

## FINANCIAL REPORT OF THE STATUTORY MANAGER FOR THE FIRST HALF OF FINANCIAL YEAR 2020-2021



### Regulated information

11 June 2021 – Under embargo until 5.40 p.m.

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## GROWTH IN RENTAL INCOME PROSPECT OF A DIVIDEND COMPARABLE WITH THAT OF LAST YEAR

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### OPERATING RESULTS

- **Rental income** of €23.15 million, up by 9.1% (before COVID-19 impact)
- **COVID-19 impact** of €0.67 million (2.9% of rental income) in the 1<sup>st</sup> half of financial year
- **EPRA Earnings** of €15.24 million, up by 4.4% (after COVID-19 impact)

### FIGURES PER SHARE

- **EPRA Earnings:** €2.31 per share, up by 4.4%
- **EPRA NAV:** €53.63 per share compared with €54.95 per share at 30/09/2020

### PROPERTY PORTFOLIO

- **Value of the portfolio (excluding IFRS 16):** €699 million, up by €8 million compared to 30/09/2020 as a result of the investments made during the 1<sup>st</sup> half of the financial year
- **Fair value of the existing portfolio held steady**
- **Out-of-town retail portfolio, resilient and defensive:**
  - 41% of rents from the food sector
  - 10% of rents from DIY
  - 9% of rents from home/deco
- **Occupancy rate:** 96.0% (compared with 97.7% at 30/09/2020)

### FINANCIAL STRUCTURE

- **Debt ratio**<sup>1</sup> 50.0% at 31/03/2021
- **Low average cost of debt:** 1.85% (compared with 1.86% at 31/03/2020)

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

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## 1. Presentation

Ascencio SCA is a Public Regulated Real Estate Company (Société Immobilière Réglementée Publique or "SIRP", hereinafter referred to in the English translation as a "public B-REIT" (Belgian real estate investment trust)). It specialises in out-of-town retail premises and the food sector.

Active in Belgium, France and Spain, it currently has a portfolio of 106 properties generating rentals of €46.5 million a year. At 31 March 2021, the fair value of the portfolio stood at €699 million.

Some ten sectors of activity are represented, but with a predominance of the food sector (41% of annual rentals) and DIY (10% of annual rentals) under such brand names as Casino, the Mestdagh Group, Grand Frais (France), Carrefour, Delhaize, Aldi and Lidl. Other major tenants include Brico/Brico Plan It, Décathlon, Worten, Krëfel and Hubo.

Ascencio SCA is listed on Euronext Brussels. Its stock market capitalisation amounted to €312 million at 31 March 2021 (share price at that date was €47.35).

## 2. Interim Management Report

### 2.1. Summary of activity during the 1<sup>st</sup> half of financial year

#### Improved results

Results for the 1<sup>st</sup> half of the 2020/2021 financial year show a significant increase (+9.1%) in rental income, before taking account of the impact of the COVID-19 health crisis.

This notable advance is the result of the acquisition, on 6 March 2020, of 5 food supermarkets in the Southeast of France for an amount of €85 million, all of them leased to the Casino Group and generating annual rental income of €4.6 million.

Thanks to this acquisition the share of the food sector was strengthened, to 41% of current rentals in Ascencio's portfolio.

#### COVID-19 crisis

Since the onset of the pandemic, out-of-town retail and the food sector have held up well:

- 1) The food sector has performed particularly well during this crisis, with an increase in turnover boosted by working from home and the closure of the horeca sector.
- 2) Out-of-town retail continued to do well for many reasons, notably:
  - It presents a "corona-safe" aspect: consumers are reassured by the retail park format due to the "open air shopping" feel, the accessibility of the spacious car parks and the large areas of the stores ;
  - Businesses deemed essential were allowed to remain open. Most of these businesses were present in out-of-town retail areas;

Consequently the recovery in footfall was relatively fast at these out-of-town sites.

The second wave of the pandemic, in November 2020, led to a second period of closure of non-essential stores in Belgium (from 1 to 30 November 2020) and France (from 1 to 27 November 2020) and also affected Spain.

However the consequences of this second lockdown were more limited than those of the first one, since a larger number of stores were considered essential and allowed to stay open.

For Ascencio, thanks to its exposure to the various sectors, only 40% of its rental income was affected by the November closures, as against 60% in the spring of 2020, and for a shorter time (one month rather than two). Furthermore, in Spain the stores owned by Ascencio remained partly active throughout the 4<sup>th</sup> quarter of 2020.

As with the 1<sup>st</sup> lockdown, Ascencio held targeted individual dialogues with each retailer whose business was closed and whose activity was seriously affected.

By 31 March 2021 Ascencio had reached agreement with nearly 80% of its Belgian and Spanish tenants in respect of the closures taking place between October 2020 and March 2021. In France, an agreement had been signed with close to 40% of tenants, pending evaluation of the government aid measures that had been announced.

At 31/03/2021, Ascencio estimated the impact of the COVID-19 crisis on its rental income for the 1<sup>st</sup> half of the financial year at €0.67 million (2.9% of rental income) corresponding to partial cancellations of rent.

## 2.2. Consolidated results for the 1<sup>st</sup> half of financial year 2020/2021

CONSOLIDATED RESULTS (€000S)	31/03/2021	31/03/2020
<b>Rental income</b>	<b>23,146</b>	<b>21,213</b>
Charges linked to letting	-662	-74
Taxes and charges not recovered	-17	-36
<b>Property result</b>	<b>22,467</b>	<b>21,103</b>
Property charges	-1,752	-1,651
Corporate overheads	-2,112	-2,097
Other income and operating costs	1	10
<b>Operating result before result on portfolio</b>	<b>18,604</b>	<b>17,364</b>
<b>Operating margin (*)</b>	<b>80.4%</b>	<b>81.9%</b>
Financial income	-	-
Net interest charges	-2,901	-2,310
Other financial charges	-212	-191
Taxes	-253	-261
<b>EPRA Earnings</b>	<b>15,238</b>	<b>14,601</b>
Net gains and losses on sales of investment property	-	-41
Changes in the fair value of investment property	143	-11,622
Other portfolio result	-	-
<b>Portfolio result</b>	<b>143</b>	<b>-11,664</b>
Changes in fair value of financial assets and liabilities	3,763	2,398
Deferred tax	-28	20
Taxes on net gains and losses on disposals	-	-
Exit Tax	-	-
<b>NET RESULT</b>	<b>19,115</b>	<b>5,355</b>

(\*) Alternative Performance Measure (APM). See pages 35 to 40.

**Rental income** for the first half of the financial year, before COVID impact, amounted to €23.15 million, up by 9.1% on the first half of financial year 2019/2020.

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

RENTAL INCOME (€000S)	31/03/2021		31/03/2020	
Belgium	12,556	54%	12,811	60%
France	9,611	42%	7,426	35%
Spain	980	4%	976	5%
<b>TOTAL</b>	<b>23,146</b>	<b>100%</b>	<b>21,213</b>	<b>100%</b>

Charges linked to letting were up sharply at €0.66 million compared with €0.07 million for the previous financial year. These charges comprise

- on the one hand the net balance of additions to and reversals of impairment provisions on trade receivables, which was zero at 31/03/2021 (as against a charge of €0.74 million in the corresponding period of the previous financial year);
- and on the other, cancellations of rents granted to certain non-food tenants for €0.67 million in connection with the closure of non-essential businesses.

The **property result** amounted to €22.47 million (up by 6.5% compared to 31 March 2020).

After deduction of property charges and general expenses, **operating result before result on portfolio** was €18.60 million (€17.36 million for the first six months of the previous financial year). The operating margin came to 80.4%.

**Interest charges**, including the cash flows generated by interest rate hedging instruments, amounted to €2.90 million at 31 March 2021 (€2.31 million at 31 March 2020). The increase (+€0.59 million) compared with the same period of the previous financial year is due to the financing by debt of the acquisition of the 5 Casino supermarkets.

The **average cost of debt**<sup>2</sup> held steady, standing at 1.85% (including margins, cost of hedging instruments, commitment commissions and up-front fees), compared with 1.86% in the first half of the 2019/2020 financial year.

Thanks to the interest rate hedging policy put in place, the Group's **hedging ratio**<sup>3</sup> is currently 83.7% and is above 70% for the next four financial years on the basis of the level of financial indebtedness at 31 March 2021.

After deduction of the tax charge on the French and Spanish assets, **EPRA earnings** amounted to €15.24 at 31 March 2021, an increase of 4.4% compared to 31 March 2020.

The fair value of investment property remains stable overall in the 1<sup>st</sup> half-year (+€0.14 million).

The fair value of interest rate hedging instruments increased by €3.76 million.

**Consolidated net result** for the first half of the financial year came to €19.11 million, compared with €5.35 million at 31 March 2020.

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<sup>2</sup> Alternative Performance Measure (APM). See pages 35 to 40.

<sup>3</sup> Hedging ratio = (Fixed rate debt + Notional amount of interest rate hedging instruments) / Total financial debt.

