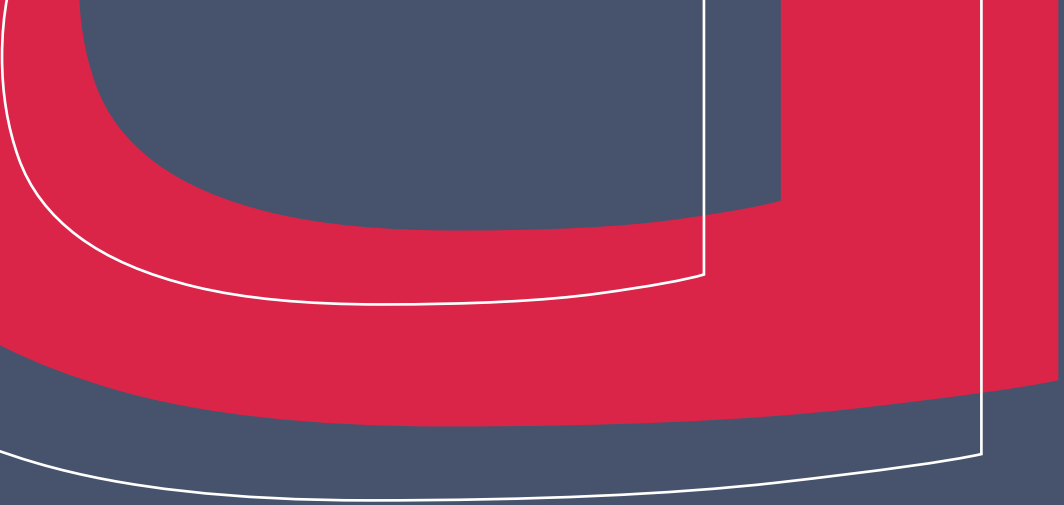




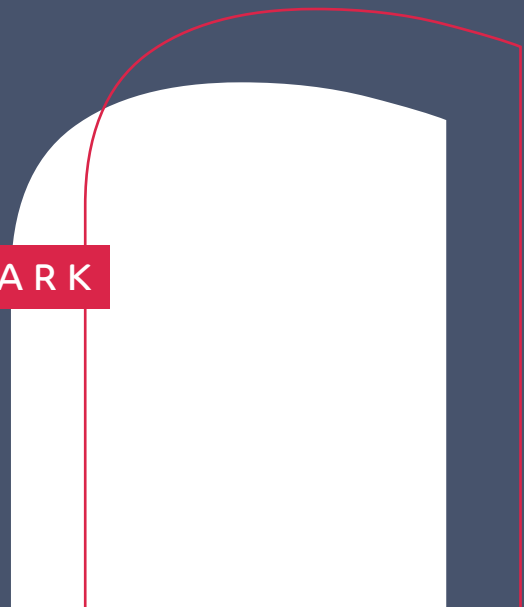
ANNUAL REPORT 2020



RETAIL

POSITIVE MIND

RETAIL PARK



REAL ESTATE

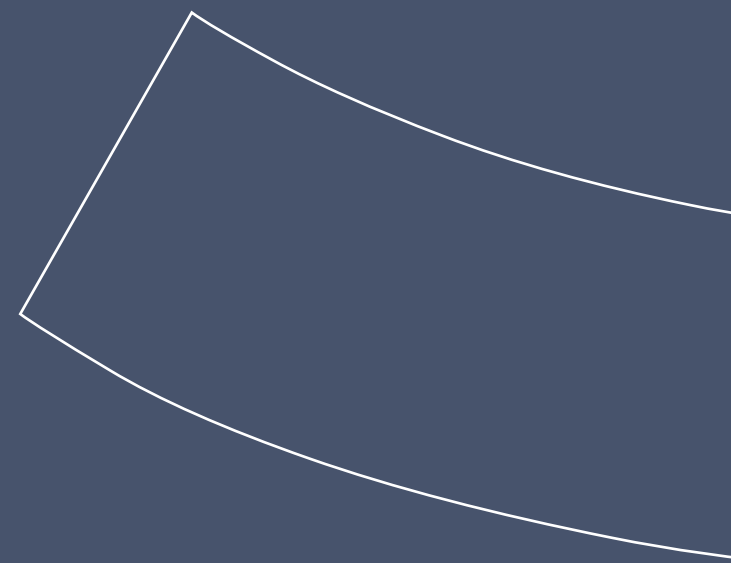
OMNICHANALITY

CONNECTED

AMBITION

SUPERMARKETS

URBAN
PERIPHERIES



Contents

- 06 — LETTER TO THE SHAREHOLDERS
- 08 — ABOUT ASCENCIO
- 12 — MANAGEMENT REPORT
 - 14 — History and highlights of the financial year
 - 19 — Key figures
 - 22 — Strategy
 - 24 — Activity report
 - 25 — Real estate report
 - 64 — Experts' report
 - 67 — Summary of consolidated financial statements
 - 78 — EPRA
 - 86 — Ascencio on the stock exchange
 - 90 — Corporate governance declaration
- 124 — FINANCIAL REPORT
 - 128 — Consolidated financial statements
 - 184 — Statutory accounts
 - 190 — Glossary of Alternative Performance Measures
- 194 — RISK FACTORS
- 204 — GENERAL INFORMATION
 - 206 — Identification
 - 213 — Legal framework
 - 217 — Declarations
- 220 — GLOSSARY



