

INTERIM STATEMENT AT 30 JUNE 2024

THIRD QUARTER OF FINANCIAL YEAR 2023/2024

97.7%
EPRA OCCUPANCY
RATE

6.94%
GROSS YIELD ON THE
PORTFOLIO

+0.2%
CHANGE IN FAIR
VALUE OF THE
PORTFOLIO

93.0%
INTEREST RATE
HEDGING RATIO

2.20%
AVERAGE COST OF
DEBT

SOLID OPERATING PERFORMANCE

OPERATING RESULTS

- **Rental income** : €39.9 million, up by 4.1% compared with €38.3 million at 30/06/2023
- **EPRA Earnings** : €27.9 million, up by 4.2% compared with €26.8 million at 30/06/2023
- **EPRA Earnings per share** : €4.23 (vs €4.06 at 30/06/2023)
- **Net result** : €21.0 million (vs €33.2 million at 30/06/2023), the decrease being solely due to the revaluation difference compared to 30/06/2023 (-€6.9 million vs +€6.8 million)

BALANCE SHEET INFORMATION

- **Fair value of the real estate portfolio** : €743.0 million (vs €740.9 million at 30/09/2023)
- **Debt ratio (EPRA LTV)** : stable at 43.4% compared to 30/09/2023
- **Net asset value (EPRA NTA) per share** : €63.88 (vs €63.59 at 30/09/2023)

GENERAL CONTEXT AND SUMMARY OF ACTIVITY

Over the past quarter, **the financial markets** continued to be marked by a trend towards normalisation of inflation levels, although without the expected stabilisation around 2%, and by the prospect of a further decrease in interest rates, the expected pace of which depends on the publications of the main macroeconomic indicators.

In this context, which points to an economic recovery on a time horizon that is still uncertain, **property markets** remained relatively calm, both in terms of letting and investment.

In terms of **rental activity**, Ascencio signed 1 new lease and 3 lease renewals, bringing the total number of leases signed since the start of the financial year to 15 (4 new and 11 renewals), for a total leasable area of over 12,000m², as well as 10 short-term leases. On average, since the start of the financial year, the rental levels on signed leases are around 15% higher than market rental values and around 4% lower than previous rents for the commercial units concerned. On this basis, the EPRA occupancy rate at 30/06/2024 was 97.7% (vs 97.9% at 30/09/2023).

In France, Ascencio acted the transfer of the operations of its Casino supermarkets to Intermarché and Auchan as follows : the shops in Le Rouret, Marseille, Antibes and Aix-en-Provence by Intermarché, and the Mouans-Sartoux store by Auchan.

This takeover strengthens Intermarché's share within Ascencio's portfolio and further enhances the quality of its tenants. This solid and fast-growing food retailer is now representing around 18% of the Company's rental income.

In terms of **investments** within its portfolio, the Company namely continued its roof renovation program and the refurbishment work of its head office, bringing the total amount invested since the start of the financial year to €2.2 million.

Furthermore, Ascencio continued to roll out its **ESG policy**, notably by the installation of charging points in the car parks of its French buildings (260 charging points at completion) and by organising new sessions of the "Ascencio Academy", an ongoing training programme for its teams. In addition, for the third year running, Ascencio published its sustainability report according to the EPRA guidelines.

The Company also successfully switched over from its previous IT tools to its new integrated rental management and accounting system, enabling it to continue the process of automating its property analysis and reporting systems, for which a request for proposals has been issued.

In terms of **property portfolio valuations**, Ascencio recorded a positive change in value of €3.6 million over the past quarter, mainly due to the continuing favourable impact of rising market rental values, bringing the change in value to €1.7 million (+0.2%) since the beginning of the financial year.

In terms of **financial management**, Ascencio continued refinancing discussions with its banking partners and concluded a €10 million credit line renewal, bringing the total amount of new financing to €60 million since the start of the financial year.

These new credit lines will enable the Company to maintain the average residual duration of its debt above 3 years (3.1 years compared to 3.4 years at 30/09/2023) and to benefit from available credit lines totalling €88 million at 30/06/2024 (after deducting the back-up of commercial papers issued and a reservation for a pro rata dividend for the current financial year).

Ascencio also restructured IRSs for a total nominal amount of €20 million as part of its interest rate hedging policy. At 30/06/2024, the Company had a hedging ratio of 93.0% (vs 95.0% at 30/09/2023).

