

INTERIM STATEMENT AT 31/12/2023

FIRST QUARTER OF FINANCIAL YEAR 2023/2024

ROBUST OPERATING PERFORMANCE & ARBITRAGE IN THE PROPERTY PORTFOLIO

98.2%
EPRA
OCCUPANCY RATE

6.90%
GROSS YIELD ON
THE PORTFOLIO

-0.4%
CHANGE IN
FAIR VALUE OF THE
PORTFOLIO

94.7%
HEDGING RATIO

OPERATING RESULTS

- **Rental income** : €13.1 million, up by 6.6% compared with €12.3 million at 31/12/2022
- **EPRA Earnings** : €9.2 million, up by 6.6% compared with €8.6 million at 31/12/2022
- **EPRA Earnings (per share)** : €1.40 (vs €1.31 at 31/12/2022)
- **Net result** : -€6.0 million (vs €13.9 million at 31/12/2022)

BALANCE SHEET INFORMATION

- **Fair value of the portfolio** : €736.9 million (vs €740.9 million at 30/09/2023)
- **EPRA LTV** : 42.9%, down from 43.4% at 30/09/2023
- **EPRA NTA (per share)** : €64.54 (vs €63.59 at 30/09/2023)



Ascencio strengthens its presence in its
"Bellefleur" retail park in Couillet (Belgium)



normalisation of inflation enabled central banks to put a stop to such policies and allowed the market to anticipate an easing of financing conditions, thereby restoring investor confidence.

This is the environment in which Ascencio acquired 100% of the shares in Holdtub SRL, owning 3 commercial units in the “Bellefleur” retail park in Couillet (Charleroi, Belgium), totalling almost 3,000 m². These recently redeveloped units are fully leased and occupied by leading brands. This investment, amounting to €7.0 million, enables the Company to further strengthen its position in one of its flagship assets in Wallonia and to benefit from new units comprising activities that complement the commercial mix within this site. The operation also generates a positive long-term contribution to the Company’s EPRA Earnings.

In addition, Ascencio continued a dynamic rental management of its properties, with the signing of 9 leases (3 new and 6 renewals) and the conclusion of 7 short-term leases; representing in all some 9,250 m² and enabling the EPRA occupancy rate of the portfolio to increase to 98.2% (compared with 97.9% at 30/09/2023).

The Company also made investments in its portfolio amounting to €0.2 million mainly in the renovation of the roof of its retail space in Bruges (Belgium).

Regarding ESG aspects, Ascencio has notably:

- begun the redevelopment of its new offices at its headquarters in Gosselies (Belgium);
- carried out several projects to replace old parking lot lighting with more efficient LED lamps from an energy point of view;
- launched, in collaboration with its partner Powerdot, the process of installing charging stations within its French portfolio by preparing the permit applications necessary to make the project a reality.

In terms of financial management, Ascencio maintained a proactive approach with regard to its refinancing, continuing discussions with several banking partners with a view to concluding new credit lines during the next quarter. Taking advantage of a temporary drop in long-term interest rates, the Company also acquired several IRS hedging instruments, making it possible to set interest rates for the years 2027 to 2030 for a total nominal amount of €50 million. Taking these transactions into account, the average cost of financing stood at 2.10% at 31/12/2023, compared with 2.02% at the end of the previous financial year, while the average duration of financing was 3.2 years compared with 3.4 years respectively over the same periods. Lastly, the hedge ratio remains high at 94.7% at 31/12/2023 (vs 95.0% at 30/09/2023), allowing the Company to limit the negative impact of higher interest rates and thus to reduce the volatility of its financial result.



CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF THE 2023/2024 FINANCIAL YEAR

CONSOLIDATED INCOME STATEMENT AT 31/12/2023

(€000s)	31/12/2023	31/12/2022
RENTAL INCOME	13,097	12,283
Rental related charges	5	-31
Recovery of property charges	169	259
Rental related charges and taxes not recovered	-117	-21
PROPERTY RESULT	13,154	12,490
Property charges	-971	-1,008
Corporate overheads	-1,154	-1,156
Other operating income and charges	2	0
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	11,032	10,326
<i>Operating margin</i>	84.2%	84.1%
Financial income	2	0*
Net interest charges	-1,567	-1,419
Other financial charges	-169	-175
Taxes	-85	-87
EPRA EARNINGS	9,213	8,646
Change in the fair value of investment properties	-3,043	5,214
Change in the fair value of financial assets and liabilities	-12,284	88
Deferred tax	95	-55
NET RESULT	-6,019	13,894
EPRA Earnings per share (€)	1.40	1.31
Net result per share (€)	-0.91	2.11
Number of shares	6,595,985	6,595,985

* Interest generated by hedging instruments that was recorded at 31/12/2022 under financial income has since been reclassified under net interest charges.

Rental income came to €13.1 million, up by 6.6% compared with the first quarter of the previous financial year (like-for-like: 6.2%), mainly thanks to the increase in the EPRA occupancy rate of the portfolio and the impact of the high inflation applied to the rents in 2022/2023.

The property result came to €13.2 million, up by 5.3% compared with the €12.5 million for the comparable period.

Taking into account property charges and corporate overheads under control, the operating result before result on portfolio was €11.0 million, up by 6.8%, generating a stable operating margin of 84.2%.

Net interest charges increased moderately to -€1.6 million (against -€1.4 million at 31/12/2022). This change resulted from the net impact of the combined increases in interest charges on variable rate financing and interest income generated by the hedging instruments put in place by the Company..