LETTER TO THE SHAREHOLDERS

Dear Shareholders,

The 2019/2020 financial year was indisputably characterised by the COVID-19 pandemic. The first half of our financial year went by in a context of gradual deterioration. In mid-March 2020, this crisis obliged the governments of most European countries to enforce shop closures, with the exception of those selling food and certain other essential goods and services. In this difficult context Ascencio performed remarkably well, with further growth of its portfolio and responsible management of its retail clients.

At the beginning of March, as part of a selective investment policy, Ascencio made a significant investment of €85.2 million in five food supermarkets in the south-east of France. This transaction illustrates Ascencio's determination to consolidate and diversify its exposure to the food sector. The food sector is in its DNA and constitutes an essential and strategic component of its portfolio (40%).

In response to the lockdown of April and May, Ascencio held constructive dialogues with its non-food retail tenants with a view to helping them face the challenges posed by this crisis. Ascencio offered to stagger or partially cancel the April and May rentals of its non-food clients who were badly affected by the crisis. The impact of this lockdown amounted to €1.64 million, or 3.7% of rental income for the year.

This crisis highlighted the quality of Ascencio's hybrid portfolio composed of supermarkets and out-of-town retail parks. The retail parks, unlike high street shops and shopping

centres, have a "corona-safe" profile. This allowed out-of-town retailers to recover quickly and catch up on non-seasonal consumption. Thanks to their locations, ample parking, attractive rent, and flexible commercial space, out-of-town retail places give retailers the edge they need in terms of financial and operational agility in order to develop their omnicanality.

The quality, solidity and growth of this hybrid portfolio have allowed Ascencio to offer its shareholders an increase in the dividend of 4.3% for this past financial year 2019/2020, with EPRA revenues up by 2.8% on the previous year. Despite the economic outlook, which remains difficult, Ascencio should be able to continue to perform and to seize new opportunities in the context of its selective investment policy.

We thank you for the trust you have placed in us. Yours sincerely,



Carl Mestdagh
Chairman of the Board
of Directors

□ □ The quality, solidity and growth of this hybrid portfolio have allowed Ascencio to offer its shareholders an increase in the dividend of 4.3%, with EPRA revenues up by 2.8% on the previous year.



Vincent H. Querton
Chief Executive Officer

ABOUT ASCENCIO

ASCENCIO, A REGULATED REAL ESTATE COMPANY (OR “BELGIAN REIT”), IS A REAL ESTATE INVESTOR SPECIALISING IN SUPERMARKETS AND RETAIL PARKS¹.

The Company has a hybrid portfolio consisting mainly of retail parks and food stand-alones in excellent locations.

Always looking to the future, Ascencio invests in assets that meet the expectations of the consumers of today and tomorrow, paying particular attention to the retail mix, flexibility of spaces, their ability to respond to the increasingly omnichannel nature of retail and offering easy access and parking.

The Company is active in Belgium, France and Spain.

Its portfolio, valued at €690 million, consists of approximately one hundred properties, with a total surface of 444,336 m².

Ascencio stock has been listed on Euronext Brussels since 2007. Its stock market capitalisation amounted to €276 million at 30 September 2020.

In France, Ascencio has opted for the SIIC regime, while in Spain Ascencio SCA has established a subsidiary in respect of which it is awaiting a reply from the tax authorities to its application for a similar regime, that of “SOCIMI”².

¹ Ascencio is a Regulated Public Real Estate Company (Société Immobilière Réglementée Publique or “SIRP”, also referred to as a Belgian REIT (real estate investment trust) or “B-REIT”) incorporated under Belgian law, subject to the Law of 12 May 2014 as amended by the Law of 22 October 2017 and the Royal Order of 13 July 2014 on regulated real estate companies as amended by the Royal Order of 23 April 2018 (the “SIR law” or the “B-REITs Act”).

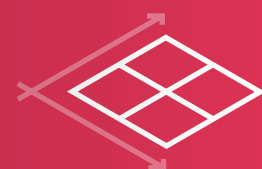
² Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (listed real estate investment companies).



