0.64) and of new leases (MEUR +0.04); and, on the other hand, of a negative impact due to the disinvestments realized (MEUR -0.20).

The purchase of the property located at Korenmarkt 1, Ghent has no impact on the 2022 net rental result as this purchase was closed on December 30, 2022.

In line with the evolution in the net rental result, the **property result** increases by 8.67% to MEUR 12.42 (MEUR 11.43 in 2021). The **operating result before the portfolio result** is MEUR 9.73 which is 6.48% higher than in 2021 (MEUR 9.14).

The **portfolio result (including the share of joint ventures)** in 2022 is MEUR -0.97 (vs. MEUR -6.21 in 2021) and is the result of the capitalizations of investments on the properties in the portfolio (MEUR -1.98), of the positive variations in the Fair Value of the investment properties based on the estimates of the Property Expert (MEUR +0.44), of the positive result on sales of investment properties (MEUR +0.22) and of the variations in the share of joint venture companies (MEUR +0.34). The activations of investments on existing properties mainly relate to the properties in Huy, Shopping Mosan (MEUR -0.69) and Hasselt, Koning Albertstraat (MEUR -0.70). The positive variations in the Fair Value of the investment properties based on the Property Expert is due to a positive variation in the Core portfolio (MEUR +1.53), partially offset by a negative variation in the Non-Core portfolio (MEUR -1.09).

The **financial result** amounts to MEUR 3.88 in 2022 (compared to MEUR -1.23 in 2021). The variation in the Fair Value of the authorized hedging instruments amounts to MEUR 6.02 (compared to MEUR 0.86 in 2021). Net interest expenses amount to MEUR 1.99 and are in line with 2021 (MEUR 2.06). The average interest rate remained stable (1.75% in 2022 vs. 1.74% in 2021) due to the active hedging strategy.

**Net income (Group share)** increased from MEUR 2.33 in 2021 to MEUR 12.59 in 2022, or from EUR 0.32 per share in 2021 to EUR 1.68 per share in 2022.

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].

After adjusting for the portfolio result (including the share of joint ventures) of MEUR 0.97, for the variations in the Fair Value of financial assets and liabilities (MEUR -6.02) and for deferred taxes related to EPRA adjustments (MEUR -0.10), Qrf records an increase in the **EPRA result** of 6.53% to MEUR 7.45 in 2022 (compared to MEUR 6.99 in 2021). This increase is mainly due to the increase in the net rental result.

**EPRA earnings per share** increase to EUR 1.00 in 2022 (up from EUR 0.96 in 2021).

With a view to further strengthening the company's balance sheet combined with the pursuit of a long-term and sustainable dividend policy, the Board of Directors of the Sole Director proposes a gross dividend of EUR 0.80 per share (MEUR 6.07) to the General Shareholders' Meeting. This reflects a payout ratio of the EPRA result of 81.45%.

### 4.3 BALANCE SHEET

On December 31, 2022, the **Fair Value of the investment properties** is MEUR 233.25, compared to MEUR 209.12<sup>15</sup> on December 31, 2021, an increase of MEUR 24.13 or 11.54%:

- » on December 30, 2022, Korenmarkt 1-3 in Ghent was acquired, resulting in an increase in the real estate portfolio of MEUR 28,98<sup>16</sup> on December 31, 2022;
- » through 2022, the real estate portfolio was reduced with the sales of the Non-Core properties in Oudenaarde (MEUR -1.47) and Mechelen, Graaf van Egmontstraat 10 (MEUR -0.49);
- » furthermore, the Non-Core property in Liège, Rue de la Cathédrale 79 was definitively sold, which was already held as Assets held for sale as of December 31, 2021;
- » finally, a downward revaluation of MEUR -1.53 was recorded in 2022, the result of the capitalization of investments on existing properties (MEUR -1.98) and of the positive changes in Fair Value of investment properties (MEUR +0.44).

Overall, the portfolio is valued by the Property Expert at a gross rental yield of 6.34%. At the end of 2022, the portfolio comprises 34 properties, of which 27 are Core and 7 are Non-Core. The Fair Value of the portfolio can be divided into MEUR 214.87 Core (92.12%), valued at a gross rental yield of 6.21% and MEUR 18.38 Non-Core (7.88%), valued at a gross rental yield of 7.84%.

In addition to investment properties, Qrf holds significant financial positions in joint venture companies. The participation for the redevelopment of the Century Center in Antwerp amounts to MEUR 19,18<sup>17</sup> as of December 31, 2022.

