INTERIM STATEMENT OF THE STATUTORY MANAGER
THIRD QUARTER OF FINANCIAL YEAR 2019-2020

Regulated information

7 August 2020 - Under embargo until 5.40 p.m.

THE QUALITY AND GROWTH OF THE PORTFOLIO, REINFORCED BY THE GOOD PERFORMANCE OF THE FOOD SECTOR, APPRECIABLY SOFTEN THE IMPACT OF THE HEALTH CRISIS ON RESULTS.

OPERATING RESULTS

- **Rental income** : €32.93 million, up by 5.7%
- **EPRA Earnings :** €20.84 million, down by -4.9%

EARNINGS PER SHARE

- **EPRA Earnings** : €3.16 per share, compared with €3.32 per share at 30 June 2019
- **NAV EPRA :** €53.85 per share, compared with €56.02 per share at 30 June 2019

PROPERTY PORTFOLIO

- **Value of the portfolio**: €691 million (excluding IFRS 16)
- **Geographical diversification** of the portfolio :
  - 54% in Belgium
  - 42% in France
  - 4% in Spain
- **Preponderance of the food sector** : 40% of current rents.
- **Occupancy rate** : 98.0% (compared with 96.6% at 30/09/2019)

FINANCIAL STRUCTURE

- **Debt ratio**[1] of 49.5% at 30 June 2020

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

Summary of activity during the first nine months of the financial year and impact of Covid-19 on results

The first half of the financial year unfolded in a favourable context, marked by a substantial investment on 6 March 2020 involving the acquisition of five assets in the food sector in the south-east of France, let to Casino, for an amount of €85 million.

This transaction strengthened the share of the food sector in the portfolio, from 33% at 30 September 2019 to 40% at 30 June 2020. This investment, financed entirely by debt, generates annual rental income of €4.6 million, taking the current rents from leases from €42.4 million per year at 30 September 2019 to €47.3 million at 30 June 2020.

Mid-March 2020, the Covid-19 health crisis has led to the closure of shops, with the exception of those selling food and certain other essential goods and services.

During May, shops gradually reopened depending on their sector of activity: first, garden centres, DIY stores and haberdasheries, followed by all stores except for hotels, restaurants and catering.

The health crisis did not affect the results for the first half-year ended 31 March 2020. Since rents are invoiced and payable in advance, overdue payments at 31 March 2020 caused by the Covid-19 crisis were not significant and did not lead to any write-off of account receivables at that date.

From 1 April many tenants (in sectors other than food) have suspended payment of their rents due to the closure of their business.

Ascencio had conducted responsible dialogues with its non-food tenants with a view to helping them face the challenges of this crisis, case by case depending on the specific difficulties they face and their own financial capacity. Ascencio offered to stagger and/or partly cancel rent payments for April and May for non-food tenants whose business has been badly affected by the crisis. Tenants that were unaffected or affected only slightly did not receive any support measures. Such was the case in particular of the supermarkets and shops selling basic necessities, which remained open throughout the lockdown.

At the date of writing, Ascencio has reached agreement with all its non-food tenants in Belgium and Spain. In France, agreement has been reached with nearly 40% of tenants. Based on the agreements reached and those still under discussion, Ascencio estimates that, in the absence of any significant unforeseen developments, the impact of the Covid-19 crisis on its rental income for the financial year will amount to €2 million, corresponding to partial cancellations of rents for April and May 2020 for certain tenants. This amount has been provisioned in the accounts at 30 June 2020.

The health crisis has also exacerbated the difficulties of certain brands which are now under judicial reorganization procedure or have been declared bankrupt.

The quality of its properties' locations allows Ascencio substantially to limit the effects on its results caused by these tenants in difficulties. Indeed, with the exception of six units, all the tenants under judicial reorganization procedure have decided as part of their continuity plans to continue operating the shops in the Ascencio portfolio. In particular, four of the five Orchestra stores in Ascencio's portfolio are going to continue their activities. As regards Brantano, Ascencio owns only one of the chain's stores. At this stage, Ascencio estimates the loss of annual rental revenues from the six stores closed or likely to close at €0.5 million. The process of re-letting these units is already under way.

After nine months of the financial year, rental income is up by 5.7% year-on-year as a result of the acquisition of five Casino supermarkets, totaling €32.93 million, an increase of €1.76 million.

However, the rent cancellations granted in the context of the health crisis (€2.04 million) and the value adjustments for impairment of unpaid trade receivables (€0.36 million) cancelled out the positive effect of the rents increase at 30 June 2020.