€690 MILLION
VALUE OF THE
PORTFOLIO



€276 MILLION
STOCK MARKET
CAPITALISATION



444,336 M²
PORTFOLIO
SURFACE AREA



98% OCCUPANCY
RATE

MAIN ASSETS

FOOD SECTOR
(40% of rental income)



STRATEGIC
LOCATIONS



MEETING CONSUMERS'
PRIMARY NEEDS



LIMITED IMPACT
OF E-COMMERCE



OUR
PRESENCE



RETAIL PARKS



OPEN AIR
SHOPPING



RETAIL MIX



GOOD RENTAL TO
REVENUE RATIO FOR
RETAILERS



GOOD CONVERSION
RATE



ACCESSIBILITY AND
AMPLE FREE PARKING



SIZE AND FLEXIBILITY
OF RETAIL SPACES

Management report



HISTORY AND HIGHLIGHTS

2020 —

Acquisition of five Casino food supermarkets in the south-east of France for €85.2 million.

2019 —

Acquisition of three retail spaces in the “Parc des Drapeaux” retail park in Caen (France).

Renewal of the Grand Frais leases expiring on 31 March 2019 representing a total of 13 stores.

Ascencio entered the FTSE EPRA Nareit Developed Europe Index, which brings together a large number of real estate companies listed in Europe.

2013 —

Acquisition of some 30 retail units spread over five sites adjoining Cora shopping centres in Anderlecht, Châtelaineau, La Louvière, Messancy and Rocourt, Belgium.

2014 —

Ascencio is approved as a public SIR (Société Immobilière Réglementée, public Regulated Real Estate Company or public B-REIT).

Capital increase of €81,502,605.

2012 —

Capital increase of €2,425,282 on 17 December 2012 by means of contribution in kind of five properties.

Acquisition of the “Parc des Drapeaux” retail park in Caen, France.

2018 —

Acquisition of six retail spaces representing a total surface area of 1,950 m² in the “Parc des Drapeaux” retail park in Caen, France.

2016 —

Acquisition of the “Les Papeteries de Genva” commercial area, Genva, Belgium, with more than 30 tenants.

First investment in Spain with the acquisition of three Worten stores located in the best retail parks in Madrid, Barcelona and Valencia.

2015 —

Acquisition of the 15,000 m² Bellefleur retail park in Couillet, Belgium.

2011 —

Acquisition of the “Parc des Bouchardes” retail park near Macon, France.

Acquisition of the “Les Cyprès” retail park project in the Montpellier region, in Saint-Aunès, France.

2010 —

Acquisition of seven stores operated by the innovative “Grand Frais” brand in France.

2006-2007 —

Creation of Ascencio.

Approval as a SICAFI (fixed-capital real estate investment company).

Ascencio was listed on the stock exchange for the first time.



HIGHLIGHTS OF THE FINANCIAL YEAR

— INVESTMENT

At the beginning of March Ascencio acquired five separate assets for a total investment amount of €85.2 million.

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

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

Operated by the Casino Group, one of the major players in the French food retail sector, they are all on 12-year leases with eight years firm remaining, which produce total annual rental revenues of €4,606 million.

This acquisition, in line with Ascencio's strategy, strengthens its exposure to the food sector.

— DIVESTMENT

On 23 December 2019 Ascencio sold the retail site located at Gosselies and operated by a Carrefour Market for which a commitment to sell had been given in September 2019.

— COVID-19 PANDEMIC

Calendar year 2020 has been marked by an unprecedented health crisis linked to the worldwide spread of the COVID-19 virus.

In mid-March 2020, many countries' governments ordered shops to close, with the exception of those selling food and certain other essential goods and services. This was notably the case in Belgium, France and Spain.

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

The health crisis did not affect Ascencio's results for the first half-year ended 31 March 2020. Since rentals are invoiced and payable in advance, overdue payments at 31 March 2020 caused by the COVID-19 crisis were not significant, and did not lead to any reduction in value at that date.

However, many retailers (except for the food sector) have encountered cash flow difficulties and have suspended payment of their rentals.

In this context, Ascencio held responsible dialogues with each of its non-food tenants, with a view to helping them face the challenges of the crisis, case by case depending on the specific difficulties they faced and their own financial capacity. Ascencio offered to stagger and/or partly cancel rent payments for April and May for non-food tenants whose business was

badly affected by the crisis. However, tenants that were unaffected or affected only slightly did not receive any support measures. Such was the case in particular of the supermarkets and shops selling basic necessities, which remained open throughout the lockdown.

By 30 September 2020, Ascencio had reached agreement with all of its Belgian and Spanish tenants. In France, an agreement was signed with a large number of tenants. Regarding those tenants with whom negotiations were ongoing at 30 September 2020, Ascencio estimated the amount of rent cancellations still to be granted, recording credit notes to be drafted on the basis of this estimated amount. At 30 September 2020, Ascencio estimates that the impact of the COVID-19 crisis on its rental revenue for the financial year amounts to €1.64 million, corresponding to partial cancellations of rent for April and May 2020 for certain tenants.

The health crisis also exacerbated the difficulties of certain brands which are now in administration or were declared bankrupt, including Orchestra and Brantano.