## 2.3. Consolidated Balance Sheet at 31 March 2021

CONSOLIDATED BALANCE SHEET (€000S)	31/03/2021	30/09/2020
<b>ASSETS</b>	<b>721,089</b>	<b>713,716</b>
Investment properties	705,822	697,639
Other non-current financial assets	2,240	1,506
Assets held for sale	-	-
Trade receivables	2,729	7,441
Cash and cash equivalents	2,618	4,710
Other current financial assets	7,680	2,420
<b>EQUITY AND LIABILITIES</b>	<b>721,089</b>	<b>713,716</b>
Equity	344,169	349,130
Non-current financial debts	292,687	293,738
Other non-current financial liabilities	11,937	14,656
Deferred taxes	860	832
Current financial debts	58,213	42,494
Other current liabilities	13,223	12,866

### Assets

At 31 March 2021, investment property at fair value stood at €705.8 million. This represents 98.0% of consolidated assets, of which

- €376.7 million for properties located in Belgium;
- €293.2 million for properties located in France;
- €28.8 million for properties located in Spain;
- and €7.1 million for right-of-use of land (IFRS 16).

### Equity & Liabilities

On the liabilities side, financial debt (current and non-current) amounted to €350.9 million (€336.2 million at 30 September 2020).

The increase in financial debt is the result of the payment at the beginning of February 2021 of a dividend in respect of the previous financial year's earnings and the financing by borrowings of the investments made during the first half of the financial year.

Financial debt is divided into six types of financing:

(€000S)	31/03/2021	30/09/2020
Roll over bank borrowing	261,500	262,600
Commercial paper	47,000	41,000
Medium term note	30,500	20,000
Investment credits	4,356	5,017
Finance leases	350	410
Lease debts (IFRS 16)	7,194	7,205
<b>Total financial debts</b>	<b>350,900</b>	<b>336,232</b>

At 31/03/2021, Ascencio had bank credit facilities of €338.5 million available in the form of advances. The unutilised portion of these lines amounted to €77 million.

At 31 March 2021, the maturity schedule of these bank credit facilities was as follows:

- 2020/2021: -
- 2021/2022: €32.0 million
- 2022/2023: €73.5 million
- 2023/2024: €42.5 million
- 2024/2025: €85.0 million
- 2025/2026: €67.5 million
- 2026/2027: €38.0 million

At the time of writing, Ascencio had already renewed 78% of the credit lines expiring in 2021/2022.

Outstanding commercial paper stood at €47 million at 31/03/2021. Issues of commercial paper are permanently covered by unutilised bank facilities, which are activated in the event of changes in the volume of commercial paper outstanding.

Ascencio carried out two issues of Medium Term Notes in the primary market, the first in March 2020 and the second in January 2021, for a total amount of €30.5 million.

Other non-current liabilities of €11.9 million (30 September 2020: €14.7 million) included the fair value of interest rate hedging instruments (€9.5 million, compared with €12.5 million at 30 September 2020).

The consolidated debt ratio stood at 50.0% at 31 March 2021 as against 48.7% at 30 September 2020.

## 2.4. The property portfolio

At 31 March 2021, Ascencio held a portfolio of 106 properties located in Belgium, France and Spain, the fair value of which amounted to €699 million (excluding IFRS 16).

The following table shows the geographical breakdown of the property portfolio excluding projects and excluding rights of use in respect of leased assets:

<b>COUNTRY</b>	<b>Investment value (€000S)</b>	<b>Fair value (€000S) (%)</b>	<b>Contractual rents (€000S)</b>	<b>Occupancy rate (%)</b>	<b>Gross yield (%)</b>
Belgium	386,364	376,691 54.1%	25,681	96.4%	6.65%
France	310,774	291,404 41.8%	19,266	99.2%	6.20%
Spain	29,770	28,800 4.1%	1,538	83.3%	5.17%
<b>TOTAL</b>	<b>726,908</b>	<b>696,895 100%</b>	<b>46,485</b>	<b>96.0%</b>	<b>6.39%</b>



## Investments during the first half-year

On 15 March 2021 Ascencio bought a commercial complex consisting of a supermarket and 4 small adjacent retail units in Couillet, Belgium.

The supermarket, operated by Carrefour Market by Groupe Mestdagh, has for many years turned in excellent operating performances and has a well-established property location.

This acquisition allowed Ascencio to acquire the figurehead of its Bellefleur site in Couillet and to consolidate its position both in the zone and in its retail park, which has had considerable commercial success and attracted the sustained interest of numerous brands since its opening.

The investment, in line with Ascencio's strategy, further reinforces its exposure to both the food sector and the retail park sector.

The investment, totalling €6.38 million, was made at the market value as determined by the appraisal expert.



During the 1<sup>st</sup> half-year, Ascencio continued to work on the construction of a new 1,504 m<sup>2</sup> unit for Maisons du Monde in its Chalon-sur-Saône retail park (France). The works were completed in April 2021 and the new Maisons du Monde store will open for business at the end of June 2021.



Ascencio also completed the extension to the facilities of Auto5 in Jemappes (Belgium).



### **Divestments during the financial year:**

There were no divestments during the first half of the financial year.

### **Occupancy rate**

At 31 March 2021, the occupancy rate of the portfolio stood at 96.0%, slightly down from 30 September 2020 (97.7%).

While the Belgian and French portfolios remained relatively stable, the Spanish portfolio saw its occupancy rate fall by 4,000 m<sup>2</sup> as a result of the departure of Worten, in Valencia. The brand's departure was the result of the partial acquisition of its business in Spain by MediaMarkt. As a reminder, Ascencio was leasing out three units to the Worten brand: in Valencia, Madrid and Barcelona.

MediaMarkt will take over the Barcelona space. Worten will retain the Madrid unit as the sole point of contact with its clients for after-sales service and will close its Valencia operation. Although the Valencia contract has been terminated, the return is assured until June 2022 by an indemnity for termination of contract. In view of the sustained level of rental activity, this should give Ascencio enough time to find an alternative tenant before the deadline, particularly as negotiations are already well advanced.

Besides, there is significant activity in the rental management of the portfolio as a whole. At present, numerous negotiations with applicant retailers are under way.

## Composition of the portfolio at 31 March 2021

### Breakdown by sector (1)

Retail	99.4%
Other	0.6%
<b>Total</b>	<b>100.0%</b>

### Geographical distribution (1)

Belgium	53.9%
• Wallonia	44.1%
• Flanders	7.0%
• Brussels	2.8%
France	42.0%
Spain	4.1%
<b>Total</b>	<b>100.0%</b>

(1) Distribution established on the basis of fair value

### Breakdown by business (2)

Food	40.6%
Textiles / Fashion	11.4%
DIY	9.7%
Leisure	9.4%
Furniture - Interior Deco	9.0%
Household appliances	6.0%
Horeca	2.8%
Other	11.1%
<b>Total</b>	<b>100%</b>

### Breakdown of tenants (2)

Casino	10.1%
Groupe Mestdagh	9.3%
Grand Frais	8.9%
Carrefour	6.3%
Brico	5.5%
Decathlon	3.2%
Kréfel	2.0%
Hubo	2.0%
Delhaize	1.9%
Orchestra	1.5%
Others	49.3%
<b>Total</b>	<b>100%</b>

(2) Distribution established on the basis of rentals received

The food retail sector accounted for 40.6% of Ascencio's rental income in the six months to 31 March 2021. Thanks to the quality of the site locations, the attractive level of rentals 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.

In particular in the current crisis situation, it is evident that the population's restocking through the in-store food retail segment plays a key role in the smooth operation of society, and that it is holding up against online competition significantly better than other sectors.

In France, Ascencio's food portfolio mainly consists of 18 Grand Frais sites. Grand Frais is performing well and continuing to expand. Since March 2020, Ascencio has also been the owner of five Casino supermarkets, making Casino its biggest tenant in terms of rentals. Ascencio also holds an Aldi supermarket in France.

In Belgium, Ascencio owns 41 supermarkets, of which

- 25 operated by the Mestdagh Group (€4.30 million in annual rentals);
- 11 operated by the Carrefour Group (€2.96 million in annual rentals);
- 3 operated by the Delhaize Group (€0.87 million in annual rentals);
- 1 Aldi supermarket and 1 Lidl supermarket (€0.30 million in annual rentals).

## 2.5. Consolidated data per share

NUMBER OF SHARES	31/03/2021	31/03/2020	30/09/2020
Weighted average number of shares	6,595,985	6,595,985	6,595,985
Total number of shares issued	6,595,985	6,595,985	6,595,985

CONSOLIDATED RESULTS PER SHARE (euros)	31/03/2021	31/03/2020	30/09/2020
EPRA Earnings (euros)	2.31	2.21	4.46
Earnings per share (EPS) (euros)	2.90	0.81	1.40

	31/03/2021	31/03/2020	30/09/2020
Net asset value (NAV) (€000S)	344,169	345,301	349,130
<b>NAV per share (euros)</b>	<b>52.18</b>	<b>52.35</b>	<b>52.93</b>
Restatements:			
Deferred tax (€000S)	860	882	832
Fair value of financial instruments (IRS & CAP) (€000S)	8,720	10,402	12,483
<b>Net asset value (NAV) EPRA (€000S)</b>	<b>353,749</b>	<b>356,586</b>	<b>362,445</b>
<b>NAV EPRA per share (euros)</b>	<b>53.63</b>	<b>54.06</b>	<b>54.95</b>

## 2.6. Significant events and transactions after 31 March 2021

The COVID-19 crisis continued beyond the closing date of the interim accounts, again affecting the activity of non-food and non-essential businesses.

## 2.7. Main risks and uncertainties

The basic risks to which the company is exposed remain those described in the chapter headed "Risk factors" in the Annual Report for 2019-2020. Ascencio takes care to apply the measures and procedures it has established in order to anticipate and control them.

