

Statement of the Statutory Manager Third quarter of financial year 2021-2022

Increase of the EPRA Earnings carried by the outstanding performance of
the real estate portfolio

Dividend increase for the financial year into perspective

OPERATING RESULTS

- **EPRA Earnings:** €25.4 million, up by 13.3% compared to €22.4 million at 30/06/2021
- **Net result:** €71.7 million, up by 140% compared to €29.9 million at 30/06/2021

RESULTS PER SHARE

- **EPRA Earnings:** €3.85 per share, compared to €3.40 per share at 30/06/2021
- **EPRA NTA:** €60.63 per share, compared to €57.37 per share at 30/09/2021

INVESTMENT PROPERTY PORTFOLIO

- **Fair value:** €736.0 million compared to €713.6 million at 30/09/2021
- **EPRA occupancy rate:** 96.4% compared to 96.0% at 30/09/2021

FINANCIAL STRUCTURE

- **Debt ratio**¹: 45.7% compared to 47.6% at 30/09/2021

¹ Debt ratio calculated in accordance with the Royal Decree of 28 April 2018 on Regulated Real Estate Companies.

Summary of activity

In a complicated macro-economic context, due to the continuing conflict in Ukraine and the resulting inflationary trends, Ascencio achieved a significant increase in results in the first nine months of the 2021-2022 financial year, both in terms of operating results and of revaluations of its real estate and financial assets.

Retailers are benefiting from a recovery in consumption and from the difficulties of the online sector, with online sales coming under greater pressure, particularly due to the increase in delivery costs (linked to the price of fuel and packaging costs, which have risen by between 30% and 40%). Retailers indicate that they have reached sales levels for spring 2022 that are comparable with the same period of 2019.

During the past quarter, the Company's rental activity has been successful, with 15 new or renewed leases in the portfolio, covering a total area of around 6,000 m². Since the beginning of the financial year, the number of leases signed is therefore 46, for a total surface area of 34,000 m² (representing 7.6% of the total surface area of the real estate portfolio).

Ascencio has continued to proactively manage its upcoming funding maturities over the past quarter to ensure that it has sufficient financing availabilities at all times to support its operational activity and to consider new investments. In addition, it has carried out some restructuring within its portfolio of hedging instruments, aimed at monetising some of the positive valuations of these instruments related to the recent rise in interest rates and reinvesting the proceeds generated in the long-term construction of its hedging structure.

On the regulatory front, Ascencio has taken an important step by opting for the Socimi status in Spain during the past quarter. This status, which is equivalent to that of SIR in Belgium and SIIC in France, which Ascencio has already enjoyed for several years, will now enable the Company to avoid being subject to tax leakage within its Spanish activities. This new status should favour the development of its activities on this market.

Finally, concerned to be a responsible and committed actor, Ascencio has pursued its strategic reflections on the environmental management of its activities and has already implemented several initiatives, in particular by publishing, for the first time, a report on various performance indicators of the ESG aspects of its business in accordance with the EPRA sBPR guidelines². This publication aims to bring transparency to the ESG initiatives undertaken by Ascencio.

² EPRA sustainability Best Practice Recommendations (sBPR).

Consolidated results for the first three quarters of financial year 2021/2022

Consolidated income statement to 30 June 2022

CONSOLIDATED RESULTS (€000S)	30/06/2022	30/06/2021
RENTAL INCOME	35,770	34,639
Rental related charges	515	-1,328
Rents payable on leased premises	-20	0
Write-downs on trade receivables	263	-12
Cancellation of rents Covid	271	-1,316
Rental related charges not recovered	-153	-17
PROPERTY RESULT	36,131	33,294
Property charges	-2,613	-2,684
Corporate overheads	-3,231	-3,096
Other operating costs	-1	2
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	30,287	27,517
<i>Operating margin</i>	84.7%	79.4%
Financial incomes	262	0
Interest charges	-4,335	-4,379
Other financial charges	-386	-316
Taxes	-412	-383
EPRA EARNINGS	25,416	22,438
Result on sales of investment properties	-159	0
Changes in the fair value of investment properties	20,956	3,306
Portfolio result	20,797	3,306
Changes in fair value of financial assets and liabilities	26,370	4,337
Deferred taxes	-877	-170
NET RESULT	71,706	29,911
EPRA Earnings per share (euros)	3.85	3.40
Net result per share (euros)	10.87	4.53
Total number of shares issued	6,595,985	6,595,985

Rental income amounted to €35.8 million, up by 3.3% compared to the first nine months of the previous year, mainly due to the combined effect of high inflation and an increase in the portfolio occupancy rate.