The quality of location of Ascencio's properties allowed the Company substantially to limit the effects on its results caused by these tenants in difficulties. Indeed, with the exception of six sites, all the tenants in administration have decided as part of their continuity plans to continue operating the shops in the Ascencio portfolio. In particular, four of the five Orchestra stores in Ascencio's portfolio are continuing their activities. As regards Brantano, Ascencio owns only one of the chain's stores, and the store has already been re-let to another brand.

The resilience and defensive nature of Ascencio's portfolio shone through in the context of the health crisis.

The food retail sector was able to continue its activities during the crisis and accounts for 39.6% of Ascencio's annual contractual rental revenue. 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.

The DIY, garden centre, electronic and multi-media sectors also represent an important base of the portfolio, with 16.1% of annual rental revenue. These sectors suffered relatively little from the crisis.

Furthermore, commercial sites located out-of-town are particularly attractive in times of health crisis, since open-air shopping seems reassuring. In addition, since rents and charges are lower at these out-of-town sites, they offer retailers lower ratios of income than downtown sites or shopping centres.

Despite the health crisis, Ascencio ended the 2019/2020 financial year with improved results, both in terms of rental income (+7.1% before COVID impact) and EPRA result (+2.8%).

— SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

During October 2020, faced with the renewed resurgence of the epidemic in Europe, the governments of various countries imposed new measures aimed at combating the spread of the virus, measures which notably affect shops. Depending on the country, or indeed the region, retailers have had to either temporarily close their shops once again, adapt the sales area or limit customer access to the shelves of products considered essential.

Many retailers have put in place or reinforced alternative modes of shopping such as buying by telephone, “click & collect” and drive-through, thus highlighting even more the importance of an omnichannel approach.

However at this stage it is not possible for Ascencio to estimate the impact of this second lockdown on the results of its tenants and consequently on its own results. Obviously it will involve having responsible and transparent dialogues with each retailer.

RESEARCH AND DEVELOPMENT

Ascencio has no research and development activity.

RISKS AND UNCERTAINTIES

The main risks and uncertainties are set out at the end of the report.

USE OF FINANCIAL INSTRUMENTS

Ascencio’s financial management aims to ensure its permanent access to credits and to monitor and minimise the interest rate risk.

The use of financial instruments (which is the subject of the “financial risks” sub-section in the “risk factors” chapter of this annual report) is detailed in the Notes to the Consolidated Financial Statements. The following matters are dealt with there: structure of debt, interest rate risk, risk associated with changes in credit margins, financial liquidity risk, financial counterparty risk and the risk associated with obligations contained in financing agreements.

KEY FIGURES

	30/09/2020	30/09/2019	30/09/2018
DISTRIBUTION OF THE PORTFOLIO (% OF FAIR VALUE)			
Belgium	53.3%	60.4%	61.4%
France	42.4%	34.4%	33.2%
Spain	4.3%	5.3%	5.4%
VALUE OF THE ASSETS (€000s)¹			
Fair value	690,481	623,741	619,029
Investment value	719,852	647,040	642,266
CONSOLIDATED RESULTS (€000S)			
Property result	42,148	41,198	40,884
Operating result before result on portfolio	35,551	33,879	33,912
Operating result after result on portfolio	14,990	34,443	38,038
EPRA Earnings	29,420	28,628	26,728
Net result	9,246	21,348	34,024
Gross dividend	24,075	23,086	22,426
CONSOLIDATED RESULTS PER SHARE (€)			
Weighted average number of shares in circulation	6,595,985	6,595,985	6,595,985
Property result	6.39	6.25	6.20
Operating result before result on portfolio	5.39	5.14	5.14
Operating result after result on portfolio	2.27	5.22	5.77
EPRA Earnings	4.46	4.34	4.05
Net result	1.40	3.24	5.16
Gross dividend ²	3.65	3.50	3.40
Net dividend ³	2.55	2.45	2.38
CONSOLIDATED BALANCE SHEET (€000s)			
Equity	349,130	363,124	364,026
Debts and other liabilities included in the debt ratio	347,832	257,406	257,389
Debt ratio ⁴	48.74%	40.49%	40.81%
Total number of shares in existence at balance sheet date	6,595,985	6,595,985	6,595,985
Net asset value EPRA per share (in euros)	54.95	57.13	56.34

¹ Including development projects and assets held for sale; excluding IFRS 16 (right-of-use of land).

² For 2019/2020, this concerns the dividend proposed to the General Meeting of Shareholders to be held on 29/01/2021.

³ Based on withholding tax of 30%.

⁴ Debt ratio calculated in accordance with the Royal Decree of 13/07/2014, as amended by the Royal Decree of 23/04/2018, on B-REITs.