The COVID-19 health crisis has led to the temporary closure of non-essential shops and is currently generating uncertainty as to the impact of this crisis on results for financial year 2020/2021 (see point 2.8. hereunder).

## 2.8. Outlook and impact of COVID-19

While the impact of COVID-19 has been real enough in this 1<sup>st</sup> half of 2020/2021 and will continue to be so for the rest of this financial year, the success of the vaccination campaign now under way should bring some improvement to the retail sector.

This pandemic has certainly accelerated the adoption of the omnichannel approach among Ascencio's clients and has also marked the out-of-town retail segment as being particularly suited to the flexibility demanded by the omnichannel approach.

These winning features and the prospect of economic recovery should favour the growth of this retail segment and hold the attention of the financial sector.

In view of the good results for the 1<sup>st</sup> half of financial year and the performances of its portfolio, providing there are no significant unforeseen developments, Ascencio expects to be able to distribute a dividend comparable with that of last year.

### **3. Property experts' report**

#### **3.1. Property experts**

Quarterly valuation of the portfolio has been entrusted to the following experts:

- Jones Lang LaSalle (Brussels), represented by Ms Greet Hex;
- Cushman & Wakefield (Brussels), represented by Mr Emeric Inghels;
- CBRE (Brussels), represented by Mr Kevin Van de Velde;
- Cushman & Wakefield (Neuilly-sur-Seine, France), represented by Mr Patrice Roux;
- Jones Lang LaSalle Expertises (Paris, France), represented by Mr Christophe Adam;
- CBRE (Paris, France), represented by Ms Béatrice Rousseau;
- Cushman & Wakefield (Madrid, Spain), represented by Mr James Bird.

They will establish the fair value of Ascencio SCA's assets every quarter until the end of the financial year 2020/2021.

### 3.2. Experts' report



Brussels, 31st March 2021

Dear Sir, Dear Madam,

In accordance to the article 47 of the law of 12 May 2014 on the Belgian Real Estate Investment Trusts (SIR/GVV), you asked Jones Lang LaSalle, CBRE and Cushman & Wakefield to value the buildings situated in Belgium, France and Spain and belonging to the BE-REIT.

Our mission has been realized in complete independence.

In accordance with established practice, our mission has been realized based on the information communicated by Ascencio regarding rental condition, charges and taxes carried by the lessor, work to be realized, as well as all other elements that might influence the value of the buildings. We suppose this information to be exact and complete. As stated explicitly in our valuation reports, this does not include in any way the valuation of structural and technical quality of the building, nor an analysis of the presence of any harmful material. These elements are known by Ascencio, that manages its portfolio in a professional manner and carries a technical and juridical due diligence before the acquisition of each building.

Every building has been visited by the experts. They work with different software, such as Circle Investment Valuer, Argus Enterprise or Microsoft Excel.

The investment value can be defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The experts have adopted two different methods: the « Term and Reversion » method and the « Hardcore » method. Besides, they also did a control in terms of price per m<sup>2</sup>.

According to the « Term and Reversion » method, the capitalization of the revenues considers the actual revenue until the end of the current contract, and then takes the estimated rental value in perpetuity. According to the « Hardcore » method, the estimated rental value is capitalized in perpetuity before looking at adjustments that consider surfaces that are rented below or above their rental value, void, etc.

The yield, used for both methods, represents the expected yield for investors for this kind of properties. It reflects the intrinsic risks of the good and the sector (future void, credit risk, maintenance obligations, etc.). To determine this yield, experts based themselves on the most comparable transactions and current transactions in their investment department.

When there are unusual factors or specific factors applicable to a property, corrections will be applied (important renovations, non-recoverable costs...).

The sale of a property is in theory subjected to transaction costs. This amount depends among others on the method of transfer, the type of buyer and the geographic location of the property. This amount is known once the sale is closed. In Belgium, as independent real estate experts we can admit that based on a representative sample of transactions in the market between 2002 and 2005 (and recently revised for the period 2013-2016), the weighted average of the costs (average of the transaction costs) was 2,5% (for goods with a net value superior to 2.500.000 EUR).

The Belgian properties are considered as a portfolio.

The transaction costs for buildings located in France is 1,8% when the building is less than 5 years old and between 6,9% and 7,5%, depending on the department, in all other cases.

Based on the remarks in previous paragraphs, we confirm that the investment value of the real estate portfolio of Ascencio on March 31st, 2021 amounts to :

**728.737.000 EUR**

**(Seven hundred twenty-eight million seven hundred thirty-seven thousand euro)**

This amount takes into account the value attributed to the buildings valuated by the companies CBRE, Jones Lang LaSalle and Cushman & Wakefield in the 3 countries where Ascencio is present.

After deduction of respectively 2,5% for buildings located in Belgium (average rate of transaction costs defined by the experts of the BE-REITS), 1,8%/6,9%-7,5% for building located in France and 2,9%/3,4%/3,9% for buildings located in Spain, as transaction cost on the investment value, we obtain a Fair Value of Ascencio's real estate assets as of March 31st, 2021 at :

**698.692.000 EUR**

**(Six hundred ninety-eight million six hundred ninety-two thousand euro)**

This amount takes into account the value attributed to the buildings valuated by the companies CBRE, Jones Lang LaSalle and Cushman & Wakefield in the 3 countries where Ascencio is present.

#### **Opinion of Cushman & Wakefield**

Cushman & Wakefield estime, pour la part de patrimoine immobilier d'Ascencio qu'elle évalue au 31 mars 2021, la valeur d'investissement à 219.869.597 EUR et la juste valeur (frais transactionnels déduits) à 210.434.433 EUR.

#### **Opinion of Jones Lang LaSalle**

Jones Lang LaSalle estimates, for its part of Ascencio's real estate portfolio valued at 31st March 2021, the investment value at 176.856.866 EUR and the fair value (transaction costs deducted) at 168.043.556 EUR.

#### **Opinion of CBRE**

CBRE estimates, for its part of Ascencio's real estate portfolio valued at 31st March 2021, the investment value at 302.240.587 EUR and the fair value (transaction costs deducted) at 291.414.000 EUR.

Important: please read next page "Market conditions explanatory note: Novel Coronavirus (COVID-19)"

We stay at your entire disposition if any questions about the report would remain. In the meantime, we offer you our kind salutations.



**Emeric Inghels MRICS**  
Partner  
Cushman & Wakefield Belgium



**Greet Hex MRICS**  
Director  
Jones Lang LaSalle Belgium



**Kevin Van de Velde MRICS**  
Director  
CBRE Belgium



**Patrice Roux MRICS, REV**  
International Partner  
Cushman & Wakefield France



**James Bird MRICS**  
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**Christophe Adam MRICS**  
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CBRE France

#### *MARKET CONDITIONS EXPLANATORY NOTE: NOVEL CORONAVIRUS (COVID-19)*

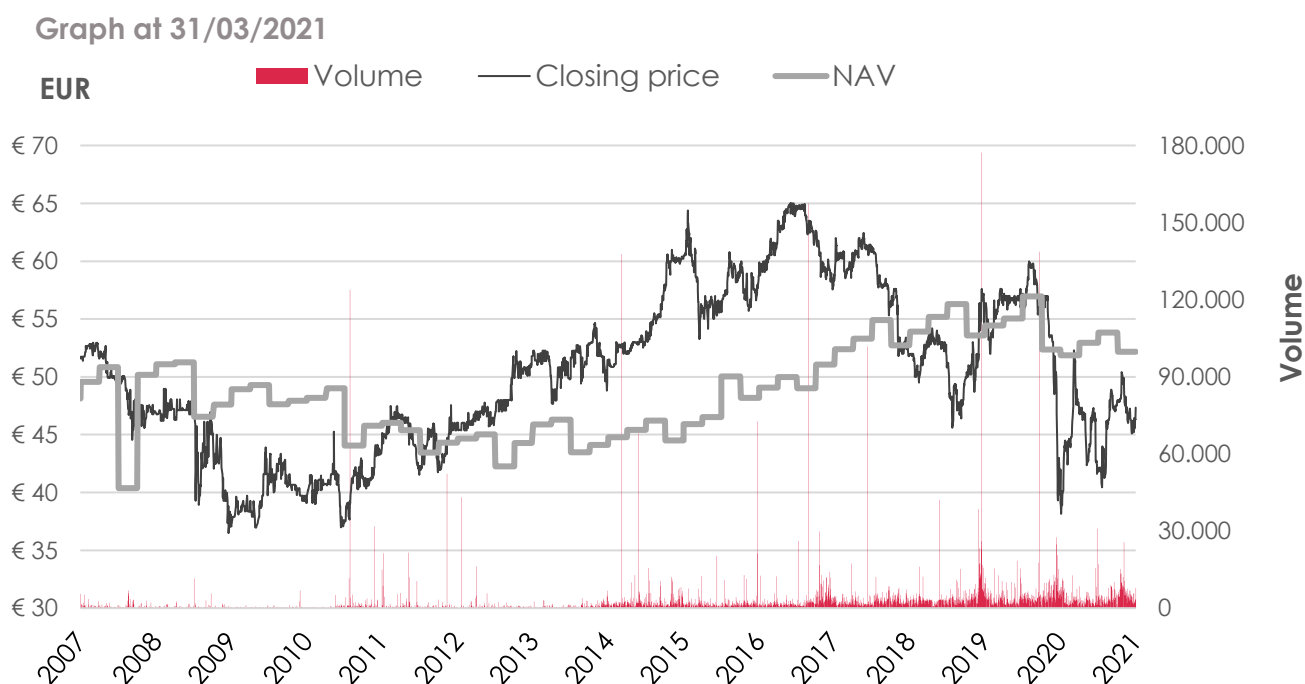
The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. Although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.