As regards new investments and portfolio arbitration, Ascencio is taking a particularly cautious approach in the present circumstances. This also holds good for capital expenditure (property maintenance and renovation costs), which annual budget is €1.8 million and for which, in the semester of the current financial year, Ascencio limits to works that cannot be postponed.

With a debt ratio of 49.5% at 30/06/2020, Ascencio faces the current context with the advantage of a solid balance sheet. The Company has confirmed credit lines with banks for €338.5 million, of which only €10 million fall due in the next 22 months and have already been renewed. The unused portion of these credit lines covers maturities of commercial paper and financing needs until the end of the current financial year.

Property portfolio at 30 June 2020

Changes in the portfolio since 30 September 2019

The fair value of the property portfolio stood (excluding IFRS 16) at €691.3 million, compared with €622.8 million at 30 September 2019.

(€000S)	30/06/2020	30/09/2019
BALANCE AT THE BEGINNING OF THE FINANCIAL YEAR (EXCLUDING IFRS 16)	**622,894**	**619,029**
Acquisitions	87,615	10,427
Disposals	0	-5,316
Transfer from assets held for sale	0	-847
Change in fair value	-19,177	-399
BALANCE AT THE END OF THE FINANCIAL YEAR (EXCLUDING IFRS 16)	**691,332**	**622,894**
IFRS 16 - Right-of-use of land	7,174	0
TOTAL INVESTMENT PROPERTIES	**698,506**	**622,894**

Investments during the first nine months of the financial year :

On 6 March 2020 Ascencio acquired five separate assets for a total investment amount of €84.9 million.

These assets, supermarkets located in the Southeast of France, a region with an ideal demographic profile and very high purchasing power, have an excellent catchment area underpinned by its being an attractive tourist magnet.

These supermarkets have attractive property locations in Aix-en-Provence, Antibes, Marseille, Le Rouret and Mouans-Sartoux and deliver excellent and durable performances.

Operated by the Casino Group, one of the major players in the French food retail sector, they are all on 12-year leases with eight years firm remaining, which produce total annual rental incomes of €4.6 million.

This acquisition, in line with Ascencio's strategy, has strengthened its exposure to the food sector, which has increased from 33% at 30 September 2019 to 40% at 30 June 2020.

Occupancy rate

At 30 June 2020, the occupancy rate of the portfolio stood at 98.0%.

Geographical distribution

At 30 June 2020, the breakdown of the portfolio among the three countries in which Ascencio operates was as follows :

COUNTRY	Investment value (€000S)	Fair value (€000S)	(%)	Contractual rents (€000S)	Occupancy rate (%)	Gross yield (%)
Belgium	378,478	369,251	53.4%	26,168	97.0%	6.91%
France	309,864	291,351	42.1%	19,188	99.2%	6.19%
Spain	31,764	30,730	4.4%	1,959	100.0%	6.17%
TOTAL	**720,106**	**691,332**	**100%**	**47,315**	**98.0%**	**6.57%**

Breakdown by sector

The distribution of contractual annual rent by tenants' business sector is as follows :

Food	39.6%
Textiles / Fashion	12.1%
Leisure	10.6%
DIY	9.4%
Furniture - Interior Decorating	8.4%
Household appliances	6.9%
Horeca	2.8%
Other	10.1%
Total	**100%**

This sector breakdown constitutes a defensive profile in the context of the health crisis.

The food retail sector was able to continue its activities during the crisis and accounts for 39.6% of Ascencio's annual contractual rental income. Thanks to the quality of the site locations, the attractive level of rents for the operator and the limited impact of e-commerce on this segment, the food sector constitutes a strategic and defensive segment of Ascencio's portfolio.

The DIY and electronic and multi-media sectors also represent an important base of the portfolio, with 16.3% of annual rental income. These sectors suffered relatively little from the crisis.

Furthermore, out-of-town commercial sites are particularly attractive in times of health crisis, since open-air shopping is reassuring and allows protective measures to be better complied with.