€44.5 MILLION
ANNUAL RENTAL
INCOMES

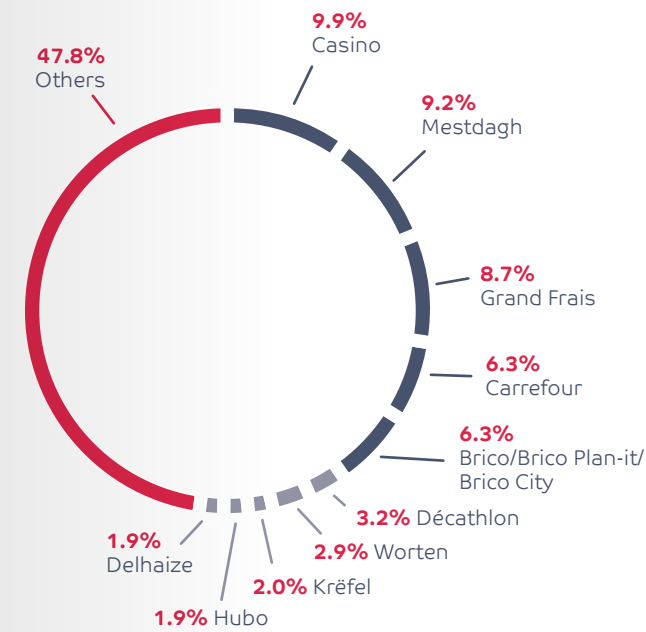
PORTFOLIO
GROWTH
(€ millions)



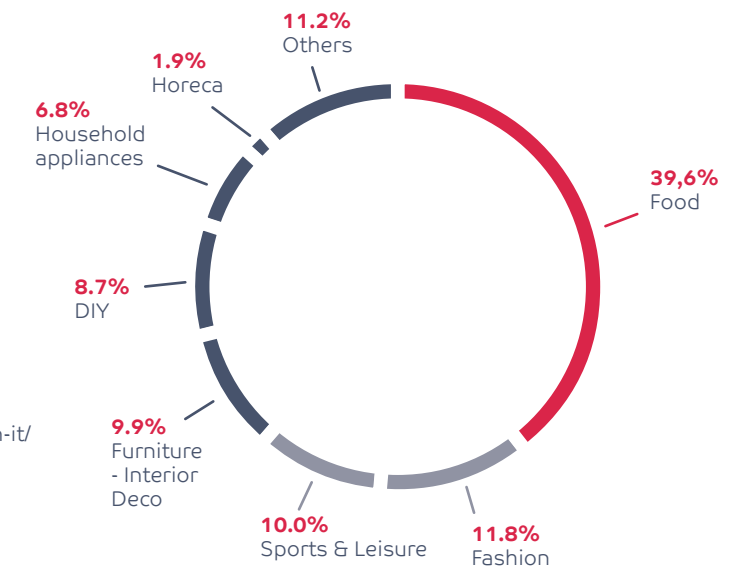
€3.65
GROSS PER SHARE
REGULAR GROWTH
OF DIVIDENDS

€29.4 MILLION
EPRA EARNINGS

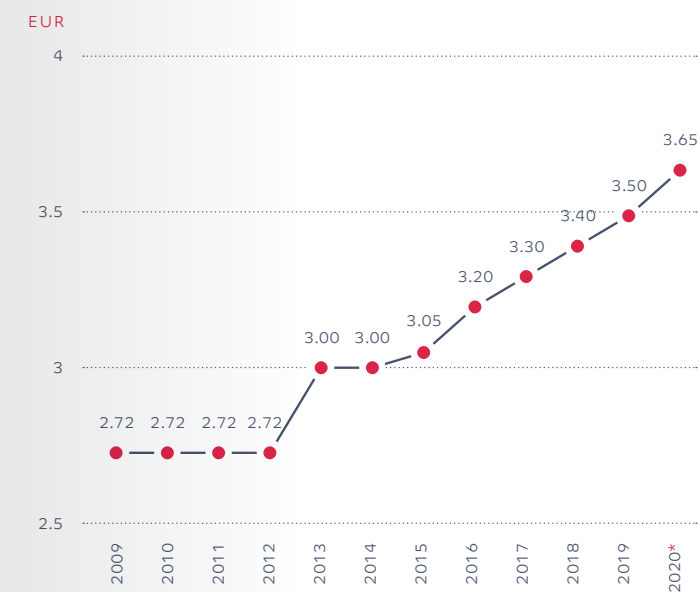
TOP 10
TENANTS



COMPLEMENTARY
SECTORS



GROWTH IN GROSS DIVIDEND
PER SHARE



* For 2019/2020, this concerns the dividend proposed to the General Meeting of Shareholders to be held on 29/01/2021.

105 
PROPERTIES

285 
TENANTS

STRATEGY — OUT-OF-TOWN RETAIL REAL ESTATE

— CHANGING CONSUMER HABITS

In its reflections on strategy, the statutory manager has attached central importance to changes in consumer behaviour and the need to accept and indeed embrace the omnichannel nature of the retail business; the need for customer “experience” and the necessity of integrating digital as a given of the sector and not seeing it as a threat. At the heart of Ascencio's growth strategy is the out-of-town retail park, adapted to the new modes of consumption and incorporating the demands of omnichannel distribution and technological developments so as to respond to the aspirations of current and future generations.