## 4. Ascencio on the stock exchange

### 4.1. Trends in closing price and net asset value



Ascencio's shares are listed on the Brussels Euronext continuous market. It forms part of the BEL Mid Index<sup>4</sup>.

Ascencio is also included in the FTSE EPRA NAREIT DEVELOPED EUROPE REAL ESTATE INDEX.

On 31 March 2021 the closing price was €47.35. At that date Ascencio stock was thus trading at a 11.7% discount relative to its EPRA NAV.

### 4.2. Dividend paid

The General Meeting of Shareholders of 29 January 2021 approved the appropriation of profit as proposed by the Board of Directors. Consequently, the Meeting resolved to appropriate a gross dividend of €3.65 per share. This dividend (coupon No. 18) was paid on 5 February 2021.

### 4.3. Shareholding of Ascencio SCA at 31 March 2021

The shareholding of Ascencio SCA is as follows according to the declarations of transparency registered at 31 March 2021:

SHAREHOLDER	Number of shares	Percentage held
AG Finance SA	656,951	9.96%
Carl, Eric and John Mestdagh and Fidagh SA	625,809	9.49%
Free float	5,313,225	80.55%
<b>TOTAL</b>	<b>6,595,985</b>	<b>100.00%</b>

<sup>4</sup> The BEL Mid index is made up of stocks not included in the BEL20 index, having a higher free float market capitalisation than the level of the BEL20 index multiplied by €55,000 and a free-float velocity of at least 15%.

## 5. Condensed consolidated financial statements

### 5.1. Consolidated Balance Sheet at 31 March 2021

CONSOLIDATED BALANCE SHEET (€000S)	31/03/2021	30/09/2020
<b>ASSETS</b>		
<b>I NON-CURRENT ASSETS</b>		
A Goodwill	-	-
B Intangible assets	-	-
C Investment porperties	705,822	697,639
D Other tangible assets	997	1,034
E Non-current financial assets	1,242	471
F Finance lease receivables	-	-
G Trade receivables and other non-current assets	-	-
H Deferred tax assets	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>708,061</b>	<b>699,145</b>
<b>II CURRENT ASSETS</b>		
A Assets held for sale	-	-
B Current financial assets	-	-
C Finance lease receivables	-	-
D Trade receivables	2,729	7,441
E Tax receivables and other current assets	2,762	2,016
F Cash and cash equivalentents	2,618	4,710
G Deferred charges and accrued income	4,918	404
<b>TOTAL CURRENT ASSETS</b>	<b>13,027</b>	<b>14,571</b>
<b>TOTAL ASSETS</b>	<b>721,089</b>	<b>713,716</b>

<b>CONSOLIDATED BALANCE SHEET (€000S)</b>	<b>31/03/2021</b>	<b>30/09/2020</b>
<b>EQUITY</b>		
<b>I EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b>	<b>344,169</b>	<b>349,130</b>
A Capital	38,659	38,659
B Share premium account	253,353	253,353
C Reserves	33,041	47,872
b. Reserve for changes in fair value of properties	27,144	47,765
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-10,031	-10,031
e. Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied	-12,648	-12,964
m. Other reserves	28,576	23,101
D Net result for the financial year	19,115	9,246
<b>II NON-CONTROLLING INTERESTS</b>	<b>0</b>	<b>0</b>
<b>TOTAL EQUITY</b>	<b>344,169</b>	<b>349,130</b>
<b>LIABILITIES</b>		
<b>I NON-CURRENT LIABILITIES</b>	<b>305,484</b>	<b>309,226</b>
A Provisions	-	-
B Non-current financial debts	292,687	293,738
a. Credit institutions	254,760	266,359
b. Finance leases	290	290
c. Other	30,500	27,089
d. IFRS 16	7,137	-
C Other non-current financial liabilities	11,937	14,656
D Trade debts and other non-current debts	-	-
F Deferred tax liabilities	860	832
a. Exit tax	-	-
b. Other	860	832
<b>II CURRENT LIABILITIES</b>	<b>71,436</b>	<b>55,360</b>
B Current financial debts	58,213	42,494
a. Credit institutions	11,095	1,258
b. Finance leases	60	120
c. Other	47,000	41,000
d. IFRS 16	57	116
C Other current financial liabilities	-	-
D Trade debts and other current debts	6,943	9,428
a. Exit tax	-	-
b. Other	6,943	9,428
F Accrued charges and deferred income	6,280	3,438
<b>TOTAL LIABILITIES</b>	<b>376,920</b>	<b>364,586</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>721,089</b>	<b>713,716</b>

## 5.2. Consolidated statement of comprehensive income at 31 March 2021

CONSOLIDATED NET RESULT (€000S)		31/03/2021	31/03/2020
I	Rental income	23,146	21,213
III	Charges linked to letting	-662	-74
<b>NET RENTAL RESULT</b>		<b>22,484</b>	<b>21,139</b>
V	Recovery of rental charges and taxes normally paid by tenants on let properties	5,891	5,713
VII	Rental charges and taxes normally paid by tenants on let properties	-5,928	-5,755
VIII	Other revenue and charges for letting	21	6
<b>PROPERTY RESULT</b>		<b>22,467</b>	<b>21,103</b>
IX	Technical costs	-339	-309
X	Commercial costs	-93	-151
XI	Rental charges and taxes on unlet properties	-268	-278
XII	Property management costs	-920	-794
XIII	Other property charges	-131	-119
<b>PROPERTY CHARGES</b>		<b>-1,752</b>	<b>-1,651</b>
<b>PROPERTY OPERATING RESULT</b>		<b>20,715</b>	<b>19,451</b>
XIV	Corporate overheads	-2,112	-2,097
XV	Other operating income and charges	1	10
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>		<b>18,604</b>	<b>17,364</b>
XVI	Net gains and losses on disposals of investment properties	-	-41
XVIII	Changes in the fair value of investment properties	143	-11,622
XIX	Other result on the portfolio	-	-
<b>OPERATING RESULT</b>		<b>18,746</b>	<b>5,700</b>
XX	Financial income	-	-
XXI	Net interest charges	-2,901	-2,310
XXII	Other financial charges	-212	-191
XXIII	Changes in fair value of financial assets and liabilities	3,763	2,398
<b>FINANCIAL RESULT</b>		<b>651</b>	<b>-104</b>
<b>PRE-TAX RESULT</b>		<b>19,397</b>	<b>5,596</b>
XXV	Corporate tax	-282	-241
XXVI	Exit Tax	-	-
<b>TAXES</b>		<b>-282</b>	<b>-241</b>
<b>NET RESULT</b>		<b>19,115</b>	<b>5,355</b>
- Net result - Group share		19,115	5,355
- Net result - Non-controlling interests		-	-
<b>BASIC NET RESULT AND DILUTED (€/SHARE, GROUP SHARE)</b>		<b>2.90</b>	<b>0.81</b>

STATEMENT OF COMPREHENSIVE INCOME (€000S)		31/03/2021	31/03/2020
I	NET RESULT	19,115	5,355
II	OTHER COMPREHENSIVE INCOME RECYCLABLE UNDER THE INCOME STATEMENT	-1	-93
A.	Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-	19
B.	Other comprehensive income of the year, net of tax	-1	-111
	<b>TOTAL COMPREHENSIVE INCOME OF THE YEAR</b>	<b>19,114</b>	<b>5,263</b>
	Attributable to - Group share	19,114	5,263
	- Non-controlling interests	-	-

### 5.3. Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOW (€000S)	31/03/2021	31/03/2020
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>4,710</b>	<b>4,650</b>
Net result for the financial year	19,115	5,355
Financial result	-651	104
Net capital gains or losses realised on disposal of assets	0	41
Income tax expense (- tax income)	282	241
Income statement items without treasury impact	562	11,732
+/- Changes in the fair value of investment properties	-143	11,622
+ Depreciation	42	36
+ Reductions in value	662	74
Changes in working capital requirement	-733	-1,435
+/- Changes in trade receivables	4,049	2,310
+/- Changes in tax receivables and other current assets	-745	-2,169
+/- Changes in deferred charges and accrued income	-4,514	-4,597
+/- Changes in trade debts and other current debts	-2,364	-2,147
+/- Changes in accrued charges and deferred income	2,842	5,168
Changes in non-current operating assets and liabilities	-4	-1
+/- Changes in non-current financial assets	-4	-1
+/- Changes in trade debts and other non-current debts	0	0
+/- Changes in non-current deferred tax liabilities	0	0
Changes in provisions and other non-monetary items	0	0
Taxes paid	-456	-449
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>18,116</b>	<b>15,589</b>
- Acquisition of investment properties	-6,749	-86,808
- Projects in course of development	-1,319	0
- Acquisition of real estate companies	0	0
- Acquisition of intangible assets	0	0
- Acquisition of tangible assets	-7	-10
+ Disposals of investment properties	0	854
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-8,075</b>	<b>-85,964</b>
Costs of capital increase	0	0
Increase of financial debts	26,337	143,338
Decrease of financial debts	-11,659	-49,350
Reimbursement of financial debts and working capital of acquired companies	0	0
Other changes in financial assets and liabilities	294	122
Gross dividend paid	-24,075	-23,086
Finance charges paid	-3,030	-2,433
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-12,133</b>	<b>68,592</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>2,618</b>	<b>2,865</b>