Taking these transactions into account, the Company's average cost of debt was 2.20% at 30/06/2024 (vs 2.02% at 30/09/2023), for an average debt of €320.6 million. This marginal increase in the average cost of debt, despite the significant interest rates rise over the past 2 years, illustrates the effectiveness of the hedging strategy implemented by Ascencio.

CONSOLIDATED RESULTS FOR THE FIRST THREE QUARTERS OF FINANCIAL YEAR 2023/2024

Consolidated income statement at 30 June 2024

(€000s)	30/06/2024	30/06/2023
RENTAL INCOME	39,938	38,348
Rental related charges	-160	-201
Recovery of property charges	570	818
Rental related charges and taxes not recovered	-19	-30
Other revenue and rental related charges	-92	181
PROPERTY RESULT	40,238	39,116
Property charges	-3,187	-3,599
Corporate overheads	-3,683	-3,423
Other operating income and charges	11	1
OPERATING RESULT BEFORE PORTFOLIO RESULT	33,379	32,095
<i>Operating margin</i>	83.6%	83.7%
Financial income	303	0
Net interest charges	-4,908	-4,545
Other financial charges	-588	-512
Taxes	-297	-273
EPRA EARNINGS	27,889	26,765
Result on sales of investment properties	1	0
Change in fair value of investment properties	1,700	8,648
Change in fair value of financial assets and liabilities	-8,594	-1,886
Deferred tax	-25	-289
NET RESULT	20,970	33,239
EPRA Earnings per share (€)	4.23	4.06
Net result per share (€)	3.18	5.04
Number of shares	6,595,985	6,595,985

Rental income came to €39.9 million, up 4.1% compared with the same period of previous financial year (like-for-like: +4.5%), mainly due to the impact of rent indexation and the increase in the portfolio's average occupancy rate over the two periods under review.

RENTAL INCOME (€000s)	30/06/2024		30/06/2023	Δ %
Belgium	57%	22,417	21,372	4.9%
France	41%	16,054	15,429	4.1%
Spain	3%	1,467	1,546	-5.1%
TOTAL	100%	39,938	38,348	4.1%

The **property result** was €40.2 million, up from €39.1 million at 30/06/2023.

Property charges were down, largely due to lower technical costs within the portfolio, while **corporate overheads** were slightly up, mainly due to the strengthening of the team and costs of structure.

Taking these factors into account, **operating result before portfolio result** rose by 4.0% (€33.4 million vs €32.1 million).

The **financial result** was down by 2.7%, mainly due to the increase in interest expense on borrowings. However, this was largely offset by the income generated by the hedging instruments held by the Company.

Considering these movements, **EPRA Earnings** came to €27.9 million at 30/06/2024, up by 4.2% compared with €26.8 million generated at 30/06/2023. This takes EPRA Earnings per share to €4.23, compared to €4.06 for the first three quarters of the previous year.

The **property portfolio** was positively revalued by +€1.7 million (+0.2%) at 30/06/2024 (vs +€8.6 million / +1.2% at 30/06/2023). Based on these values, the portfolio's gross yield was 6.94% at 30/06/2024 (vs 6.71% a year earlier).

The **revaluation of hedging instruments** amounted to -€8.6 million at 30/06/2024, (vs -€1.9 million for the same period of previous financial year). These valuations depend on the outlook for interest rates, which have been decreasing overall for several quarters.

Lastly, the **net result** was €21.0 million at 30/06/2024, compared to €33.2 million at 30/06/2023, or €3.18 and €5.04 per share respectively. This decrease is exclusively due to the revaluation differences described above.