— QUALITY FIRST

With acknowledged expertise in commercial real estate, Ascencio concentrates on proactively managing its existing assets and seeks to make new high-quality investments. The objective of this approach is to generate regular growth in results, cash-flow and value per share. Beyond the usual due diligence tests, potential assets are analysed from the point of view of the intrinsic qualities of the buildings (including those associated with its energy performance) but also their location, accessibility, the quality of the tenants occupying them and, as referred to above, the need to be omnichannel. In the interests of geographical consistency, Ascencio now concentrates on areas on the outskirts of

Belgian, French and Spanish cities. In the future, Ascencio might extend its field of action to other countries in the euro zone after analysing the opportunities in commercial but also in financial and tax terms.

— OPERATING PERFORMANCE

By investing in quality projects, maintaining a good occupancy rate and holding regular dialogues with the chains operating in this market, Ascencio is able, with a reasonable degree of foreseeability, to produce operating performances which will in turn underpin the operating cash flow and earnings per share.

— SECURING DURABLE LONG-TERM DEVELOPMENT

Ascencio keeps a close watch on the control of its costs (property costs and corporate overheads) while at the same time fully integrating the imperatives of sustainable development into all its renovations in order to secure its development in the long term.

In the same vein, as regards finances the Company adopts prudent interest rate hedging measures to avoid volatility in interest charges and to improve the predictability of EPRA earnings while keeping risk exposure relatively low in the absence of exceptional events.

— OFFERING STABLE DIVIDENDS

In accordance with the legal regime under which it operates, Ascencio distributes most of its EPRA earnings to its shareholders in the form of cash or stock dividends. Ascencio's objective is to offer them a stable dividend, or if possible a regularly increasing one, without altering the Company's risk profile. In this spirit, each new investment must offer financial prospects having a positive effect on Ascencio's performance.

— STRATEGIC DIVESTMENTS

In order to re-centre its activities on retail property, for several years now Ascencio has gradually been selling the properties in the office and semi-industrial sectors that had been contributed to it on its incorporation. Certain retail assets offering limited growth prospects in the medium or long term were also sold in the course of the past few years.

— INCREASING THE OCCUPANCY RATE

In order to ensure the durability of its revenues, Ascencio takes care to maintain the highest possible occupancy rates over time in its portfolio. To do so, the Company pursues a sales policy aimed at anticipating possible departures of certain tenants and finding other chains likely to take over the vacated premises quickly. Knowledge

of its market and of the chains that operate in it is an essential skill of Ascencio's.

— CHOOSING QUALITY TENANTS

To limit the risk of insolvency of its tenants, Ascencio favours leases to national or international chains, whose financial solidity is regularly assessed. By maintaining regular contact with its tenants and acquiring first class property assets and letting them to solid chains, Ascencio succeeds in durably consolidating its activity.

ACTIVITY REPORT¹

ASCENCIO'S ANNUAL REPORT IS A COMBINED REPORT IN THE MEANING OF ARTICLES 3:6 AND 3:32 OF THE CODE OF COMPANIES AND ASSOCIATIONS.

This report contains forward-looking statements. Such statements entail unknown risks, uncertainties and other factors that might lead actual results, financial situation, performance and achievements to differ from whatever future results, financial situation, performance and achievements may be expressed or implied in these forward-looking statements. In view of these uncertain factors, the forward-looking statements do not imply any guarantee.

- 25 — PROPERTY REPORT
 - 25 — The commercial property market in Belgium
 - 32 — The commercial property market in France
 - 39 — The commercial property market in Spain
 - 46 — Key figures
 - 49 — Insured value
 - 50 — Operational management
 - 54 — Ascencio's consolidated portfolio

- 64 — EXPERTS' REPORT

- 67 — SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 78 — EPRA

- 86 — ASCENCIO ON THE STOCK EXCHANGE

- 90 — CORPORATE GOVERNANCE DECLARATION

¹ This report is based on the consolidated financial statements. The statutory financial statements and Management Report are filed with the BNB (National Bank of Belgium) within the legal time frames and may be obtained free of charge from the Company's website or on request from the Company.

PROPERTY REPORT

(SEPTEMBER 2019 - SEPTEMBER 2020)

THE COMMERCIAL PROPERTY MARKET IN BELGIUM

— MACRO-ECONOMIC INDICATORS

Economic indicators (in%)	2020 (Forecasts)	2019	2018	2017
Annual GDP growth	-7.8%	1.4%	1.4%	1.7%
Annual increase in consumer prices	0.4%	1.7%	1.7%	2.1%
Unemployment rate	6.1%	5.6%	6.0%	7.1%



— RENTAL TAKE-UP

2019 was marked by a slight decline in take-up in the retail market, with some 406,000 m² (6% down on 2018). A very good performance over the past ten years.