#### 5.4. Consolidated statement of changes in equity

(€000S)			Reserves*				Result for the financial year	Total equity
	Capital	Share premium account	C.b.	C.c.	C.e.	C.m.		
<b>BALANCE AT 30/09/2019</b>	<b>38,659</b>	<b>253,353</b>	<b>48,460</b>	<b>-10,049</b>	<b>-4,451</b>	<b>15,803</b>	<b>21,348</b>	<b>363,124</b>
Distribution of dividends							-23,085	-23,085
Appropriation to reserves			-399		-8,570	7,231	1,738	0
Capital increase								0
Net result							5,355	5,355
Other elements recognised in the global result			-111	19				-93
Reclassification of reserves								0
Adjustment to reserves								0
<b>BALANCE AT 31/03/2020</b>	<b>38,659</b>	<b>253,353</b>	<b>47,950</b>	<b>-10,031</b>	<b>-13,020</b>	<b>23,034</b>	<b>5,355</b>	<b>345,301</b>

(€000S)			Reserves*				Result for the financial year	Total equity
	Capital	Share premium account	C.b.	C.c.	C.e.	C.m.		
<b>BALANCE AT 30/09/2020</b>	<b>38,659</b>	<b>253,353</b>	<b>47,765</b>	<b>-10,031</b>	<b>-12,964</b>	<b>23,101</b>	<b>9,246</b>	<b>349,130</b>
Distribution of dividends							-24,075	-24,075
Appropriation to reserves			-20,520		316	5,374	14,829	0
Capital increase								0
Net result							19,115	19,115
Other elements recognised in the global result			-1					-1
Reclassification of reserves			-100			100		0
Adjustment to reserves								0
<b>BALANCE AT 31/03/2021</b>	<b>38,659</b>	<b>253,353</b>	<b>27,144</b>	<b>-10,031</b>	<b>-12,648</b>	<b>28,576</b>	<b>19,115</b>	<b>344,169</b>

\* Reserves:

C.b.: Reserve for balance of changes in fair value of properties

C.c.: Reserve for estimated expenses and stamp duty arising on hypothetical disposal of investment properties

C.e.: Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied

C.m.: Other reserves

## 5.5. Notes to the condensed consolidated financial statements

### **NOTE 1 General information and accounting methods**

#### **General information**

Ascencio SCA (hereinafter "Ascencio SCA" or "the Company") is a Public Regulated Real Estate Company (*Société Immobilière Réglementée Publique* or "SIRP", hereinafter referred to in the English translation as a "public B-REIT" (Belgian real estate investment trust)) incorporated under Belgian law. Its financial year runs from 1 October to 30 September. The Company's condensed consolidated financial statements to 31 March 2021 cover the period from 1 October 2020 to 31 March 2021. They were approved by the Board of Directors of the Statutory Manager on 10 June 2021.

All amounts are expressed in thousands of euros unless otherwise stated.

#### **Basis of preparation and accounting methods**

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as published and effective at 31 March 2021 and adopted by the European Union.

The consolidated financial statements have also been prepared in accordance with the provisions of the Royal Decree of 13 July 2014, as amended by the Royal Decree of 28 April 2018, on regulated property companies.

The basis of preparation and accounting methods are identical to those set out in the Annual Report for 2019/2020 (pages 135 to 143).

#### **Valuation method applied to investment property by the experts (Jones Lang LaSalle, Cushman & Wakefield and CBRE)**

The valuation method applied by the property experts remains identical. It is explained in detail in the Annual Report 2019/2020, except as regards the valuation of investment property by the property experts.

At 30/09/2020, because of the COVID-19 crisis and its impact on the activity of numerous sectors, among them non-food retail, and in the absence of sufficient pertinent evidence from the market on which to base judgements, the valuation of the investment properties had been carried out by experts taking account of "material valuation uncertainty" in accordance with standards VPS 3 and VPGA 10 of the Red Book Global of the RICS (Royal Institute of Chartered Surveyors). Assets in the food sector were not concerned by this uncertainty clause.

At 31 March 2021, the valuation of the properties was no longer subject to the above-mentioned "material valuation uncertainty". In fact, the pandemic and the measures taken to combat it continue to affect economies and property markets worldwide. Nevertheless, at the valuation date of 31 March 2021, property markets were mostly once again working normally, with transaction volumes and other relevant indicators at levels providing sufficient market evidence on which to base valuations (see point 3.2. above of the interim report).

### **NOTE 2 Sources of uncertainty and accounting judgements linked to the COVID-19 crisis**

As with the 1<sup>st</sup> lockdown, Ascencio held targeted individual dialogues with each retailer whose business was closed and whose activity was seriously affected.



By 31 March 2021 Ascencio had reached agreement with nearly 80% of its Belgian and Spanish tenants in respect of the closures taking place between October 2020 and March 2021. In France, an agreement had been signed with close to 40% of tenants, pending evaluation of the government aid measures that had been announced.

At 31/03/2021, Ascencio estimated the impact of the COVID-19 crisis on its rental income for the first half of the financial year at €0.67 million (2.9% of rental income) corresponding to partial cancellations of rents.

### **NOTE 3 Sector information**

The breakdown of the operating result on the properties by country is as follows:

CONSOLIDATED RESULTS (€000S)	Belgium		France		Spain		TOTAL	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Property result	12,045	12,768	9,453	7,363	968	972	22,467	21,103
Property charges	-1,298	-1,270	-454	-345	0	-36	-1,752	-1,651
<b>PROPERTY OPERATING RESULT</b>	<b>10,747</b>	<b>11,498</b>	<b>8,999</b>	<b>7,018</b>	<b>968</b>	<b>936</b>	<b>20,715</b>	<b>19,451</b>

This segmentation is consistent with the Group's organisation and the Company's internal reporting provided to the Management.

### **NOTE 4 Investment property**

(€000S)	31/03/2021	30/09/2020
Properties available for lease	696,895	690,066
Development projects	1,797	415
Assets held for own use	0	0
IFRS 16 - Right-of-use of land	7,130	7,159
Others	0	0
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>705,822</b>	<b>697,639</b>

Investment properties comprise:

- properties available for rental (see point A hereunder).
- development projects (see point B hereunder). Development projects are works in progress of an investment nature on various properties. Projects in course of development do not form part of the calculation of the occupancy rate.
- The right of use to land (IFRS 16).

## A. Investment properties available for rent

(€000S)	31/03/2021	30/09/2020
<b>BALANCE AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>690,066</b>	<b>622,894</b>
Acquisitions	6,749	87,760
Transfer from development projects	0	0
Disposals	0	0
Transfer from assets held for sale	0	0
Change in fair value	80	-20,589
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>696,895</b>	<b>690,066</b>

Changes in the fair value of investment properties available for rent reflect the investments and divestments made during the financial year as well as the change in fair value of the properties.

Investments and divestments during the financial year last ended are described above in point 2.4 of the interim management report.

## B. Development projects

(€000S)	31/03/2021	30/09/2020
<b>BALANCE AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>415</b>	<b>0</b>
Investments	1,319	346
Acquisitions	0	0
Transfer to investment properties	0	0
Disposals	0	0
Change in fair value	63	70
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>1,797</b>	<b>415</b>

### Fair value measurement

Investment properties were appraised at 31 March 2021 by independent experts (CBRE, Jones Lang LaSalle and Cushman & Wakefield) at their fair value. The fair value of a property is its investment value, i.e. its cost including registration fees and other transaction costs, minus an allowance for stamp duty.

All investment properties have been classified since first adoption of IFRS 13 as level 3 in the fair value hierarchy defined in IFRS 13. This hierarchy has three levels:

- Level 1: observable prices quoted on active markets
- Level 2: observable inputs other than the quoted prices referred to in Level 1
- Level 3: unobservable inputs

During the first half of financial year 2020/2021 there were no transfers among levels 1, 2 and 3.

### Valuation methods used

Two valuation methods are used by Ascencio's independent experts to determine the fair value of the portfolio properties: the Term and Reversion Method and the Hardcore Method. They also carried out a check in terms of price per m<sup>2</sup>.

Under the Term and Reversion Method, the capitalisation of revenues first takes account of current revenue until the end of the current lease agreement and then takes the estimated rental value (ERV) in perpetuity. Under the hardcore method, the estimated rental value is capitalised in perpetuity, after which adjustments are made to take account of the areas let above or below their rental value, rental vacancy, etc.

The yield, used for both methods, represents the yield expected by investors on this type of asset. It reflects the risks intrinsic to the asset and the sector (future rental vacancies, credit risk, maintenance obligations, etc.) To determine this yield, the experts based themselves on the most comparable transactions and on transactions currently under way in their investment departments.

When there are unusual factors specific to the asset, corrections are applied (major renovations, non-recoverable costs, etc.).

### C. Rights of use of land

IFRS 16 - Leases has been applied since 01/10/2019. It entails recognition as an asset of the value of the rights of use of land that the Company as lessee has under its lease contracts of more than a year.

