

# Interim statement at 30 June 2023

— Third quarter of  
financial year 2022/2023.

## SOLID PROPERTY AND FINANCIAL PERFORMANCES

### OPERATING RESULTS

- **RENTAL INCOME:** €38.3 million, up by 7.2% from the €35.8 million at 30/06/2022
- **EPRA EARNINGS:** €26.8 million, up by 5.3% from the €25.4 million at 30/06/2022
- **EPRA EARNINGS (PER SHARE):** €4.06 (vs €3.85 at 30/06/2022)
- **NET RESULT:** €33.2 million (vs €71.7 million at 30/06/2022), the decrease being exclusively due to the difference in positive revaluations compared with 30/06/2022 (+€6.5 million vs +€46.4 million)

### BALANCE SHEET INFORMATION

- **FAIR VALUE OF THE PORTFOLIO:** €749.8 million (vs €738.9 million at 30/09/2022)
- **EPRA LTV:** 43.9%, down from 44.4% at 30/09/2022
- **EPRA NTA (PER SHARE):** €63.77 (vs €62.35 at 30/09/2022)

**97.9%**

**EPRA OCCUPANCY  
RATE**

**6.71%**

**GROSS YIELD OF THE  
PORTFOLIO**

**+1.2%**

**CHANGE IN FAIR  
VALUE OF THE  
PORTFOLIO**

**100%**

**OCCUPANCY RATE OF  
SPANISH PORTFOLIO**



## SUMMARY OF THE ACTIVITY

Over the past quarter, **the macroeconomic environment** remained characterised by high inflation, albeit at a lower level than in recent months, and by interest rates continuing their upward trend. This situation had a number of effects on Ascencio's results, mainly a positive impact on rental income, which fully benefit from this high inflation, and a negative impact on financial expenses, although the latter was significantly limited by the interest rate hedging structure put in place by the Company. These changes in macro-economic parameters also influenced property valuations, generating a slightly positive net impact on Ascencio's consolidated portfolio.

In terms of **rental activity**, Ascencio signed 3 new leases, 14 lease renewals and 2 short term leases over the last three months, bringing the total number of leases signed since the start of the financial year to 34 (6 new and 28 renewals), as well as 12 short term leases, for a total leasable area of around 26,000 m<sup>2</sup>. On average, the rents on signed leases are around 13% higher than market rental values and around 2% lower than previous rents for the commercial units concerned. Thanks to this dynamic rental activity the portfolio's EPRA occupancy rate rose to 97.9% at 30 June 2023 (vs 96.5% at 30 September 2022). It should be noted that among these new contracts, the Company signed a lease for the entire vacant surface area of the Spanish building in Valencia. This new lease, signed with a sports leisure chain at a rent higher than the market rental value, restores the EPRA occupancy rate of the building and that of the entire Spanish portfolio to 100%.

In terms of **investment**, the Company completed renovation work on the roofs of 3 retail premises in its Orchidée Plaza retail park in Hannut (Belgium), representing a total roof surface area of 2,000 m<sup>2</sup>. This work took place in the context of space being taken up by new retail tenants.

Concerning its **ESG policy**, Ascencio published its sustainability report for the second year running, in line with the guidelines set out by EPRA. This second sustainability report confirms the Company's determination to implement a concrete programme covering the three pillars of its ESG policy (environmental, social and corporate governance). Once again, this exercise is the result of effective collaboration with Ascencio's tenants, particularly regarding data collection. This is carried out periodically and provides a solid basis for analysing the ESG performance of Ascencio's portfolio and establishing its investment programmes.

As part of its **digitalisation** project, Ascencio has chosen a new IT solution to manage its real estate and financial activities, the implementation process for which began during this past quarter. This project, called 'Connect' and involving the active participation of all employees, will bring even greater cross-functionality and agility to the Company's internal organisation.

In terms of **financial management**, Ascencio continued its refinancing program by renewing 3 bank lines for a total of €35 million and an average term of 5 years. These new lines of credit enable the Company to maintain the average duration of its debt at 3.3 years (stable compared with 30/09/2022) and to benefit from available lines of credit totalling €56 million at 30 June 2023. Against a backdrop of financial markets under pressure, characterised by a drying-up of institutional property financing and increased selectivity on the part of banking institutions in granting credit, Ascencio demonstrates its ability to secure its refinancing on a long-term basis by concluding these new credit lines.

Ascencio also acquired IRS for a total nominal amount of €20 million over a period of 6.5 years. These acquisitions will enable the Company to strengthen and extend its hedge ratio, which stands at 92.5% at 30 June 2023, while optimising its average cost of financing in the short term.

Taking these transactions into account, the Company's average cost of financing was 1.98% at 30 June 2023 (vs 1.80% at 30 September 2022), for an average debt of €326.6 million. This marginal increase in the average cost of financing, despite the significant rise in interest rates over the past year, illustrates the effectiveness of the hedging strategy implemented by Ascencio.

