



## STATEMENT OF THE STATUTORY MANAGER CONSOLIDATED RESULTS FOR FINANCIAL YEAR 2018-2019



### Regulated information

22 November 2019 – Under embargo until 5.40 p.m.

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### DIVIDEND UP BY 2.9 %

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#### OPERATING RESULTS

- **Rental income** : €41.59 million, up by 1.5 %
- **EPRA Earnings** : €28.63 million, up by 7.11 %
- **Sharp decrease in average cost of debt** : 1.87 %, compared with 2.69 % at 30/09/2018

#### EARNINGS PER SHARE

- **EPRA Earnings<sup>1</sup>** : €4.34 per share, compared with €4.05 per share at 30/09/2018
- **EPRA NAV** : €57.13 per share, compared with €56.34 per share at 30/09/2018

#### PROPERTY PORTFOLIO

- **Fair value** : €622.9 million (€619.0 million at 30/09/2018)
- **Occupancy rate** : 97.3 %, unchanged from 30/09/2018

#### FINANCIAL STRUCTURE

- **Debt ratio<sup>2</sup>** : 40.5 % at 30/09/2019
- Remaining **investment capacity** of more than €121 million before debt ratio reaches 50 % (before appropriation of profit).

#### DIVIDEND FOR THE 2018/2019 FINANCIAL YEAR

- It is proposed to distribute a gross dividend of €3.50 per share, up by 2.9 %

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<sup>1</sup> Alternative Performance Measure (APM). See pages 8 and 9.

<sup>2</sup> Debt ratio calculated in accordance with the Royal Decree of 28 April 2018 on Regulated Real Estate Companies.

## Consolidated results for financial year 2018/2019

CONSOLIDATED RESULTS (€000s)	30/09/2019	30/09/2018
<b>RENTAL INCOME</b>	<b>41,585</b>	<b>40,954</b>
Rental related charges	-225	50
Taxes and charges not recovered	-162	-120
<b>PROPERTY RESULT</b>	<b>41,198</b>	<b>40,884</b>
Property charges	-3,585	-2,575
Corporate overheads	-3,807	-4,383
Other income and operating costs	73	-15
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>33,879</b>	<b>33,912</b>
<i>Operating margin (*)</i>	<b>81.5%</b>	<b>82.8%</b>
Financial income	0	0
Net interest charges	-4,376	-6,370
Other financial charges	-388	-410
Taxes	-488	-404
<b>EPRA EARNINGS</b>	<b>28,628</b>	<b>26,728</b>
Net gains and losses on disposals of investment properties	963	-15
Change in the fair value of investment properties	-399	4,141
Other result on the portfolio	0	0
<b>Portfolio result</b>	<b>564</b>	<b>4,126</b>
<b>Change in fair value of financial assets and liabilities</b>	<b>-8,570</b>	<b>3,292</b>
<b>Exit Tax</b>	<b>969</b>	<b>0</b>
<b>Taxes on net gains and losses on disposals of investment properties</b>	<b>0</b>	<b>0</b>
<b>Deferred tax</b>	<b>-242</b>	<b>-122</b>
<b>NET RESULT</b>	<b>21,348</b>	<b>34,024</b>

(\*) Alternative Performance Measure (APM). See pages 8 and 9.

**Rental income** for the year was up by 1.5 % at €41.59 million compared with €40.95 million for the previous financial year.

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

RENTAL INCOME (€000S)	30/09/2019		30/09/2018	
Belgium	25,435	61%	25,240	62%
France	14,224	34%	13,803	34%
Spain	1,926	5%	1,912	5%
<b>TOTAL</b>	<b>41,585</b>	<b>100%</b>	<b>40,955</b>	<b>100%</b>

On a like-for-like basis (at constant scope) rental income on the whole portfolio was up by 0.6 %. By country, the change at constant scope was as follows :

- Belgium: +0.5 %
- France: +0.8 %
- Spain: +0.7 %

The **property result** amounted to €41.2 million (+ 0.8 % compared to 30 September 2018).

After deduction of property charges and corporate overheads, the **operating result before result on portfolio** was €33.88 million (€33.91 million for the year to 30 September 2018). The **operating margin**<sup>3</sup> came to 81.5 %.

The decline in general expenses for the year ended 30 September 2019 relative to the previous year is linked to due diligence costs of a major investment project studied during the third quarter of the previous financial year which did not come to fruition. These non-recurring costs had amounted to €0.82 million.

**Net interest charges**, including the cash flows generated by interest rate hedging instruments, amounted to €4.38 million (- 31.3 % compared to 30 September 2018).

The **average cost of debt**<sup>3</sup> (1.87 % including margins and the cost of hedging instruments) was down significantly compared with the year ended 30 September 2018 (2.69 %).