For the participation in the redevelopment of Bondgenotenlaan 58 in Leuven, a binding sales agreement was concluded on December 21, 2022 with Dyls NV for the acquisition of the entire participation (30%). At December 31, 2022, this was recognized as Assets held for sale at the net sales value of MEUR 6.44.

**Group Equity** increased by 7.78% from MEUR 116.33 at December 31, 2021 to MEUR 125.38 at December 31, 2022.

**IFRS NAV** per share increased by 4.43% from EUR 15.83 at December 31, 2021 to EUR 16.53 at December 31, 2022. EPRA NTA per share decreased by 1.17% from EUR 15.83 to EUR 15.65 over the same period.

<sup>15</sup> Includes Assets held for sale.

<sup>16</sup> Includes the right of use on a long-term lease as stipulated by IFRS 16.

<sup>17</sup> 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.

The **Debt Ratio** increased to 53.64% at December 31, 2022 (compared to 50.29% at December 31, 2021) mainly due to the acquisition of the Korenmarkt property in Ghent. As a result, the debt ratio also includes, as stipulated by IFRS 16, the capitalized rental charges for the right of use of the long-term lease for part of the premises located at Korenmarkt, Ghent (MEUR 5.0). Taking into account the debt reduction as a result of the sale of the participation in Bond 58 (as of December 31, 2022 held as Assets held for sale) and the sales of the Non-Core properties in Namur and Dendermonde (see 4.5 Events after the balance sheet date), the debt ratio is expected to decrease again to 51.29%.

#### 4.4 FUNDING STRUCTURE

As of December 31, 2022, Qrf has MEUR 135 of financial debt<sup>18</sup> consisting of:

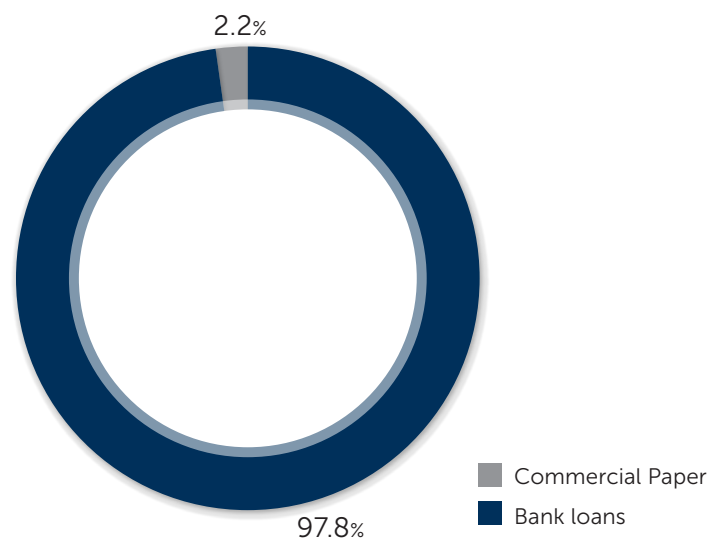
- » bilateral credit lines drawn for an amount of MEUR 132. The bilateral credit lines drawn were concluded with 7 different financial institutions with well-spaced maturities between 2023 and 2027. The weighted average remaining maturity of these drawn credit lines is 2.4 years;
- » Commercial Paper (treasury bills) in the amount of MEUR 3. The full amount of outstanding short-term treasury bills is covered by available long-term credit lines (back-up lines).

Qrf has MEUR 149 of credit lines at December 31, 2022, 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 14 at December 31, 2022.