(€000S)	31/03/2021	30/09/2020
<b>BALANCE AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>7,159</b>	<b>0</b>
Recognition of the right-of-use as at 01/10/2019	-	7,285
Re-evaluation	34	-
Depreciation	-63	-126
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>7,130</b>	<b>7,159</b>

## NOTE 5 Categories and designation of financial instruments

(€000S)	31/03/2021		30/09/2020		Classification of fair values
	Carrying amount	Fair value	Carrying amount	Fair value	
<b>NON-CURRENT ASSETS</b>	<b>1,242</b>	<b>1,242</b>	<b>471</b>	<b>471</b>	
Deposits in guarantee lodged	475	475	471	471	Level 2
Derivative instruments (IRS) at fair value through profit and loss	767	767	0	0	Level 2
<b>CURRENT ASSETS</b>	<b>7,416</b>	<b>7,416</b>	<b>13,623</b>	<b>12,150</b>	
Assets held for sale	0	0	0	0	Level 2
Trade receivables	2,729	2,729	7,441	7,441	Level 2
Tax receivables and other current assets	2,069	2,069	1,473	0	Level 2
Cash and cash equivalents	2,618	2,618	4,710	4,710	Level 2
<b>TOTAL</b>	<b>8,658</b>	<b>8,658</b>	<b>14,095</b>	<b>12,622</b>	

(€000S)	31/03/2021		30/09/2020		Classification of fair values
	Carrying amount	Fair value	Carrying amount	Fair value	
<b>NON-CURRENT LIABILITIES</b>	<b>304,624</b>	<b>306,119</b>	<b>308,394</b>	<b>309,867</b>	
Bank borrowings	255,050	256,545	266,649	268,122	Level 2
Other non-current financial debts	30,500	30,500	20,000	20,000	Level 2
Non-current financial debts IFRS 16	7,137	7,137	7,089	7,089	Level 2
Derivative instruments (IRS)	9,487	9,487	12,483	12,483	Level 2
Guarantees received	2,450	2,450	2,173	2,173	Level 2
<b>CURRENT LIABILITIES</b>	<b>65,156</b>	<b>65,156</b>	<b>51,922</b>	<b>51,922</b>	
Bank borrowings	11,155	11,155	1,378	1,378	Level 2
Current financial debts IFRS 16	57	57	116	116	Level 2
Other current financial liabilities	47,000	47,000	41,000	41,000	Level 2
Trade payables	5,426	5,426	6,448	6,448	Level 2
Other current liabilities	1,517	1,517	2,980	2,980	Level 2
<b>TOTAL</b>	<b>369,780</b>	<b>371,275</b>	<b>360,316</b>	<b>361,789</b>	

The fair value of financial instruments can be ranked in a hierarchy of 3 levels (1 to 3) each corresponding to a degree of observability of fair value:

- Level 1 fair value measurements are those established based on unadjusted prices quoted on active markets for identical assets or liabilities;
- Level 2 fair value measurements are those established on the basis of inputs other than quoted prices as per level 1 but which are observable for the asset or liability concerned, either directly (i.e. from prices) or indirectly (from data deriving from prices);

- Level 3 fair value measurements are those established on the basis of valuation techniques comprising data relating to the asset or liability which are not based on observable market data (unobservable inputs).

Since the beginning of the financial year there have been no transfers among levels.

The fair value of financial instruments has been determined in accordance with the following methods:

- For short-term financial instruments such as trade receivables and payables, the fair value is considered not to be significantly different from the carrying amount as a function of the amortised cost;
- For floating rate borrowings, the fair value is considered not to be significantly different from the carrying amount as a function of the amortised cost;
- For fixed rate borrowings, the fair value corresponds to the net present value of the future flows of principal and interest;
- For derivatives, the fair value is determined by discounting the estimated future cash flows to their net present value based on interest rate curves.

#### **NOTE 6 Financial liabilities**

(€000S)	31/03/2021	30/09/2020
<b>Non-current financial debts</b>	<b>292,687</b>	<b>293,738</b>
- Credit institutions	254,760	266,359
- Finance leases	290	290
- Other (medium term note)	30,500	20,000
- IFRS 16	7,137	7,089
<b>Current financial debts</b>	<b>58,213</b>	<b>42,494</b>
- Credit institutions	11,095	1,258
- Finance leases	60	120
- Other (commercial paper)	47,000	41,000
- IFRS 16	57	116
<b>TOTAL</b>	<b>350,900</b>	<b>336,232</b>

The structure of the financial liabilities and the average cost of debt are described above in point 2.2 of the interim management report.

#### **NOTE 7 Financial instruments**

At 31 March 2021, 72.0% of the Company's borrowings were at variable rates. With a view to limiting the interest rate risk associated with this type of financing, the Company has put in place a policy for hedging interest rate risk.

At 31 March 2021, the hedging ratio was 83.7%.

At the date of this half-yearly financial report, hedging was composed of:

- 41 IRS (Interest Rate Swap) contracts on a total notional amount of €565.5 million, of which €180.5 million was effective at 31/03/2021 and €385 million will be effective at a later date.
- 1 CAP option contract on a notional amount of €10 million effective 31/03/2021.

The following table shows the hedges in place at the date of this half-yearly financial report.

Type	Notional amount (€000S)	Start date	End date	Interest rate at worst	Floating reference rate	Fair value (€000S)	
						31/03/2021	30/09/2020
IRS	7,500	12/08/2011	12/08/2021	2.76%	3-mth. Euribor	-125	-249
IRS	20,000	28/09/2007	30/09/2022	3.70%	3-mth. Euribor	-1,297	-1,722
IRS	10,000	30/09/2019	31/12/2023	0.39%	3-mth. Euribor	-252	-301
IRS	10,000	30/09/2019	31/12/2023	0.40%	3-mth. Euribor	-255	-304
IRS	15,000	31/12/2019	31/12/2022	0.34%	3-mth. Euribor	-234	-295
IRS	23,000	30/04/2020	28/02/2027	0.12%	3-mth. Euribor	-580	-827
IRS	10,000	30/06/2020	30/06/2023	0.35%	3-mth. Euribor	-201	-243
IRS	15,000	30/06/2020	30/06/2023	0.15%	3-mth. Euribor	-230	-280
IRS	30,000	30/06/2020	31/12/2021	0.18%	3-mth. Euribor	-166	-268
IRS	20,000	30/06/2020	30/06/2021	0.26%	3-mth. Euribor	-41	-117
IRS	20,000	30/06/2020	30/06/2023	0.62%	3-mth. Euribor	-526	-641
IRS (*)	10,000	30/06/2021	31/12/2022	0.83%	3-mth. Euribor	-210	-209
IRS (*)	10,000	30/06/2021	31/12/2022	0.63%	3-mth. Euribor	-178	-177
IRS (*)	15,000	31/12/2021	30/06/2023	0.72%	3-mth. Euribor	-284	-285
IRS (*)	15,000	31/12/2021	31/03/2023	0.67%	3-mth. Euribor	-229	-230
IRS (*)	10,000	30/06/2022	30/06/2023	0.80%	3-mth. Euribor	-134	-135
IRS (*)	10,000	30/09/2021	30/09/2023	0.65%	3-mth. Euribor	-237	-238
IRS (*)	10,000	30/09/2022	30/09/2023	0.73%	3-mth. Euribor	-124	-126
IRS (*)	10,000	31/12/2022	31/12/2023	0.49%	3-mth. Euribor	-97	-100
IRS (*)	10,000	31/12/2022	31/12/2024	0.61%	3-mth. Euribor	-203	-221
IRS (*)	10,000	31/12/2022	31/12/2023	0.53%	3-mth. Euribor	-101	-104
IRS (*)	20,000	31/03/2023	31/03/2025	0.62%	3-mth. Euribor	-400	-438
IRS (*)	20,000	30/06/2023	30/06/2024	0.50%	3-mth. Euribor	-183	-197
IRS (*)	15,000	30/06/2023	30/06/2025	0.46%	3-mth. Euribor	-236	-274
IRS (*)	15,000	30/06/2023	30/06/2025	0.46%	3-mth. Euribor	-240	-273
IRS (*)	10,000	30/09/2022	30/09/2023	0.12%	3-mth. Euribor	-60	-64
IRS (*)	10,000	30/09/2022	30/09/2027	0.57%	3-mth. Euribor	-377	-480
IRS (*)	10,000	30/06/2023	30/06/2025	0.38%	3-mth. Euribor	-143	-165
IRS (*)	20,000	30/06/2023	30/06/2027	0.58%	3-mth. Euribor	-596	-760
IRS (*)	10,000	31/12/2023	31/12/2025	0.47%	3-mth. Euribor	-146	-177
IRS (*)	20,000	31/12/2023	31/12/2027	0.68%	3-mth. Euribor	-611	-810
IRS (*)	20,000	31/12/2022	31/12/2025	-0.04%	3-mth. Euribor	-165	-234
IRS (*)	20,000	30/09/2023	30/09/2029	0.35%	3-mth. Euribor	-340	-697
IRS (*)	10,000	31/12/2023	31/12/2028	0.31%	3-mth. Euribor	-147	-288
IRS (*)	10,000	30/06/2024	30/06/2029	0.22%	3-mth. Euribor	-58	-217
IRS (*)	10,000	30/06/2024	30/06/2029	0.22%	3-mth. Euribor	-56	-216
IRS (*)	10,000	31/12/2024	31/12/2026	0.08%	3-mth. Euribor	-25	-79
IRS (*)	10,000	31/03/2025	30/09/2029	-0.12%	3-mth. Euribor	146	-13
IRS (*)	10,000	30/06/2025	31/12/2029	-0.06%	3-mth. Euribor	149	-29
IRS (*)	10,000	31/03/2025	31/03/2030	-0.08%	3-mth. Euribor	175	-
IRS (*)	15,000	30/06/2025	30/06/2030	-0.11%	3-mth. Euribor	297	-
CAP purchased	10,000	31/12/2020	31/12/2021	0.25%	3-mth. Euribor	0	0

Ascencio does not apply hedge accounting to the financial hedging instruments that it holds. Therefore these instruments are considered as instruments held for trading under IFRS, and changes in their market value are recognised directly and in full in profit or loss.