2020 was marked by the dynamism of the hospitality and catering and food sectors (Albert Heijn, Jumbo, Lidl, etc.) in the first quarter, followed by a sharp slowdown linked to COVID-19 in the following two quarters.

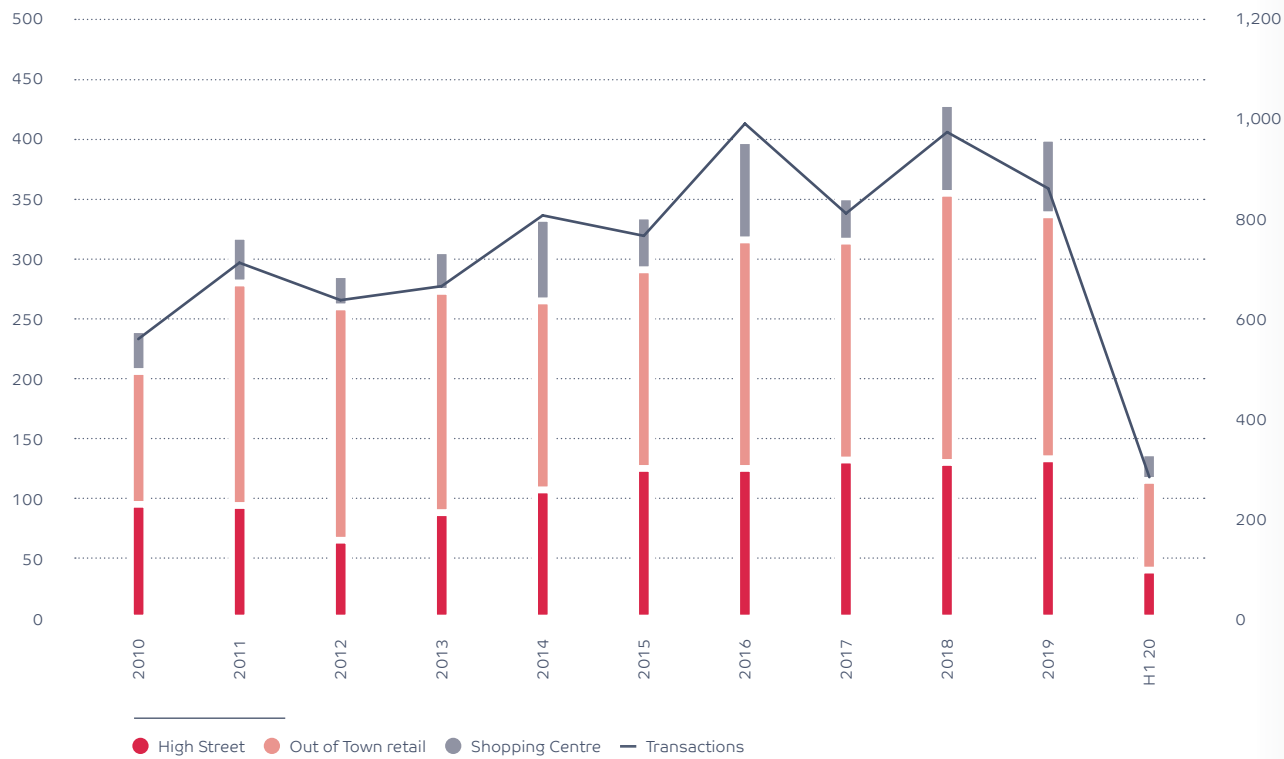
High streets and shopping centres (down by 20% and 30% respectively on 2019) suffered more than out-of-town, the intrinsic characteristics of which (less stressful open spaces, accessibility favouring shopping runs, large interior spaces better suited to social distancing, etc.) respond better to the challenges posed by the pandemic and give retailers greater operational and financial flexibility.

Besides, out-of-town locations are largely occupied by retailers active in sectors that have proven more resilient in the crisis (food, DIY, home improvements, discount, etc.).

We also see an explosion in the activity of neighbourhood shops, partly on the back of ethical and environmental convictions but also in support of local economies.