Consolidated balance sheet at 30 June 2024

(€000s)	30/06/2024	30/09/2023
ASSETS	782,852	786,469
Intangible assets	457	236
Investment properties	743,002	740,856
Other tangible assets	888	49
Other non-current assets	22,023	30,670
Current financial assets	1,616	867
Trade receivables	2,222	5,556
Cash and cash equivalents	3,862	5,423
Other current assets	8,782	2,811
EQUITY AND LIABILITIES	782,852	786,469
Equity	438,374	444,763
Non-current financial debts	203,010	262,670
Other non-current financial liabilities	3,520	2,806
Deferred tax liabilities	6,304	6,085
Current financial debts	117,600	57,829
Other current liabilities	14,045	12,316
Liabilities	344,478	341,706
IFRS NAV (€/share)	66.46	67.43
EPRA NTA (€/share)	63.88	63.59
Debt ratio (in accordance with the Royal Decree)	43.4%	44.0%
EPRA LTV	43.4%	43.4%

The value of the **investment properties** portfolio at 30/06/2024 was €743.0 million, up (including investments and divestment) by €2.1 million (+0.3%) compared to its value at 30/09/2023. The main impacts on this value since the start of the financial year are (i) investments (3 commercial units at Couillet - Belgium) and divestment (commercial complex at Jemappes - Belgium); (ii) renovation work carried out within the portfolio and finally (iii) changes in market value reflected by independent property valuers.

	30/06/2024			30/09/2023		Δ Fair Value 9m. 2023/2024
	%	Fair Value (€000s)	Gross yield	Fair Value (€000s)	Gross yield	
Investment properties						
BELGIUM	54.8%	406,799	7.15%	404,493	7.23%	1.1%
FRANCE	40.8%	303,171	6.72%	305,863	6.38%	-1.0%
SPAIN	4.2%	31,025	6.51%	30,500	6.49%	1.2%
TOTAL PROPERTIES AVAILABLE FOR RENT	99.7%	740,995	6.94%	740,856	6.84%	0.2%
Development projects	0.3%	2,007		0		
TOTAL INVESTMENT PROPERTIES	100.0%	743,002		740,856		

Intangible assets include the costs of acquiring and implementing the new rental and accounting management system put in place by the Company, while **other tangible assets** mainly include the costs of refurbishing the new premises at the headquarters in Gosselies (Belgium).

Other non-current assets and **current financial assets** include, for the most part and depending on their maturity, hedging instruments, the total market value of which is positive and amounts to €22.9 million at 30/06/2024.

Trade receivables are subject to constant monitoring and do not record any significantly overdue amounts at balance sheet date.

Other current assets increased significantly due to the application of the IFRIC 21 standard, which requires the full amount of taxes and rebilled taxes to be recognised on an annual basis. This increase is offset by an equivalent increase in other current liabilities.

The Company's **equity** stood at €438.4 million at 30/06/2024 (vs €444.8 million at 30/09/2023), impacted both by the net result generated during the financial year and by the 2022/2023 dividend distributed in February 2024. The IFRS net asset value per share is therefore €66.46, while the EPRA NTA per share is €63.88 (vs €67.43 and €63.59 respectively at 30/09/2023).

Lastly, total **financial debts** (current and non-current) amounted to €320.6 million at 30/06/2024, compared to €320.5 million at 30/09/2023.

The balance of **other non-current financial liabilities** increased significantly due to the decline in value of certain hedging instruments, which now have negative values, while **deferred tax liabilities** increased following the acquisition of Holdtub SRL, the owner of 3 commercial units in the Couillet retail park (Belgium), which includes a tax latency.

At 30/06/2024, the **EPRA LTV** was 43.4%, stable compared to 30/09/2023, while the Company's debt ratio calculated in accordance with the Royal Decree on Belgian REITs was 43.4% and 44.0% respectively at these same dates.

CORPORATE GOVERNANCE

During the past quarter, the directorships of Stéphanie Boniface, Alexandra Leunen and Gérard Lavinay in Ascencio Management SA were renewed for a period of 1 year.

OUTLOOK

Thanks to its solid balance sheet and liquidity position, Ascencio remains alert to any investment opportunities that may arise, in a market still slowed down but offering good medium-term prospects, provided that the interest rates situation continues to ease. However, Ascencio will stick to its investment strategy by maintaining a selective approach to projects in its niche commercial property market (food and retail parks) which has been attracting increased interest from investors for some time now.

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.

FINANCIAL CALENDAR

Press release on annual results at 30 September 2024	28 November 2024 (5.40 p.m.)
Ordinary general meeting 2023/2024	31 January 2025 (2.30 p.m.)

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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 €740 million, spread over a hundred or so real estate assets with a total surface area of around 450,000 m² and generating rental income of around €53 million a year.

Ascencio SA is listed on Euronext Brussels, with a market capitalisation of almost €300 million at 30 June 2024.

For more information, please visit www.ascencio.be