Rental related charges posted a positive balance of €0.5 million compared to a negative one of €1.3 million in the previous year; this positive effect is related to the lower than expected impact of the Covid pandemic on the Company's activities, generating significant write-offs of provisions for bad debts and rent cancellations during the current year.

The property result therefore amounted to €36.1 million, up by 8.5% compared to the €33.3 million generated at 30/06/2021.

Property charges and corporate overheads remained largely stable compared to the previous year, reflecting Ascencio's focus on cost control in the current economic climate.

The financial result also remained stable compared to the previous year in terms of recurring financial charges, while a positive result of €0.3 million was recorded during the past period relating to capital gains realised on the restructuring of hedging instruments.

In terms of financial charges, the evolution is explained by the relative stability of both the average financial debt (€336 million at 30/06/2022 compared to €333 million at 30/06/2021) and the average cost of financing (1.80% at 30/06/2022 compared to 1.84% at 30/06/2021) in the course of both respective periods.

Taking into account these developments and after deducting tax charges on the French assets and residual tax charges on the Spanish assets (Ascencio Iberia having opted for the Socimi status applicable as from the beginning of the current financial year), EPRA Earnings stood at €25.4 million for the three quarters of 30/06/2022, up by 13.3% compared to the €22.4 million generated in the same period of the previous financial year. This leads to earnings per share of €3.85, compared to €3.40 for the first 9 months of the previous financial year.

In terms of the revaluation of the real estate portfolio, the upward trend in values continues, leading to a gain of €21.0 million (+2.9%) at 30/06/2022. This trend illustrates the appetite of both retailers and investors for out-of-town food retail properties, the resilience of which has been amply demonstrated.

Finally, as a result of the significant rise in interest rates that began a few months ago, the portfolio of financial hedging instruments continues to show strong growth in value, having increased by €26.4 million since the beginning of the current financial year. The majority of these instruments are currently in positive values, which has very rarely been the case in previous years when interest rates were trending down towards negative levels. At 30/06/2022, the Company's hedging ratio is 91.7%. This high ratio allows the Company to reduce the volatility of its financial expenses and thus limit the negative impact of a significant increase in interest rates on its financial result.

Taking all these elements into account, the Company's net result amounts to €71.7 million, a significant increase (+140%) compared to the €29.9 million generated in the three quarters to 30/06/2021. Net earnings per share amounted to €10.87 compared to €4.53 at 30/06/2021.

Consolidated balance sheet at 30 June 2022

CONSOLIDATED BALANCE SHEET (€000S)	30/06/2022	30/09/2021
ASSETS	768,913	728,076
Intangible assets	20	0
Investment properties	735,983	713,601
Other non-current financial assets	20,904	1,400
Assets held for sale	0	1,360
Trade receivables	1,883	5,773
Cash and cash equivalents	4,106	3,707
Other current financial assets	6,018	2,236
EQUITY AND LIABILITIES	768,913	728,076
Equity	418,063	370,353
Non-current financial debts	235,820	278,822
Other non-current financial liabilities	2,562	10,275
Deferred taxes	2,151	1,275
Current financial debts	99,522	55,060
Other current liabilities	10,794	12,291

The value of the investment property portfolio at 30/06/2022 was €736.0 million, up from its value at 30/09/2021. Since the beginning of the current financial year, the portfolio has evolved as follows:

INVESTMENT PROPERTIES (€000S)	30/06/2022	30/09/2021
PROPERTIES AVAILABLE FOR RENTAL		
BALANCE AT THE BEGINNING OF THE PERIOD	713,601	693,926
Investments	1,016	3,476
Acquisitions	0	6,382
Transfers of headings	0	-18
Change in fair value	20,956	9,835
BALANCE AT THE END OF THE PERIOD	735,573	713,601
DEVELOPMENT PROJECTS		
BALANCE AT THE BEGINNING OF THE PERIOD	0	0
Investments	410	0
BALANCE AT THE END OF THE PERIOD	410	0
INVESTMENT PROPERTIES	735,983	713,601

In addition to the above-mentioned increase in value of €21.0 million, the Company's real estate portfolio was also added to by investments in the amount of €1.0 million, mainly to complete the redevelopment of the façades of the Messancy (Belgium) retail park and to start up several roof renovation programmes and welcome several tenants (Messancy, Genval, Gosselies, etc.).

In addition, during the current financial year, the Company has started a programme to extend its Carrefour Mestdagh supermarket in Ottignies (Belgium), the total budget for which is estimated at €1.5 million. Works on this project, which are expected to be completed in the next financial year and which amount to €0.4 million at 30/06/2022, have been recognised under development projects.

Other non-current assets mainly include the portfolio of hedging instruments, the net positive value of which amounts to €20.4 million at 30/06/2022, whereas this net value was negative at 30/09/2021 and therefore recorded in the balance sheet under other non-current liabilities.