Consolidated results for the first nine months and the third quarter of financial year 2019/2020

CONSOLIDATED RESULTS (€000S)	30/06/2020	30/06/2019
RENTAL INCOME	**32,926**	**31,162**
Charges linked to letting	-2,409	-58
Charges not recovered	-56	-18
PROPERTY RESULT	**30,461**	**31,086**
Property charges	-2,214	-2,474
Corporate overheads	-2,991	-2,749
Other operating costs	10	80
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**25,267**	**25,943**
Operating margin (*)	**76.7%**	**83.3%**
Financial income	-	-
Net interest charges	-3,823	-3,330
Other financial charges	-247	-299
Taxes	-353	-394
EPRA EARNINGS	**20,844**	**21,920**
Net gains and losses on sales of investment property	-41	963
Changes in the fair value of investement property	-19,177	-1,215
Other portfolio result	-	-
Portfolio result	**-19,219**	**-252**
Changes in fair value of financial assets and liabilities	**412**	**-5,296**
Deferred tax	**135**	**-158**
Taxes on net gains and losses on disposals	**0**	**0**
Exit Tax	**0**	**1,129**
NET RESULT	**2,172**	**17,342**
EPRA Earnings per share (euros)	**3.16**	**3.32**
Earnings per share (EPS) (euros)	**0.33**	**2.63**
Total number of shares issued	**6,595,985**	**6,595,985**

(*) Alternative Performance Measure (APM). See pages 9 to 12.

As a result of the acquisition of the five Casino supermarkets in March 2020, **rental income** was up by 5.7% at €32.93 million, compared with €31.16 million for the first nine months of the previous financial year.

The following table shows **rental income by country** :

RENTAL INCOME (€000S)	30/06/2020		30/06/2019	
Belgium	19,228	58%	19,054	61%
France	12,232	37%	10,669	34%
Spain	1,465	4%	1,439	5%
TOTAL	**32,926**	**100%**	**31,162**	**100%**

After taking account of the rental cancellations linked to Covid-19 (€2.0 million) and the value adjustments for impairment of receivables (€0.4 million), **property result** amounted to **€30.5 million** (down by -2.0% compared with 30 June 2019).

After deduction of property charges and corporate overheads, **operating result before result on portfolio** was €25.3 million (€25.9 million at 30 June 2019), i.e. a decrease of -2.6%.

Interest charges, including the cash flows generated by interest rate hedging instruments, amounted to €3.82 million. The increase of €0.5 million compared with the same period of the previous financial year is due to the financing of the acquisition of the five Casino supermarkets.

The **average cost of debt**[2] (including margins and cost of hedging instruments) stood at 1,84% (as against 1.90% at 30 June 2019).

Thanks to the interest rate hedging policy put in place, the group's **hedging ratio**[3] is currently 81% and based on the current level of debt it will be above 70% for the next four financial years.

After deduction of the tax charge on results of the French and Spanish assets, **EPRA Earnings** amounted to €20.84 million at 30 June 2020, i.e. a decrease of -4.9% compared with 30 June 2019.

EPRA Earnings per share came to €3.16 (€3.32 /per share at 30 June 2019), down by -4.9%.

Non-monetary items in the income statement amounted to
- + €0.41 million increase in the fair value of interest rate hedging instruments;
- - €19.18 million representing the change in fair value of investment property;
- + €0.14 million of deferred taxes relating to the deferred taxation (5% withheld at source) of unrealised capital gains on French assets.

At 30 June 2020, the property portfolio recorded a decrease in value of €19.2 million resulting from
- on one hand the recognition at fair value of the five Casino supermarkets acquired on 6 March 2020, €5.7 million less than the all-in acquisition price, which includes expenses and stamp duty paid[4] ;
- on the other hand a 2.2% (- €13.5 million) decline in the value of the portfolio on a like-for-like basis as assessed by the property experts in view of the impact of the Covid-19 crisis on the non-food retail sector and on the valuation of these assets (capitalisation rate, ERV).

After taking account of these non-monetary items, **consolidated net result** came to €2.17 million at 30 June 2020 as against €17.34 million at 30 June 2019.

[2] Alternative Performance Measure (APM). See pages 9 to 12.
[3] Hedging ratio = (Fixed rate debt + Notional amount of interest rate hedging instruments)/Total financial debt.
[4] As with many REITs, Ascencio's valuation rules provide that with acquisitions, stamp duty is recognised directly in profit and loss for the year, as opposed to being deducted from equity.

Consolidated balance sheet at 30 June 2020

CONSOLIDATED BALANCE SHEET (€000S)	30/06/2020	30/09/2019
ASSETS	**715,092**	**635,806**
Investment properties	698,506	622,894
Other non-current financial assets	1,549	1,736
Assets held for sale	0	847
Trade receivables	4,845	4,107
Cash and cash equivalents	3,400	4,650
Other current financial assets	6,792	1,573
EQUITY AND LIABILITIES	**715,092**	**635,806**
Equity	342,042	363,124
Non-current financial debts	319,152	165,742
Other non-current financial liabilities	14,388	14,689
Deferred taxes	768	903
Current financial debts	26,137	81,430
Other current liabilities	12,605	9,918

Net asset value (NAV) per share

(€000S)	30/06/2020	30/09/2019
Total number of shares	**6,595,985**	**6,595,985**
NAV IFRS	51.86	55.05
NAV EPRA	53.85	57.13

Outlook

The quality and the diversification (in terms of geographical regions, sectors and tenants) of Ascencio's real estate portfolio constitute a solid and resilient basis for future results. This approach is reinforced by the strategic decision to hold the proportion of the more defensive food sector at not less than 25%.