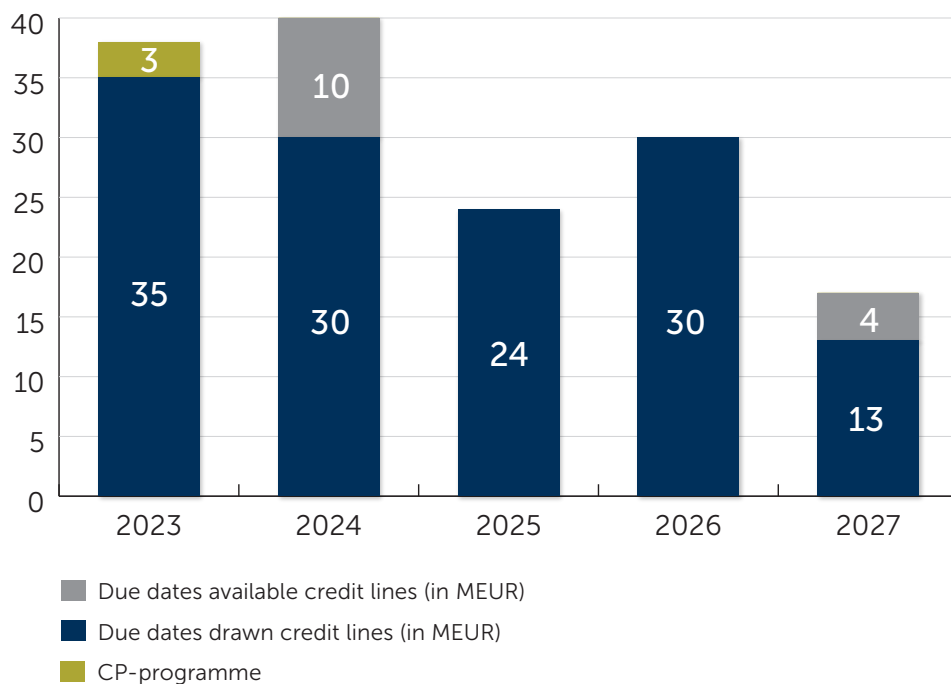
In order to limit the cost of undrawn credit lines, the credit portfolio was reduced by MEUR 10 during 2022. 2 credit lines of MEUR 10 each were renewed for a period of 5 years. In the next 12 months, 3 credit lines for a total amount of MEUR 35 come to maturity.

The Average Financing Cost is 1.75% in 2022 (compared to 1.74% in 2021) and is the result of the active hedging strategy.

At December 31, 2022, the composition of financial liabilities is as follows:



<sup>18</sup> Excluding the right to use part of the premises in the Korenmarkt, Ghent as provided in IFRS 16.



As of December 31, 2022, 88.89% of financial debt (total of credit lines drawn and treasury bills 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 3.9 years.

The total value of hedges at closing date was positive in the amount of MEUR 5.29, this due to a strong increase in interest rates during fiscal year 2022. The Executive Management of Qrf points out that through an active hedging strategy it wishes to provide the company with maximum protection against any interest rate fluctuation. To this end, four new forward hedging contracts were concluded in 2022 for a total amount of MEUR 71.

#### 4.5 EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, two binding sale agreements were concluded for total net proceeds of MEUR 6.04, this for a property located at Rue de Fer 10 in Namur (MEUR 2.80 or 7.3% above the Fair Value as of December 31, 2022) and for the property located at Oude Vest 19-37 in Dendermonde (MEUR 3.24 or 2.5% above the Fair Value as of December 31, 2022).

## 5 Outlook

Thanks to active asset management, rollout of the ESG program and long-term strategy, Qrf expects to achieve its 2023 rental income target, regardless of any underlying macroeconomic impact.

Qrf expects the financial cost of current debt to increase throughout the fiscal year. Thanks to a high hedging ratio for 2023, the impact on the EPRA result of this will be limited in 2023.

Qrf maintains its medium-term dividend policy of at least EUR 0.80 per share for 2023.

## 6 Financial calendar

	Date
Publication of quarterly update Q1	28/04/2023
General meeting of shareholders	16/05/2023
Dividend (ex date)	25/05/2023
Dividend (record date)	26/05/2023
Publication of half-yearly results and half-yearly report	28/07/2023
Publication of Q3 quarterly update	27/10/2023