# CONSOLIDATED RESULTS FOR THE FIRST THREE QUARTERS OF FINANCIAL YEAR 2022/2023

## Consolidated income statement at 30 June 2023

CONSOLIDATED RESULTS (€000S)	30/06/2023	30/06/2022
<b>RENTAL INCOME</b>	<b>38,348</b>	<b>35,770</b>
Rental related charges	-201	515
Recovery of property charges	818	451
Rental related charges and taxes not recovered	-30	21
Other revenue and rental-related charges	181	-176
<b>PROPERTY RESULT</b>	<b>39,116</b>	<b>36,582</b>
Property charges	-3,599	-3,063
Corporate overheads	-3,423	-3,231
Other operating income and charges	1	-1
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>32,095</b>	<b>30,287</b>
<i>Operating margin</i>	<b>83.7%</b>	<b>84.7%</b>
Financial income	2,213	262
Interest charges	-6,758	-4,335
Other financial charges	-512	-386
Taxes	-273	-412
<b>EPRA EARNINGS</b>	<b>26,765</b>	<b>25,416</b>
Result on sales of investment properties	0	-159
Changes in the fair value of investment properties	8,648	20,956
<b>Portfolio result</b>	<b>8,648</b>	<b>20,797</b>
Changes in fair value of financial assets and liabilities	-1,886	26,370
Deferred taxes	-289	-877
<b>NET RESULT</b>	<b>33,239</b>	<b>71,706</b>
<b>EPRA Earnings per share (euros)</b>	<b>4.06</b>	<b>3.85</b>
<b>Net result per share (euros)</b>	<b>5.04</b>	<b>10.87</b>
<b>Number of shares</b>	<b>6,595,985</b>	<b>6,595,985</b>

Rental income came to €38.3 million, up by 7.2% on the comparable period of the previous financial year (like-for-like: 7.2%), mainly due to the impact of inflation reflected in the indexation of rents.

Rental income (€000S)	30/06/2023		30/06/2022		Δ
Belgium	21,372	56%	19,440	54%	9.9%
France	15,429	40%	14,822	41%	4.1%
Spain	1,546	4%	1,507	4%	2.6%
<b>TOTAL</b>	<b>38,348</b>	<b>100%</b>	<b>35,770</b>	<b>100%</b>	<b>7.2%</b>

The **property result** came to €39.1 million, up by 6.9% on the €36.6 million for the comparable period.

**Property charges** and **corporate overheads** rose slightly, mainly due to non-recurring technical work and the impact of the strengthening of Ascencio's management team.

Taking these factors into account, **operating result before result on portfolio** rose by 6.0% (€32.1 million vs €30.3 million).

The **financial result** decreased by 13%, mainly due to the increase in interest expense on borrowings. However, this was mostly compensated by the income generated by the hedging instruments held by the Company.

Taking these movements and a reduction in tax charges into account, **EPRA Earnings** came to €26.8 million at 30/06/2023, up by 5.3% on the €25.4 million generated at 30/06/2022. This takes EPRA earnings per share to €4.06, compared with €3.85 for the first three quarters of the previous financial year.

In terms of the **revaluation of the property portfolio**, the positive trend in values continued, albeit to a lesser extent than last year. The revaluation was + €8.6 million (+1.2%) at 30/06/2023 vs + €21.0 million (+2.9%) at 30/06/2022. Despite the current macro-economic context, which tends to push real estate values down, the solid valuations of Ascencio's property portfolio illustrate its resilience and defensive nature. Based on these values, the portfolio's initial yield was 6.71% at 30/06/2023 (vs 6.35% a year earlier).

The **revaluation of hedging instruments** amounted to - €1.9 million at 30/06/2023 (vs + €26.4 million at the same date last year). These valuations depend on the interest rate situation, which have significantly risen during the previous financial year.

Finally, the **net result** was €33.2 million at 30/06/2023, compared with €71.7 million at 30/06/2022, or €5.04 and €10.87 per share respectively. This decrease is exclusively due to the revaluation differences illustrated above.

## Consolidated balance sheet at 30 June 2023

CONSOLIDATED BALANCE SHEET (€000s)	30/06/2023	30/09/2022
<b>ASSETS</b>	<b>794,058</b>	<b>783,312</b>
Intangible assets	52	24
Investment properties	749,780	738,933
Other tangible assets	43	35
Other non-current assets	28,963	31,514
Current financial assets	1,470	885
Trade receivables	3,117	4,956
Cash and cash equivalents	2,731	4,356
Other current assets	7,901	2,611
<b>EQUITY AND LIABILITIES</b>	<b>794,058</b>	<b>783,312</b>
Equity	444,196	437,011
Non-current financial debts	248,747	268,677
Other non-current liabilities	2,903	2,476
Deferred tax	6,459	6,170
Current financial debts	80,386	58,038
Other current liabilities	11,368	10,939
<b>IFRS NAV (euros/share)</b>	<b>67.46</b>	<b>66.25</b>
<b>EPRA NTA (euros/share)</b>	<b>63.77</b>	<b>62.35</b>
<b>Debt ratio (in accordance with the Royal Decree)</b>	<b>44.1%</b>	<b>44.9%</b>
<b>EPRA LTV</b>	<b>43.9%</b>	<b>44.4%</b>