The market value of derivative financial instruments is advised on each accounting closing date by the financial institutions from which these instruments were acquired.

#### **NOTE 8 Other non-current financial liabilities**

(€000S)	31/03/2021	30/09/2020
Authorised hedging instruments	9,487	12,483
Other	2,450	2,173
<b>TOTAL</b>	<b>11,937</b>	<b>14,656</b>

Other non-current financial liabilities mainly comprise the fair value of the interest rate swaps (IRS) entered into by the Company to hedge against a rise in interest rates, its borrowings being mainly at floating rates.

These hedging instruments are measured at their fair value at the end of each quarter as calculated by the issuing financial institutions.

#### **NOTE 9 Earnings per Share (EPS)**

	31/03/2021	31/03/2020	30/09/2020
EPRA Earnings per share (euros)	2.31	2.21	4.46
Earnings per share (EPS) (euros)	2.90	0.81	1.40
Weighted average number of shares during the period	6,595,985	6,595,985	6,595,985

#### **NOTE 10 Events subsequent to the closing date of 31/03/2021**

The COVID-19 crisis continued beyond the closing date of the interim accounts, again affecting the activity of non-food and non-essential businesses.

## 5.6. Auditor's Report

### **Report on review of the consolidated interim financial information of Ascencio SCA for the six-month period ended 31 March 2021**

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed statement of financial position, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of cash flows and the consolidated condensed statement of changes in equity for the period of six months then ended as at 31 March 2021, as well as selective notes 1 to 10.

#### **Report on the consolidated interim financial information**

We have reviewed the consolidated interim financial information of Ascencio SCA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 - Interim Financial Reporting as adopted by the European Union.

The consolidated condensed statement of financial position shows total assets of 721 089 (000) EUR and the consolidated condensed income statement shows a consolidated profit for the period then ended of 19 115 (000) EUR.

The manager of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

#### **Scope of review**

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – Review of interim financial information performed by the independent auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Ascencio SCA has not been prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 - Interim Financial Reporting as adopted by the European Union.

Signed at Antwerpen, 10 June 2021

The statutory auditor

**DELOITTE Réviseurs d'Entreprises SRL**  
**Represented by Kathleen De Brabander**



## 6. Declaration by persons responsible

The Statutory Manager<sup>5</sup>of Ascencio SCA hereby declares that to the best of its knowledge:

- the condensed financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, financial position and results of the Company and of the companies included in the consolidation;
- the management report contains a true account of the significant events and main transactions between related parties that have taken place in the first six months of the financial year and their effect on the condensed statements, as well as a description of the main risks and uncertainties for the remaining months of the financial year.

## 7. Information on forward-looking statements

This interim financial report contains forward-looking information based on the Company's estimates and projections and its reasonable expectations in respect of external events and factors. By its very nature, such forward-looking information carries with it risks and uncertainties that could lead to results, the financial situation, performance and actual achievements diverging. Given these factors of uncertainty, statements about the future cannot be guaranteed.

## 8. Financial calendar

Interim statement for the quarter ending 30 June 2021	5 August 2021
Press release on results for the year to 30 September 2021	25 November 2021
Ordinary general meeting of shareholders	31 January 2022

<sup>5</sup> Ascencio SA, Avenue Jean Mermoz 1 box 4, 6041 Gosselies, company number BE 0881.160.173

## 9. Fact sheet

COMPANY NAME	ASCENCIO SCA
STATUS	Public Regulated Real Estate Company (SIRP)
ADDRESS	Avenue Jean Mermoz 1 Bldg H Box 4, 6041 Gosselies, Belgium
TEL.	+ 32 (71) 91 95 00
E-MAIL	info@ascencio.be
WEBSITE	www.ascencio.be
REGISTERED	Charleroi Companies Registry
COMPANY NUMBER	BE 0881 334 476
DATE OF INCORPORATION	10 May 2006
APPROVAL AS SIR (B-REIT)	28 October 2014
DURATION	Indefinite
AUDITOR	Deloitte Réviseurs d'Entreprises, represented by Kathleen De Brabander
PROPERTY EXPERTS	Jones Lang LaSalle Cushman & Wakefield CBRE
FINANCIAL YEAR END	30 September
SHARE CAPITAL	€39,575,910
NUMBER OF SHARES	6,595,985
LISTED ON	Euronext Brussels
FAIR VALUE OF THE REAL ESTATE PORTFOLIO	€699 million
NUMBER OF PROPERTIES	106
TYPE OF PROPERTY	Commercial premises on urban peripheries and others

For any additional information:

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**Vincent H. QUERTON**

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*This interim report is also available in Dutch and English, but only the French version of the document has full force and effect. The Dutch and English versions are free translations prepared under the responsibility of Ascencio.*

## 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 2019/2020 annual report, which is available on Ascencio's website ([www.ascencio.be](http://www.ascencio.be)).

### Operating margin

		31/03/2021	31/03/2020
Operating result before result on portfolio (€000S)	= A	18,604	17,364
Rental income (€000S)	= B	23,146	21,213
<b>OPERATING MARGIN</b>	<b>= A / B</b>	<b>80.4%</b>	<b>81.9%</b>

### Average cost of debt

		31/03/2021	31/03/2020
Net interest charges (heading XXI) (€000S)		2,901	2,310
Interests on lease debt (IFRS 16)		-57	-58
Commissions on undrawn balances under credit facilities		163	153
Opening commission and charges for credit facilities		25	11
Change in fair value of CAPS		0	0
<b>TOTAL COST OF FINANCIAL DEBTS</b>	<b>= A</b>	<b>3,032</b>	<b>2,417</b>
<b>WEIGHTED AVERAGE DEBT FOR THE PERIOD</b>	<b>= B</b>	<b>327,081</b>	<b>259,303</b>
<b>AVERAGE COST OF DEBT</b>	<b>= A*2 / B</b>	<b>1.85%</b>	<b>1.86%</b>

### Hedging ratio

(€000S)		31/03/2021	30/09/2020
Fixed-rate financial debts		97,029	87,029
Financial debts converted into fixed-rate debts by means of IRS		180,500	180,500
Financial debts converted into capped-rate debts by means of CAPS		10,000	0
<b>TOTAL FIXED RATE OR CAPPED FINANCIAL DEBTS</b>	<b>= A</b>	<b>287,529</b>	<b>267,529</b>
<b>TOTAL VARIABLE RATE FINANCIAL DEBTS</b>		<b>56,177</b>	<b>61,498</b>
<b>TOTAL FINANCIAL DEBTS</b>	<b>= B</b>	<b>343,706</b>	<b>329,027</b>
<b>HEDGING RATIO</b>	<b>= A / B</b>	<b>83.7%</b>	<b>81.3%</b>

## EPRA

EPRA (the European Public Real Estate Association) is the voice of Europe's publicly traded real estate sector, representing more than 275 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](http://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

		31/03/2021	31/03/2020
<b>EPRA Earnings (€000S)</b>		15,238	14,601
<b>EPRA Earnings per share (euros)</b>	Earnings from operational activities.	2.31	2.21
<b>EPRA Cost Ratio (including direct vacancy costs)</b>	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.	19.63%	18.15%
<b>EPRA Cost Ratio (excluding direct vacancy costs)</b>	Administrative & operating costs (excluding costs of direct vacancy) divided by gross rental income.	18.47%	16.83%

		31/03/2021	30/09/2020
<b>EPRA NRV (€000S)</b>		383,761	391,816
<b>EPRA NRV per share (€000S)</b>	The EPRA NRV assumes that entities never sell assets and provide an estimation of the value required to rebuild the entity.	58.18	59.40
<b>EPRA NTA (€000S)</b>		353,749	362,445
<b>EPRA NTA per share (€000S)</b>	The EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	53.63	54.95
<b>EPRA NDV (€000S)</b>		342,674	347,657
<b>EPRA NDV per share (€000S)</b>	The EPRA NDV represents the value accruing to the company's shareholders under an asset disposal scenario, resulting in the settlement of deferred taxes, the liquidation of financial instruments and the recognition of other liabilities for their maximum amount, net of any resulting tax.	51.95	52.71
<b>EPRA Net Initial Yield (NIY)</b>	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchaser's costs	5.98%	6.23%
<b>EPRA Topped-up NIY</b>	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods or other unexpired lease incentives such as discounted rent periods and step rents	6.02%	6.28%
<b>EPRA Vacancy Rate</b>	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	4.17%	2.48%

## EPRA EARNINGS

(€000s)	31/03/2021	31/03/2020
<b>EARNINGS (OWNERS OF THE PARENT) PER IFRS INCOME STATEMENT</b>	<b>19,115</b>	<b>5,355</b>
<b>ADJUSTMENTS TO CALCULATE EPRA EARNINGS</b>	<b>-3,878</b>	<b>9,246</b>
(i) Change in value of investment properties, development properties held for investment and other interests	-143	11,622
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	0	41
(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	-3,763	-2,398
(vii) Acquisition costs on share deals and non-controlling joint venture interests (IFRS 3)	0	0
(viii) Deferred tax in respect of EPRA adjustments	28	-20
(ix) Adjustments (i) to (viii) above in respect of joint ventures	0	0
(x) Non-controlling interests in respect of the above	0	0
<b>EPRA EARNINGS (OWNERS OF THE PARENT)</b>	<b>15,238</b>	<b>14,601</b>
Number of shares	6,595,985	6,595,985
<b>EPRA EARNINGS PER SHARE (EPRA EPS - €/SHARE)</b>	<b>2.31</b>	<b>2.21</b>

## NAV EPRA METRICS

In October 2019 EPRA published new Best Practice Recommendations (BPRs) applicable to financial years starting on or after 1 January 2020. The indicators EPRA NAV and EPRA NNAV were replaced by three new indicators: EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) et EPRA Net Disposal Value (NDV).