# Annex 1: Financial overview

## I. STATEMENT OF CONSOLIDATED RESULTS

### A. CONSOLIDATED INCOME STATEMENT

FIGURES IN THOUSANDS OF EUR

	31/12/2022	31/12/2021
(+) I. Rental income	12,331	11,100
(+) II. Writeback of leased payments sold and discounted	0	0
(+/-) III. Rental charges	199	434
<b>NET RENTAL INCOME</b>	<b>12,530</b>	<b>11,534</b>
(+) IV. Recovery of property charges	0	0
(+) "V. Recovery of rental charges and taxes normally payable by tenants on let properties"	877	1,098
(-) "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	-991	-1,208
(+/-) VIII. Other rental related income and charges	0	0
<b>PROPERTY RESULT</b>		<b>11,425</b>
(-) IX. Technical costs	-247	-230
(-) X. Commercial costs	-180	-113
(-) XI. Charges and taxes of unlet properties	-85	-80
(-) XII. Property management costs	-211	-164
(-) XIII. Other property charges	0	0
<b>PROPERTY CHARGES</b>	<b>-723</b>	<b>-587</b>
<b>PROPERTY OPERATING RESULT</b>	<b>11,693</b>	<b>10,838</b>
(-) XIV. General company expenses	-1,962	-1,776
(+/-) XV. Other operating income and charges	0	77
<b>OPERATING RESULT BEFORE PORTFOLIO RESULT</b>	<b>9,731</b>	<b>9,139</b>
(+/-) XVI. Result on disposals of investment properties	222	-133
(+/-) XVII. Result on disposals of other non-financial assets	0	0
(+/-) XVIII. Changes in Fair Value of investment properties	-1,534	-6,667
(+/-) XIX. Other portfolio result	0	0
<b>PORTFOLIO RESULT</b>	<b>-1,312</b>	<b>-6,800</b>

## A. CONSOLIDATED INCOME STATEMENT

FIGURES IN THOUSANDS OF EUR

	31/12/2022	31/12/2021
<b>OPERATING RESULT</b>	<b>8,419</b>	<b>2,339</b>
(+) XX. Financial income	9	47
(-) XXI. Net interest charges	-1,992	-2,064
(-) XXII. Other financial charges	-164	-78
(+/-) XXIII. Changes in Fair Value of financial assets and liabilities	6,023	862
<b>FINANCIAL RESULT</b>	<b>3,876</b>	<b>-1,233</b>
(+) XXIV. Share in the profit or loss of associates and joint ventures	340	593
<b>PROFIT BEFORE TAXES</b>	<b>12,635</b>	<b>1,699</b>
(+/-) XXV. Corporate tax	-38	628
(+/-) XXVI. Exit tax	0	0
<b>TAXES</b>	<b>-38</b>	<b>628</b>
<b>NET PROFIT</b>	<b>12,598</b>	<b>2,327</b>
Attributable to:		
Shareholders of the group	12,598	2,327
Minority interests	0	0
Components of net result - Shareholders of the group:		
<b>NET RESULT (GROUP SHARE)</b>	<b>12,598</b>	<b>2,327</b>
Result on the portfolio (including share in joint ventures)	1,312	6,800
Results in the share of associates and joint ventures	-340	-593
Changes in the Fair Value of financial assets and liabilities	-6,023	-862
Result on the realisation of shares in real estate companies	0	0
Deferred taxes relating to EPRA changes	-99	-682
<b>EPRA EARNINGS*</b>	<b>7,447</b>	<b>6,991</b>

\*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 INCOME

FIGURES IN THOUSANDS OF EUR

	31/12/2022	31/12/2021
<b>I. NET PROFIT</b>	<b>12,598</b>	<b>2,327</b>
<b>II. OTHER COMPREHENSIVE INCOME RECYCLABLE UNDER THE INCOME STATEMENT</b>	<b>0</b>	<b>0</b>
(+/-) "B. Changes in the effective part of Fair Value of authorized cash flow hedging instruments as defined under IFRS"	0	0
<b>COMPREHENSIVE INCOME</b>	<b>12,598</b>	<b>2,327</b>
Attributable to:		
Shareholders of the group	12,598	2,327
Minority interests	0	0

## II. EARNINGS PER SHARE

FIGURES IN THOUSANDS OF EUR

		31/12/2021
Number of ordinary shares in circulation at the end of the financial year	7,582,737	7,346,676
Weighted average number of shares during the financial year	7,479,258	7,260,859
<b>NET EARNINGS PER ORDINARY SHARE - GROUP SHARE (in EUR)</b>	<b>1.68</b>	<b>0.32</b>
<b>DILUTED NET EARNINGS PER SHARE - GROUP SHARE (in EUR)</b>	<b>1.68</b>	<b>0.32</b>

### III. CONSOLIDATED BALANCE SHEET

FIGURES IN THOUSANDS OF EUR

	31/12/2022	31/12/2021
<b>ASSETS</b>		
<b>I. FIXED ASSETS</b>	<b>258,706</b>	<b>236,377</b>
B Intangible fixed assets	35	64
C Investment properties	233,254	208,060
D Other tangible fixed assets	12	12
E Non-current financial assets	5,434	1,383
H Deferred taxes - assets	1,409	1,310
I Investments in associates and joint ventures equity change	18,561	25,548
<b>II. CURRENT ASSETS</b>	<b>10,296</b>	<b>3,584</b>
A Assets held for sale	6,440	1,060
B Current financial assets	490	0
C Finance lease receivables	0	0
D Trade receivables	1,168	1,116
E Tax receivables and other current assets	215	418
F Cash and cash equivalents	1,728	883
G Deferred charges and accrued income	254	107
<b>TOTAL ASSETS</b>	<b>269,002</b>	<b>239,961</b>