In the absence of any significant unforeseen developments, the last quarter of the financial year should generate an EPRA result in excess of that of the fourth quarter of the previous financial year, thanks to the €1.17 million contribution of the rents for the five Casino supermarkets acquired at the beginning of March 2020.

Therefore, barring significant unforeseen events and based on its current real estate portfolio, the projected results for the 2019/2020 financial year should allow the distribution of a gross dividend comparable with that of the previous financial year.

Financial calendar

Annual press release for the year to 30 September 2020	27 November 2020
Ordinary general meeting of shareholders	31 January 2021

For any additional information :

Stéphanie VANDEN BROECKE
Secretary General & General Counsel
Tél : +32 (0) 71.91.95.00
stephanie.vandenbroecke@ascencio.be

Michèle DELVAUX
Chief Financial Officer
Tél : +32 (0) 71.91.95.00
michele.delvaux@ascencio.be

Vincent H. QUERTON
Chief Executive Officer
Tél : +32 (0) 71.91.95.00
vincent.querton@ascencio.be

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (APMS)

Following the coming into force of the ESMA (European Securities and Markets Authority) Guidelines on Alternative Performance Measures (APMs) the APMs used in this press release are identified by an asterisk (*).

The definition of the APMs and the use made of them can be found at the end of the 2018/2019 Annual Report, which is available on Ascencio's website (www.ascencio.be).

Operating margin

		30/06/2020	30/06/2019
Operating result before result on portfolio (€000S)	= A	25,267	25,943
Rental income (€000S)	= B	32,926	31,162
OPERATING MARGIN	**= A / B**	**76.7%**	**83.3%**

Average cost of debt

		30/06/2020	30/06/2019
Net interest charges (heading XXI) (€000S)		3,736	3,330
Commissions on undrawn balances under credit facilities		184	240
Opening commission and charges for credit facilities		20	26
Change in fair value of caps		0	15
TOTAL COST OF FINANCIAL DEBTS	**= A**	**3,939**	**3,610**
WEIGHTED AVERAGE DEBT FOR THE PERIOD	**= B**	**285,660**	**253,894**
AVERAGE COST OF DEBT	**= (A x 4/3)/ B**	**1.84%**	**1.90%**

Hedging ratio

(€000S)		30/06/2020	30/09/2019
Fixed-rate financial debts		87,275	53,035
Variable-rate financial debts converted into fixed-rate debts by means of IRS		165,500	107,500
Variable-rate financial debts converted into capped-rate debts by means of caps.		20,000	55,000
TOTAL FIXED RATE OR CAPPED FINANCIAL DEBTS	**= A**	**272,775**	**215,535**
TOTAL VARIABLE RATE FINANCIAL DEBTS		**65,308**	**31,636**
TOTAL FINANCIAL DEBTS	**= B**	**338,083**	**247,172**
HEDGING RATIO	**= A / B**	**80.7%**	**87.2%**

EPRA

EPRA (the European Public Real Estate Association) is the voice of Europe's publicly traded real estate sector, representing more than 260 members and over €450 billion in real estate assets.

EPRA publishes recommendations for defining the main performance indicators applicable to listed real-estate companies. These recommendations are included in the report entitled "EPRA Reporting: Best Practices Recommendations Guidelines" ("EPRA Best Practices"). This report is available on the EPRA website (www.epra.com).

Ascencio subscribes to this move to standardise financial reporting with a view to improving the quality and the comparability of the information for investors.