Thanks to the interest rate hedging policy put in place, the Group's hedging ratio<sup>4</sup> is currently 87 % and based on the current level of debt it will be above 80 % for the next five financial years.

After deduction of the tax charge on French and Spanish assets, **EPRA Earnings** amounted to €28.63 million for the year to 30 September 2019, which was 7.1 % more than in the year ended 30 September 2018.

Non-monetary items in the income statement comprised :

- - €0.4 million representing the change in fair value of investment properties (IAS 40) as a result of the higher appraisal values of the properties ;
- - €8.6 million increase in the fair value of interest rate hedging instruments (IAS 39) ;
- - €0.2 million of deferred taxation (5 % withheld at source) on unrealised capital gains on French assets.

**Net result** came to €21.35 million, compared with €34.02 million for the year ended 30 September 2018.

<sup>3</sup> Alternative Performance Measure (APM). See pages 8 and 9.

<sup>4</sup> Hedging ratio = (Fixed rate debt + Notional amount of interest rate hedging instruments)/Total financial debt.

## Consolidated balance sheet at 30 September 2019

CONSOLIDATED BALANCE SHEET (€000S)	30/09/2019	30/09/2018
<b>ASSETS</b>	<b>635,806</b>	<b>631,258</b>
Investment properties	622,894	619,029
Other non-current assets	1,736	2,193
Assets held for sale	847	0
Trade receivables	4,107	4,307
Cash and cash equivalents	4,650	4,027
Other current assets	1,573	1,703
<b>EQUITY AND LIABILITIES</b>	<b>635,806</b>	<b>631,258</b>
Equity	363,124	364,026
Non-current financial debts	165,742	132,772
Other non-current liabilities	14,689	6,898
Deferred tax	903	3,357
Current financial debts	81,430	114,698
Other current liabilities	9,918	9,508
<b>DEBT RATIO (*)</b>	<b>40.5%</b>	<b>40.8%</b>

(\*) Calculated in accordance with the Royal Decree of 13 July 2014, as amended by the Royal Decree of 23 April 2018, on B-REITs.

### Assets

At 30 September 2019, investment property was measured at its fair value (as defined by IAS 40) for an amount of €622.9 million. This represents 98.0 % of consolidated assets, of which

- €375.7 million for properties located in Belgium;
- €214.5 million for properties located in France;
- €32.8 million for properties located in Spain.

### Equity & Liabilities

Financial debt amounted to €247.2 million (compared with €247.5 million at 30 September 2018), of which

- €165.7 million at more than one year;
- €81.4 million at less than one year.

Financial debts at less than one year consisted of :

- an amount of €50.0 million in commercial paper issued under a €50.0 million programme put in place in June 2016 with a view to reducing the Company's average cost of financing;
- €31.4 million in credit lines expiring during financial year 2018/2019.

The Company's debt ratio stood at 40.5 % at 30 September 2019 as against 40.8 % at 30 September 2018.

At 30 September 2019, Ascencio still had investment capacity of some €121 million before reaching the 50 % debt ratio threshold (before appropriation of profit).

## Property portfolio at 30 September 2019

The fair value of the property portfolio stood at €622.9 million at 30 September 2019, compared with €619.0 million at 30 September 2018.

(€000S)	30/09/2019	30/09/2018
<b>BALANCE AT BEGINNING OF THE PERIOD</b>	<b>619,029</b>	<b>613,317</b>
Acquisitions	10,427	4,930
Disposals	-5,316	-3,359
Transfer from assets held for sale	-847	0
Change in fair value	-399	4,141
<b>BALANCE AT THE END OF THE PERIOD</b>	<b>622,894</b>	<b>619,029</b>

### Investments during the financial year :

During the year Ascencio acquired nine newly constructed retail areas representing a total of 4,350 m<sup>2</sup>, in the "Parc des Drapeaux" Retail Park in Caen, where it already held 19,629 m<sup>2</sup>.

This investment, totalling €10 million, enables Ascencio to strengthen its control of the Retail Park, which rises from 60 % to more than 70 % of the retail areas, and to welcome some new strong brands, namely Marie Blachère, Celio, Jennyfer, Krys, Promod, Vertbaudet, Tape à l'Oeil, Armand Thiery and Besson Chaussures. This transaction generates indexed gross annual income for Ascencio of close to €558,000.

The Parc des Drapeaux, next to the Cora hypermarket, to the west of Caen (Rots), has an occupancy rate of 100 %. Ever since its opening in 2011 it has been a great commercial success and attracted sustained interest on the part of numerous brands.