The value of the **investment property** portfolio at 30/06/2023 was €749.8 million, up by €10.8 million (+1.5%) on its value at 30/09/2022. The main investments made since the start of the financial year concern relate to the extension project for its Ottignies supermarket (Belgium) and various renovations within the portfolio.

	% total Fair Value	Fair Value (€000s) (30/06/2023)	EPRA occupancy rate (30/06/2023)	Gross yield (30/06/2023)	Fair Value (€000s) (30/09/2022)	EPRA occupancy rate (30/09/2022)	Gross yield (30/09/2022)
BELGIUM	54%	405,158	97.0%	7.17%	393,826	94.3%	6.95%
FRANCE	42%	313,723	98.9%	6.16%	313,936	99.6%	5.92%
SPAIN	4%	30,900	100.0%	6.55%	30,850	82.8%	5.16%
<b>TOTAL PROPERTIES AVAILABLE FOR RENT</b>	<b>100%</b>	<b>749,780</b>	<b>97.9%</b>	<b>6.71%</b>	<b>738,612</b>	<b>96.0%</b>	<b>6.43%</b>
Development projects		0			320		
<b>TOTAL INVESTMENT PROPERTIES</b>		<b>749,780</b>			<b>738,933</b>		

**Other non-current assets** and **current financial assets** mainly include the portfolio of hedging instruments, according to their maturity, with a total positive value of €30.0 million at 30/06/2023.

There are no significant **trade receivables** overdue at balance sheet date. In this respect, it is important to point out that the Casino group, lessee of 5 sites in the French portfolio and whose financial situation has been widely commented on in the press for several months, does not have any significant receivables overdue at 30/06/2023 either.

The Company's **equity** rose from €437.0 million at 30/09/2022 to €444.2 million at 30/06/2023. The IFRS net asset value per share is therefore €67.46, while the EPRA NTA per share is €63.77 (respectively €66.25 and €62.35 at 30/09/2022).

Lastly, total **financial debts** (current and non-current) amounted to €329.1 million at 30/06/2023 (vs €326.7 million at 30/09/2022).

At 30/06/2023, the **EPRA LTV** was 43.9%, down from 44.4% at 30/09/2022, while the Company's debt ratio calculated in accordance with the SIR (Belgian REITs) Royal Decree was 44.1% and 44.9% respectively at these same dates.

## CORPORATE GOVERNANCE

During the quarter, Alexandra Leunen's mandate as a director of Ascencio Management SA was renewed for a period of one year.

### Event occurred after balance sheet date

At the extraordinary general meeting held on 05 July 2023, Ascencio SA's shareholders approved, with the requisite majorities, the latest amendments to the articles of association concerning the renewal of authorisations relating to authorised capital and the acquisition, pledging and disposal of the Company's own shares. Ascencio SA would like to thank its shareholders for their continued trust.

## OUTLOOK

In the current economic environment, Ascencio intends to continue proactively managing its property portfolio, both in terms of letting and anticipating its customers' needs. The results of this management approach are particularly well illustrated by the fact that the portfolio has maintained a high occupancy rate over time.

In this context, maintaining a solid balance sheet structure and sufficient liquidity remain key priorities for the Company. This will necessarily involve maintaining a reasonable debt-to-equity ratio, continuing to anticipate refinancing needs and adopting a selective approach in analysing new acquisition opportunities in a sharply slowing investment market.

In addition, the Company continues to pay particular attention to the deployment of its ESG strategy and the implementation of its digitalisation project.

Lastly, in view of the good results generated since the beginning of the financial year and assuming there is no substantial deterioration in the macroeconomic context, Ascencio believes that it will be able to distribute a dividend for the current financial year at least in line with that of the previous financial year.

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## ABOUT ASCENCIO

Ascencio SA is a company incorporated under Belgian law, specialising in commercial property investments, and more specifically, supermarkets and retail parks.

The Company is present in Belgium, France and Spain, respectively under the status of SIR, SIIC and SOCIMI.

With its multidisciplinary team, it manages its assets and its relations with its tenant-retailers in a responsible manner, particularly with regard to sustainability.

The fair value of its portfolio amounts to approximately €750 million, spread over more than 100 properties and generating rental income of around €50 million a year.

Ascencio SA is listed on Euronext Brussels. Its stock market capitalisation was €320 million at 31 March 2023.

For more information, please visit [www.ascencio.be](http://www.ascencio.be)