- The EPRA NRV assumes that entities never sell assets and provide an estimation of the value required to rebuild the entity.
- The EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.
- The EPRA NDV represents the value accruing to the company's shareholders under an asset disposal scenario, resulting in the settlement of deferred taxes, the liquidation of financial instruments and the recognition of other liabilities for their maximum amount, net of any resulting tax.

In order to provide comparability and continuity with the data published last year, the old EPRA NAV and EPRA NAVVV indicators calculated in accordance with the BPR Guidelines of November 2016 will always be proposed during financial year 2020/2021 alongside the three new indicators calculated in accordance with the BPR Guidelines of October 2019.

31/03/2021					
(€000s)	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
<b>Equity attributable to owners of the parent in IFRS</b>	<b>344,169</b>	<b>344,169</b>	<b>344,169</b>	<b>344,169</b>	<b>344,169</b>
<b>Include/exclude :</b>					
(i) Hybrid instruments	0	0	0	0	0
<b>Diluted NAV at Fair Value</b>	<b>344,169</b>	<b>344,169</b>	<b>344,169</b>	<b>344,169</b>	<b>344,169</b>
<b>Exclude :</b>					
(v) Deferred taxes in relation to fair value gains of IP	860	860		860	
(vi) Fair value of financial instruments	8,720	8,720		8,720	
<b>Include :</b>					
(ix) Fair value of fixed interest rate debt			-1,495		-1,495
(xi) Real estate transfer tax	30,013	0			
<b>EPRA NAV</b>	<b>383,761</b>	<b>353,749</b>	<b>342,674</b>	<b>353,749</b>	<b>342,674</b>
Fully diluted number of shares	6,595,985	6,595,985	6,595,985	6,595,985	6,595,985
<b>EPRA NAV PER SHARE (€/SHARE)</b>	<b>58.18</b>	<b>53.63</b>	<b>51.95</b>	<b>53.63</b>	<b>51.95</b>

30/09/2020					
(€000s)	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
<b>Equity attributable to owners of the parent in IFRS</b>	<b>349,130</b>	<b>349,130</b>	<b>349,130</b>	<b>349,130</b>	<b>349,130</b>
<b>Include/exclude :</b>					
(i) Hybrid instruments	0	0	0	0	0
<b>Diluted NAV at Fair Value</b>	<b>349,130</b>	<b>349,130</b>	<b>349,130</b>	<b>349,130</b>	<b>349,130</b>
<b>Exclude :</b>					
(v) Deferred taxes in relation to fair value gains of IP	832	832		832	
(vi) Fair value of financial instruments	12,483	12,483		12,483	
<b>Include :</b>					
(ix) Fair value of fixed interest rate debt			-1,473		-1,473
(xi) Real estate transfer tax	29,371	0			
<b>EPRA NAV</b>	<b>391,816</b>	<b>362,445</b>	<b>347,657</b>	<b>362,445</b>	<b>347,657</b>
Fully diluted number of shares	6,595,985	6,595,985	6,595,985	6,595,985	6,595,985
<b>EPRA NAV PER SHARE (€/SHARE)</b>	<b>59.40</b>	<b>54.95</b>	<b>52.71</b>	<b>54.95</b>	<b>52.71</b>

## EPRA NET INITIAL YIELD (NIY) AND EPRA TOPPED-UP NIY

(€000s)	31/03/2021			
	Belgium	France	Spain	TOTAL
Investment properties in fair value	376,691	291,404	28,800	696,895
Properties held for sale (+)	0	0	0	0
Developments (-)	0	1,797	0	1,797
<b>PROPERTIES AVAILABLE FOR LEASE</b>	<b>376,691</b>	<b>293,201</b>	<b>28,800</b>	<b>698,692</b>
Allowance for estimated purchasers' costs (+)	9,673	19,370	970	30,013
<b>GROSS UP COMPLETED PROPERTY PORTFOLIO VALUATION</b>	<b>386,364</b>	<b>312,571</b>	<b>29,770</b>	<b>728,705</b>
Annualised cash passing rental income (+)	25,398	19,266	1,538	46,202
Property outgoings <sup>1</sup> (-)	-1,825	-813	0	-2,638
<b>ANNUALISED NET RENTS</b>	<b>23,573</b>	<b>18,453</b>	<b>1,538</b>	<b>43,564</b>
Add : notional rent expiration of rent free periods or other lease incentives (+)	282	26	0	309
<b>TOPPED-UP NET ANNUALISED RENT</b>	<b>23,856</b>	<b>18,479</b>	<b>1,538</b>	<b>43,874</b>
<b>EPRA NIY (%)</b>	<b>6.10%</b>	<b>5.90%</b>	<b>5.17%</b>	<b>5.98%</b>
<b>EPRA TOPPED-UP NIY (%)</b>	<b>6.17%</b>	<b>5.91%</b>	<b>5.17%</b>	<b>6.02%</b>

(€000s)	30/09/2020			
	Belgium	France	Spain	TOTAL
Investment properties in fair value	368,321	292,220	29,525	690,066
Properties held for sale (+)	0	0	0	0
Developments (-)	0	415	0	415
<b>PROPERTIES AVAILABLE FOR LEASE</b>	<b>368,321</b>	<b>292,635</b>	<b>29,525</b>	<b>690,481</b>
Allowance for estimated purchasers' costs (+)	9,711	18,667	993	29,371
<b>GROSS UP COMPLETED PROPERTY PORTFOLIO VALUATION</b>	<b>378,032</b>	<b>311,302</b>	<b>30,518</b>	<b>719,852</b>
Annualised cash passing rental income (+)	25,694	19,251	1,959	46,904
Property outgoings <sup>1</sup> (-)	-1,344	-689	0	-2,033
<b>ANNUALISED NET RENTS</b>	<b>24,351</b>	<b>18,561</b>	<b>1,959</b>	<b>44,871</b>
Add : notional rent expiration of rent free periods or other lease incentives (+)	292	25	0	317
<b>TOPPED-UP NET ANNUALISED RENT</b>	<b>24,643</b>	<b>18,586</b>	<b>1,959</b>	<b>45,188</b>
<b>EPRA NIY (%)</b>	<b>6.44%</b>	<b>5.96%</b>	<b>6.42%</b>	<b>6.23%</b>
<b>EPRA TOPPED-UP NIY (%)</b>	<b>6.52%</b>	<b>5.97%</b>	<b>6.42%</b>	<b>6.28%</b>

## EPRA VACANCY RATE

(€000s)	31/03/2021			
	Belgium	France	Spain	TOTAL
Estimated rental value (ERV) of vacant space	1,460	157	308	1,925
Estimated rental value (ERV) of total portfolio	25,320	19,066	1,805	46,191
<b>EPRA VACANCY RATE (%)</b>	<b>5.77%</b>	<b>0.82%</b>	<b>17.09%</b>	<b>4.17%</b>

(€000s)	30/09/2020			
	Belgium	France	Spain	TOTAL
Estimated rental value (ERV) of vacant space	976	157	0	1,132
Estimated rental value (ERV) of total portfolio	24,884	18,995	1,784	45,664
<b>EPRA VACANCY RATE (%)</b>	<b>3.92%</b>	<b>0.82%</b>	<b>0.00%</b>	<b>2.48%</b>

## EPRA COST RATIOS

(€000s)	31/03/2021	31/03/2020
<b>ADMINISTRATIVE/OPERATING EXPENSE LINE PER IFRS STATEMENT</b>	<b>-4,543</b>	<b>-3,850</b>
Rental-related charges	-662	-74
Recovery of property charges	0	0
Rental charges and taxes normally paid by tenants on let properties	-38	-42
Other revenue and expenditure relating to rental	21	6
Technical costs	-339	-309
Commercial costs	-93	-151
Charges and taxes on unlet properties	-268	-278
Property management costs	-920	-794
Other property charges	-131	-119
Corporate overheads	-2,112	-2,097
Other operating income and charges	1	10
<b>EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)</b>	<b>-4,543</b>	<b>-3,850</b>
Charges and taxes on unlet properties	268	278
<b>EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)</b>	<b>-4,275</b>	<b>-3,571</b>
<b>GROSS RENTAL INCOME</b>	<b>23,146</b>	<b>21,213</b>
<b>EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (%)</b>	<b>19.63%</b>	<b>18.15%</b>
<b>EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (%)</b>	<b>18.47%</b>	<b>16.83%</b>