### Divestments during the financial year :

On 26 February 2019 Ascencio sold the Le Pontet Retail Park in France for an amount of €4 million not including duty. This Retail Park, with an area of 3,585 m<sup>2</sup>, has an occupancy rate of 100 % and is occupied by Basic-Fit, Pacific Pêche and the health food chain Satoriz.

On 24 June 2019 Ascencio also sold the Deurne site, a stand-alone of 3,980 m<sup>2</sup> which had been unoccupied for several years, for an amount of €2.5 million not including duty.

On 25 September 2019 Ascencio signed a promise to sell the site occupied by a Carrefour Market (Mestdagh Group) in Gosselies. At 30 September 2019, this property was transferred to held-for-sale assets.

These three sales were carried out as part of Ascencio's investment switching policy.

### Change in value on a like-for-like basis :

On a like-for-like basis (at constant scope), the fair value of the property portfolio held steady (-0.01%) relative to 30 September 2018.

## Geographical distribution of the portfolio :

At 30 September 2019, the breakdown of the portfolio (not counting development projects) 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	385,080	375,664 60.3%	26,054	96.2%	6.77%
France	227,240	214,480 34.4%	14,431	98.9%	6.35%
Spain	33,852	32,750 5.3%	1,949	100.0%	5.76%
<b>TOTAL</b>	<b>646,172</b>	<b>622,894 100%</b>	<b>42,433</b>	<b>97.3%</b>	<b>6.57%</b>

At 30 September 2019, the occupancy rate of the portfolio stood at 97.3 %, unchanged from that of 30 September 2018.

## Consolidated data per share

NUMBER OF SHARES	<b>30/09/2019</b>	<b>30/09/2018</b>
<b>Weighted average number of shares</b>	<b>6,595,985</b>	<b>6,595,985</b>
<b>Total number of shares issued</b>	<b>6,595,985</b>	<b>6,595,985</b>
CONSOLIDATED RESULT PER SHARE (euros)	<b>30/09/2019</b>	<b>30/09/2018</b>
<b>EPRA Earnings per share (euros)</b>	<b>4.34</b>	<b>4.05</b>
<b>Earnings per share (EPS) (euros)</b>	<b>3.24</b>	<b>5.16</b>
	<b>30/09/2019</b>	<b>30/09/2018</b>
Net asset value (NAV) (€000S)	363,124	364,026
<b>NAV per share (EUR)</b>	<b>55.05</b>	<b>55.19</b>
Restatements:		
Deferred tax (€000S)	903	3,357
Fair value of financial instruments (IRS & CAP) (€000S)	12,800	4,238
<b>Net asset value EPRA (€000S)</b>	<b>376,826</b>	<b>371,620</b>
Number of shares	6,595,985	6,595,985
<b>Net asset value EPRA per share (€000S)</b>	<b>57.13</b>	<b>56.34</b>

## Statutory auditor's opinion

The Auditor has confirmed that its revision has been substantially completed and has not revealed any material correction to be made to the financial information included in this press release.

## Appropriation of results for financial year 2018/2019

In view of the results for the financial year 2018/2019, the statutory manager will propose to the AGM of 31 January 2020 that a gross dividend of €3.50 per share be distributed, which is 2.9 % more than for the previous financial year.

## 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 relatively resilient and defensive food sector at not less than 25 %.

Ascencio's inclusion in the EPRA index since March 2019 reinforces its position on the financial markets.

Focused on growth, Ascencio wishes to develop its investment policy taking market cycles into account. The pressure currently experienced in the retail sector makes investment decisions more complex and imposes great rigour in the selection of assets.

## Financial calendar<sup>5</sup>

Ordinary general meeting	31 January 2020 at 2.30 p.m.
Interim statement as at 31 December 2019	6 March 2020
Semi-annual financial report as at 31 March 2020	12 June 2020
Interim statement as at 30 June 2020	7 August 2020
Annual press release as at 30 September 2020	27 November 2020
Ordinary general meeting	29 January 2021 at 2.30 p.m.

For more detailed information, this press release must be read in conjunction with the annual report for the year ended 30 September 2019, which will be available on our website [www.ascencio.be](http://www.ascencio.be) not later than one month before the ordinary general meeting of shareholders of 31 January 2020.

For any additional information :

### **Stéphanie Vanden Broecke**

Secretary General & General Counsel  
Tel. +32 (0)71.91.95.00  
[stephanie.vandenbroecke@ascencio.be](mailto:stephanie.vandenbroecke@ascencio.be)

### **Michèle Delvaux**

Chief Financial Officer  
Tel. +32 (0)71.91.95.00  
[michele.delvaux@ascencio.be](mailto:michele.delvaux@ascencio.be)

### **Vincent H. Querton**

Chief Executive Officer  
Tel. +32 (0)71.91.95.00  
[vincent.querton@ascencio.be](mailto:vincent.querton@ascencio.be)

<sup>5</sup> These dates are subject to change.