EPRA KEY PERFORMANCE INDICATORS

		30/06/2020	30/09/2019
EPRA NAV	Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.	355,197	376,827
EPRA NAV per share		53.85	57.13
EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	2.13%	2.91%

		30/06/2020	30/06/2019
EPRA Earnings	Earnings from operational activities.	20,844	21,920
EPRA Earnings per share		3.16	3.32
EPRA Cost Ratio (including direct vacancy costs)	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.	23.26%	16.75%
EPRA Cost Ratio (excluding direct vacancy costs)	Administrative & operating costs (excluding costs of direct vacancy) divided by gross rental income.	22.27%	16.04%

EPRA EARNINGS

(€000s)		30/06/2020	30/06/2019
EARNINGS (OWNERS OF THE PARENT) PER IFRS INCOME STATEMENT		**2,172**	**17,342**
ADJUSTMENTS TO CALCULATE EPRA EARNINGS		**18,672**	**4,577**
(i)	Change in value of investment properties, development properties held for investment and other interests	19,177	1,215
(ii)	Profits or losses on disposal of investment properties, development properties held for investment and other interests	41	-963
(iii)	Profits or losses on disposal of trading properties including impairment charges in respect of trading properties	0	0
(iv)	Tax on profits or losses on disposals	0	0
(v)	Negative Goodwill / Goodwill impairment	0	0
(vi)	Change in fair value of financial instruments and associated close-out costs	-412	5,296
(vii)	Acquisition costs on share deals and non-controlling joint venture interests (IFRS 3)	0	0
(viii)	Deferred tax in respect of EPRA adjustements	-135	-971
(ix)	Adjustments (i) to (viii) above in respect of joint ventures	0	0
(x)	Non-controlling interests in respect of the above	0	0
EPRA EARNINGS (OWNERS OF THE PARENT)		**20,844**	**21,920**
Number of shares		6,595,985	6,595,985
EPRA EARNINGS PER SHARE (EPRA EPS - €/SHARE) (OWNERS OF THE PARENT)		**3.16**	**3.32**

EPRA NET ASSET VALUE (NAV)

(€000s)	30/06/2020	30/09/2019
NAV PER THE FINANCIALS STATEMENTS (OWNERS OF THE PARENT)	**342,042**	**363,124**
Number of shares	6,595,985	6,595,985
NAV PER THE FINANCIALS STATEMENTS (€/SHARE) (OWNERS OF THE PARENT)	**51.86**	**55.05**
Effect of exercise of options, convertibles and other equity interests (diluted basis)	0	0
DILUTED VAN, AFTER THE EXERCISE OF OPTIONS, CONVERTIBLES AND OTHER EQUITY INTERESTS	**342,042**	**363,124**
Include :		
(i) Revaluation of investment properties	0	0
(ii) Revaluation of investment properties under construction	0	0
(iii) Revaluation of other non-current investments	0	0
Exclude :		
(iv) Fair value of financial instruments	12,388	12,800
(v.a) Deferred tax	768	903
(v.b) Goodwill as a result of deferred tax	0	0
Include/exclude :		
Adjustments (i) to (v) in respect of joint venture interests	0	0
EPRA NAV (OWNERS OF THE PARENT)	**355,197**	**376,827**
Number of shares	6,595,985	6,595,985
EPRA NAV PER SHARE (€/SHARE) (OWNERS OF THE PARENT)	**53.85**	**57.13**

EPRA VACANCY RATE

(€000s)	30/06/2020			
	Belgium	France	Spain	TOTAL
Estimated rental value (ERV) of vacant space	818	157	0	975
Estimated rental value (ERV) of total portfolio	24,949	18,960	1,846	45,755
EPRA VACANCY RATE (%)	**3.28%**	**0.83%**	**0.00%**	**2.13%**

(€000s)	30/09/2019			
	Belgium	France	Spain	TOTAL
Estimated rental value (ERV) of vacant space	1,042	157	0	1,198
Estimated rental value (ERV) of total portfolio	25,143	14,145	1,926	41,214
EPRA VACANCY RATE (%)	**4.14%**	**1.11%**	**0.00%**	**2.91%**

EPRA COST RATIOS

(€000s)	30/06/2020	30/06/2019
ADMINISTRATIVE/OPERATING EXPENSE LINE PER IFRS STATEMENT	**-7,659**	**-5,219**
Rental-related charges	-2,409	-58
Recovery of property charges	0	0
Rental charges and taxes normally paid by tenants on let properties	-61	-36
Other revenue and expenditure relating to rental	5	18
Technical costs	-330	-842
Commercial costs	-171	-58
Charges and taxes on unlet properties	-328	-221
Property management costs	-1,162	-1,064
Other property charges	-222	-289
Corporate overheads	-2,991	-2,749
Other operating income and charges	10	80
EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)	**-7,659**	**-5,219**
Charges and taxes on unlet properties	328	221
EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)	**-7,331**	**-4,998**
GROSS RENTAL INCOME	**32,926**	**31,162**
EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (%)	**23.26%**	**16.75%**
EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (%)	**22.27%**	**16.04%**