FIGURES IN THOUSANDS OF EUR

	31/12/2022	31/12/2021
<b>LIABILITIES</b>		
<b>EQUITY</b>	<b>125,380</b>	<b>116,326</b>
<b>I. Equity attributable to the shareholders of the parent company</b>	<b>125,380</b>	<b>116,326</b>
A Capital	7,144	6,954
a. Issued capital	7,583	7,347
b. Costs for capital increase	-438	-393
B Issue premiums	154,091	151,948
C Reserves	-48,453	-44,903
D Net result for the financial year	12,598	2,327
<b>II. Minority interests</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>	<b>143,622</b>	<b>123,635</b>
<b>I. Non-current liabilities</b>	<b>101,732</b>	<b>71,761</b>
B Non-current financial debts	101,609	70,930
a. Borrowings	96,950	70,930
b. Financial leasing	4,659	0
C Other non-current financial liabilities	80	831
E Other non-current liabilities	42	0
F Deferred taxes - liabilities	0	0
a. Exit tax	0	0
<b>II. Current liabilities</b>	<b>41,890</b>	<b>51,873</b>
B Current financial debts	38,362	49,000
a. Borrowings	38,000	49,000
b. Financial leasing	362	0

FIGURES IN THOUSANDS OF EUR	31/12/2022	31/12/2021
C Other current financial liabilities	0	0
D Trade debts and other current debts	1,385	457
<i>a. Exit tax</i>	0	0
<i>b. Other</i>	1,385	457
E Other current liabilities	65	185
F Accrued charges and deferred income	2,078	2,231
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>269,002</b>	<b>239,961</b>

## IV. CONSOLIDATED CASH FLOW STATEMENT

FIGURES IN THOUSANDS OF EUR

	31/12/2022	31/12/2021
<b>CASH AND CASH EQUIVALENTS OPENING BALANCE SHEET</b>	<b>883</b>	<b>1,727</b>
<b>1. Cashflow from operating activities</b>	<b>10,899</b>	<b>8,815</b>
Net result	12,598	2,327
Non-paid interest and bank charges	285	231
Interest expense paid	1,953	2,026
<b>Adaptation of the result for non-cash flow transactions</b>	<b>-4,301</b>	<b>4,426</b>
- Depreciation on capitalized financing charges	39	38
- Variations in deferred tax assets and liabilities	99	-1,160
- Depreciation on intangible and other tangible fixed assets	37	41
- Result from the sale of investment properties	-224	121
- Reversal of impairment losses on trade receivable	577	0
- Changes in Fair Value of investment properties and project developments	1,533	6,667
- Changes in Fair Value of financial assets and liabilities	-6,022	-688
- Revaluation gains on financial fixed assets	-340	-593
<b>Changes in working capital requirements:</b>	<b>365</b>	<b>-195</b>
Movement of assets:	235	481
- Trade receivables	-576	194
- Tax receivables and other current assets	891	213
- Deferred charges and accrued income	-80	74
Movement of liabilities:	129	-675
- Other current financial liabilities	23	-355
- Trade debts and other current debts	475	221
- Other current liabilities (incl. tax debt)	242	61
- Deferred charges and accrued income	-612	-603
<b>2. Cash flow resulting from investment activities</b>	<b>-19,538</b>	<b>-8,561</b>
Purchase of intangible and other tangible fixed assets	-8	-83
Purchases of shares of real estate companies	-22,105	0
Cash in acquired real estate companies	1,332	0
Funding of non-fully controlled entities	750	-414
Purchase of properties	0	-9,000
Investments in existing properties	-2,659	-513
Capitalized finance costs	-92	0
Receipts from the disposal of investment properties	3,244	1,449
<b>3. Cash flow from financing activities</b>	<b>9,484</b>	<b>-1,097</b>
Loan repayment	-42,700	-35,500
Loan acquisition	57,700	40,000
Costs for capital increase	-45	-62
Interest payments on loans	-1,953	-2,026
Dividends paid	-3,498	-3,449
Transaction costs paid	-20	60
<b>CASH AND CASH EQUIVALENTS CLOSING BALANCE</b>	<b>1,728</b>	<b>883</b>