Taking into account these changes and stable tax charges, EPRA Earnings came to €9.2 million at 31/12/2023, up by 6.6% compared with the €8.6 million generated at 31/12/2022. In per share terms, EPRA earnings were therefore €1.40 compared with €1.31 for the first quarter of the previous financial year.

The revaluation of the property portfolio appears to be slightly negative at -€3.0 million (-0.4%) at 31/12/2023, compared with +€5.2 million (+0.7%) at 31/12/2022. This relative stability of values confirms the solidity and performance of the portfolio held by the Company (characterised by a mix of supermarkets and retail parks) in an environment of interest rates which are still high. The portfolio's initial yield now stands at 6.90% at 31/12/2023, compared with 6.47% a year earlier.

The revaluation of the hedging instruments' portfolio was particularly negative during the first quarter (-€12.3 million), compared with a stability in value observed in the first quarter of the previous financial year. This decrease in value is linked both to the productivity of the current instruments (having generated financial income of €1.8 million, implying a decrease in the value of the instruments concerned) and to a decrease in long-term interest rates observed during the past period.

Based on the positive EPRA Earnings of €9.2 million and these negative revaluations (totalling -€15.3 million), the Company's net result amounts to -€6.0 million (-€0.91 per share), down compared with the €13.9 million (€2.11 per share) generated at 31/12/2022.

CONSOLIDATED BALANCE SHEET AT 31/12/2023

(€000s)	31/12/2023	30/09/2023
ASSETS	776,357	786,469
Intangible assets	347	236
Investment properties	736,932	740,856
Other tangible assets	59	49
Other non-current assets	19,886	30,670
Assets held for sale	8,289	0
Current financial assets	592	867
Trade receivables	2,832	5,556
Cash and cash equivalents	4,579	5,423
Other current assets	2,842	2,811
EQUITY AND LIABILITIES	776,357	786,469
Equity	438,744	444,763
Non-current financial debts	251,042	262,670
Other non-current liabilities	4,056	2,806
Deferred tax	6,183	6,085
Current financial debts	67,561	57,829
Other current liabilities	8,770	12,316
IFRS NAV (€/share)	66.52	67.43
EPRA NTA (€/share)	64.54	63.59
Debt ratio (in accordance with the Royal Decree)	43.3%	44.0%
EPRA LTV	42.9%	43.4%

The value of the investment property portfolio at 31/12/2023 was €736.9 million, down by €3.0 million (-0.4%) excluding investments compared to its value at 30/09/2023. Note that, in addition to this change in value excluding investments, the Jemappes commercial site in Belgium was transferred (for €8.3 million) under the heading of assets held for sale, because a sale agreement with conditions precedent removed was signed before the end of the period. Finally, the Company made investments in its portfolio amounting to €0.2 million.

Other non-current assets and current financial assets mainly include, according to their maturity, the portfolio of hedging instruments benefiting from positive values totalling €20.1 million at 31/12/2023. It should be noted that some hedging instruments saw their value go into negative territory during the past quarter. With a total negative value of -€1,2 million, they have since been transferred to other current financial liabilities.

The Company's equity was €438.7 million at 31/12/2023, compared with €444.8 million at 30/09/2023. This slight decrease is attributable to the negative net income generated during the past quarter. Note that the equity includes the dividend for financial year 2022/2023 (€4.15 per share / €27.4 million) approved after the reporting period by the ordinary general meeting of shareholders and distributed at the beginning of February 2024. At 31/12/2023, the net asset value per share in IFRS terms was €66.52, while the EPRA NTA per share was €64.54 (as against €67.43 and €63.59 respectively at 30/09/2023).

Lastly, total financial debt (current and non-current) amounted to €318.6 million at 31/12/2023, compared with €320.5 million at 30/09/2023. At 31/12/2023, the residual duration of financial debt was 3.2 years (compared to 3.4 years at 30/09/2023), while average financial debt was €318 million at 31/12/2023, compared to €326 million at 30/09/2023.

Taking into account this financing structure, the Company has €108 million in unutilised lines of credit, available (i) to cover all its outstanding commercial paper issues (€27.0 million), (ii) to finance the distribution of the next dividend, and (iii) to participate in the financing of operational activities and any possible acquisitions.

At 31/12/2023, the EPRA LTV and the debt ratio according to the SIR Royal Decree stood at 42.9% and 43.3% respectively (vs 43.4%, and 44.0% at 30/09/2023).

EVENT AFTER THE REPORTING PERIOD

On 11 January 2024, Ascencio sold its retail complex of approximately 10,000 m² located in Jemappes (Belgium) for a net amount of €8.55 million, broadly in line with the fair value determined by the independent expert. This sale is part of the ongoing revaluation of the property portfolio being undertaken by the Company.

OUTLOOK

In this context characterised by inflation returning to more reasonable levels and interest rates tending to stabilise towards a new equilibrium point, which should bring greater serenity to the financial markets, Ascencio is pursuing its strategy of proactive management of its property portfolio, with the priority being to anticipate the needs of its retailers, while remaining ready to seize any investment opportunities that may arise. However, such opportunities must meet the investment criteria set by Ascencio, both in terms of the intrinsic qualities of the assets being considered (in terms of location, retail mix, ESG performance, etc.) and in terms of the financial structuring of potential acquisitions; this should make it possible to maintain the solidity of the balance sheet and the Company's liquidity position.

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ABOUT ASCENCIO

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

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

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

The fair value of its portfolio amounts to approximately €740 million, spread over more than 100 properties with a total surface area of approximately 450,000 m² and generating rental income of around €50 million a year. Ascencio SA is listed on Euronext Brussels. Its stock market capitalisation amounted to €330 million at 31/12/2023.

For more information, please visit www.ascencio.be.