The Company's equity increased significantly from €370.4 million at 30/09/2021 to €418.1 million at 30/06/2022, despite the distribution of a dividend of €24.4 million during the year. At 30/06/2022, the IFRS NAV per share was €63.38, while the EPRA NTA per share was €60.63 (compared to €56.15 and €57.37 respectively at 30/09/2021).

Finally, total financial debt (current and non-current) amounted to €335.3 million at 30/06/2022 compared to €333.9 million at 30/09/2021. At 30/06/2022, the residual duration of the financial debt amounts to 3.1 years (compared to 3.7 years at 30/09/2021). It is noticed that the balance of current financial debts has increased in the current year. In addition to the commercial paper issues (€48.5 million outstanding at 30/06/2022), this heading also includes several bank financings that will come to maturity over the next 12 months. As noted above, the Company has always taken a proactive approach to the renewal of its credit facilities and advanced discussions are under way at the date of this press release regarding the renewal of this debt maturing within the year, some of which are aimed to be completed by the end of the current financial year.

Taking into account this financing structure, the Company benefits from €117 million of available credit lines (i) to fully back-up its outstanding commercial paper issues (€48.5 million), (ii) to secure the financing of the

forthcoming dividend distribution, and (iii) to participate in the financing of operational activities and possible acquisitions.

At 30/06/2022, the Company's debt ratio was 45.7%, down from 47.6% at 30/09/2021.

Regulatory aspects

As a reminder, Ascencio entered the Spanish market during 2016 with the acquisition of retail spaces in retail parks located in Barcelona, Madrid and Valencia. These acquisitions were made through a newly formed real estate company, with the objective of obtaining Socimi status for this company (comparable to the SIR status in Belgium and SIIIC status in France) in order to preserve the relative fiscal transparency in force within the Group.

However, this status proved to be extremely difficult to obtain for a Belgian company that however had already a comparable status in Belgium, due to the criteria set by the Spanish administration for granting this status. As a result, Ascencio's real estate Spanish subsidiary had been operating since 2016 as a traditional real estate company exposed to the payment of Spanish income tax, which penalised Ascencio's ability to invest in this market.

During the current financial year and as a result of several recent regulatory developments, Ascencio has been able to meet the criteria required by the Spanish administration and has therefore opted for the Socimi regime for its Spanish subsidiary, applicable as from the beginning of the 2021/2022 financial year. This status allows the profits generated by the Spanish subsidiary to be exempt from any withholding tax, which improves Ascencio's competitiveness in the Spanish market.

The Company therefore aims to strengthen its presence in Spain over the next few years by acquiring properties that fit its strategy and meet its quality criteria.

Corporate governance

During the past quarter, Ascencio renewed the mandates of three of its directors, namely Ms Stéphanie Boniface and Ms Alexandra Leunen, and Mr Olivier Beguin. Ascencio is also pleased to announce that Mr Gérard Lavinay has joined its Board of Directors as an independent director. With almost 40 years of experience within the Carrefour Group, Mr Lavinay will bring even more expertise to Ascencio, particularly in the food retail sector. Finally, Ascencio would like to thank Mr Amand-Benoît D'hondt, whose mandate has come to an end, for his contribution to the development of the Company over the past years.

Outlook

The excellent management of Ascencio's portfolio during the current financial year suggests that the annual results will be significantly higher than in the previous year. These results illustrate the pertinence of the real estate strategy pursued by Ascencio, with its specialisation in investment in food retail property and retail parks, the resilience of which has been amply demonstrated.

In this context, the Company believes that, barring any significant unforeseen events, it will be able to distribute a significantly higher dividend than in the previous year. This would be the eighth consecutive dividend increase, illustrating the Company's commitment to honouring the confidence shown by its shareholders and other stakeholders. The amount of the 2021/2022 dividend to be proposed to the next general meeting of shareholders will be determined and announced upon publication of the Company's annual results.

Finally, with its good knowledge of the market and its financial capacity, Ascencio is in a position to seize any investment opportunities that should arise.

Financial calendar

Press release on results for the year to 30 September 2022	24 November 2022 (5.40 p.m.)
Ordinary general meeting of shareholders	31 January 2023 (2:30 p.m.)

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About Ascencio :

Active in Belgium, France and Spain, Ascencio is a Société Immobilière Réglementée Publique (Public Regulated Property Company or "Belgian REIT") specialising in investment in commercial premises located out of town.

Ascencio is characterised by its hybrid portfolio, consisting mainly of supermarkets and retail parks.

Listed on Euronext Brussels since 2007, Ascencio pursues a coherent policy aimed at optimising its results over time and ensuring stable profits for all its shareholders.