## 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 2017/2018 Annual Report, which is available on Ascencio's website ([www.ascencio.be](http://www.ascencio.be)).

### Operating margin

		30/09/2019	30/09/2018
Operating result before result on portfolio (€000S)	= A	33,879	33,912
Rental income (€000S)	= B	41,585	40,954
<b>OPERATING MARGIN</b>	<b>= A / B</b>	<b>81.5%</b>	<b>82.8%</b>

### Average cost of debt

		30/09/2019	30/09/2018
Net interest charges (heading XXI) (€000S)		4,376	6,370
Commissions on undrawn balances under credit facilities		313	331
Opening commission and charges for credit facilities		33	37
Change in fair value of caps		17	62
<b>TOTAL COST OF FINANCIAL DEBTS</b>	<b>= A</b>	<b>4,739</b>	<b>6,800</b>
<b>WEIGHTED AVERAGE DEBT FOR THE PERIOD</b>	<b>= B</b>	<b>252,755</b>	<b>253,138</b>
<b>AVERAGE COST OF DEBT</b>	<b>= A / B</b>	<b>1.87%</b>	<b>2.69%</b>

### Hedging ratio

(€000S)		30/09/2019	30/09/2018
Fixed-rate financial debts		53,035	55,000
Variable-rate financial debts converted into fixed-rate debts by means of IRS		107,500	112,500
Variable-rate financial debts converted into capped-rate debts by means of caps.		55,000	55,000
<b>TOTAL FIXED RATE OR CAPPED FINANCIAL DEBTS</b>	<b>= A</b>	<b>215,535</b>	<b>222,500</b>
<b>TOTAL VARIABLE RATE FINANCIAL DEBTS</b>		<b>31,636</b>	<b>24,969</b>
<b>TOTAL FINANCIAL DEBTS</b>	<b>= B</b>	<b>247,172</b>	<b>247,469</b>
<b>HEDGING RATIO</b>	<b>= A / B</b>	<b>87.20%</b>	<b>89.91%</b>



## EPRA KEY PERFORMANCE INDICATORS

### EPRA EARNINGS

(€000s)	30/09/2019	30/09/2018
<b>EARNINGS (OWNERS OF THE PARENT) PER IFRS INCOME STATEMENT</b>	<b>21,348</b>	<b>34,024</b>
<b>ADJUSTMENTS TO CALCULATE EPRA EARNINGS</b>	<b>7,279</b>	<b>-7,296</b>
(i) Change in value of investment properties, development properties held for investment and other interests	399	-4,141
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-963	15
(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	8,570	-3,292
(vii) Acquisition costs on share deals and non-controlling joint venture interests (IFRS 3)	-969	0
(viii) Deferred tax in respect of EPRA adjustments	242	122
(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>28,628</b>	<b>26,728</b>
Number of shares	6,595,985	6,595,985
<b>EPRA EARNINGS PER SHARE (EPRA EPS - €/SHARE) (OWNERS OF THE PARENT)</b>	<b>4.34</b>	<b>4.05</b>

### EPRA NAV

(€000s)	30/09/2019	30/09/2018
<b>NAV PER THE FINANCIALS STATEMENTS (OWNERS OF THE PARENT)</b>	<b>363,124</b>	<b>364,026</b>
Number of shares	6,595,985	6,595,985
<b>NAV PER THE FINANCIALS STATEMENTS (€/SHARE) (OWNERS OF THE PARENT)</b>	<b>55.05</b>	<b>55.19</b>
Effect of exercise of options, convertibles and other equity interests (diluted basis)	0	0
<b>DILUTED NAV, AFTER THE EXERCISE OF OPTIONS, CONVERTIBLES AND OTHER EQUITY INTERESTS</b>	<b>363,124</b>	<b>364,026</b>
<b>Include :</b>		
(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
<b>Exclude :</b>		
(iv) Fair value of financial instruments	12,800	4,238
(v.a) Deferred tax	903	3,357
(v.b) Goodwill as a result of deferred tax	0	0
<b>Include/exclude :</b>		
Adjustments (i) to (v) in respect of joint venture interests	0	0
<b>EPRA NAV (OWNERS OF THE PARENT)</b>	<b>376,827</b>	<b>371,620</b>
Number of shares	6,595,985	6,595,985
<b>EPRA NAV PER SHARE (€/SHARE) (OWNERS OF THE PARENT)</b>	<b>57.13</b>	<b>56.34</b>