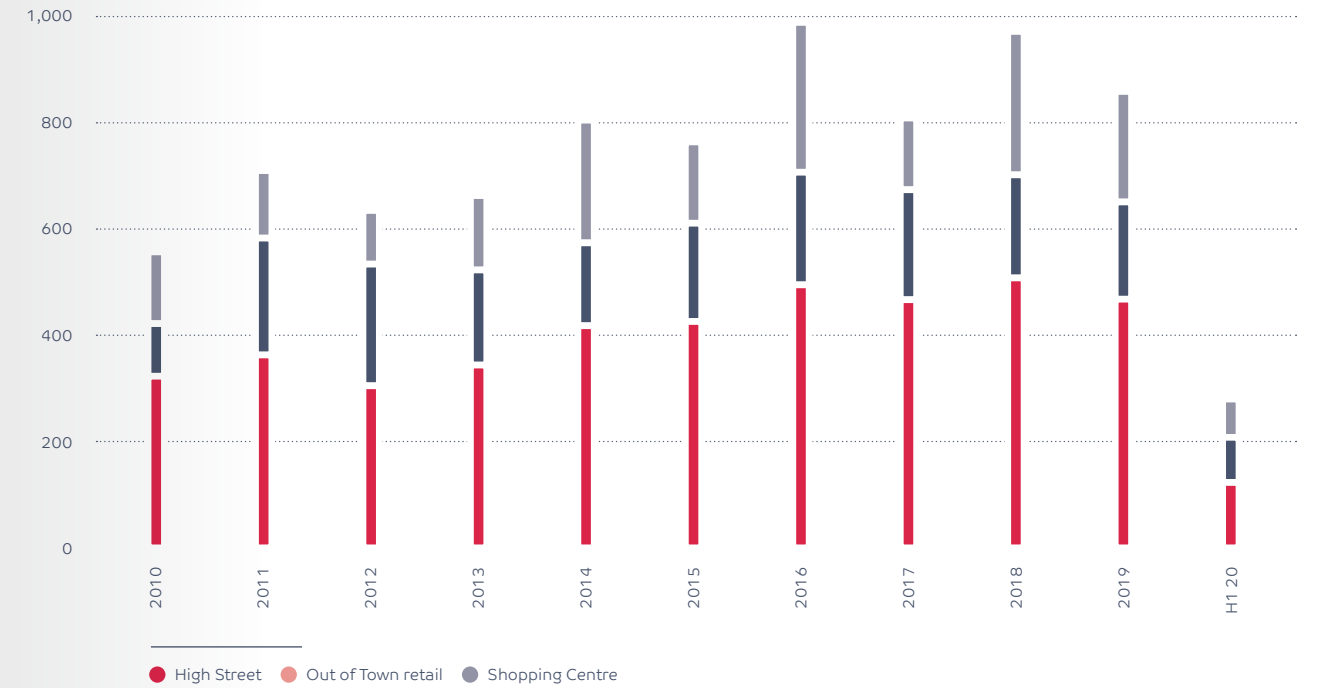
Unsurprisingly, the high street prêt-à-porter sector has been the hardest hit by the crisis, along with the hospitality and catering industry in general.

TAKE-UP BY SECTOR
(in thousands of m²)



Source: Cushman & Wakefield - Belgium.

NUMBER OF TRANSACTIONS BY SECTOR



Source: Cushman & Wakefield - Belgium.

Exacerbated by the mandatory temporary closure of shops, the rental vacancy rate saw an increase with the emergence of bankruptcies and receiverships. The crisis has also accelerated some trends already observed in retail in recent years, particularly as regards moves by certain brands to rationalise their networks (E5 Mode leaving Wallonia for example, H&M, Zara, etc.) in favour of investments in concepts that better respond to more durable underlying trends in buying behaviour.

Meanwhile out-of-town retail parks have suffered this rental vacancy least of all; this asset class, highly prized by brands because of the relatively low rentals, are showing clearly higher conversion rates because they are considered less stressful by consumers in times of health crisis.

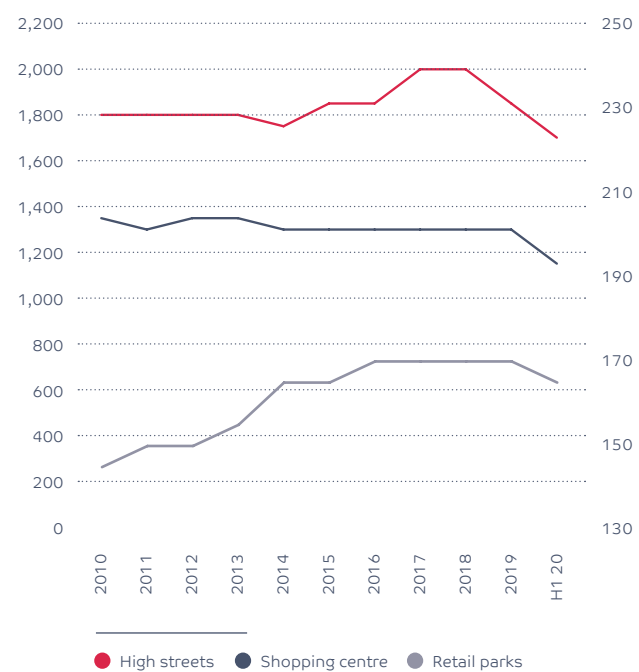
— RENTAL VALUES

The corrections that we had been seeing in the high street and shopping centre sector since the beginning of 2019 have accelerated as a result of the health crisis, with new reductions in prime rentals (as observed for example on the Meir in Antwerp and on Rue Neuve in Brussels).

Further corrections to rentals between now and the end of 2020 cannot be ruled out.

The trend is different again in the out-of-town retail sector, which is the only segment showing a degree of stability (or only very slight contraction) in prime rentals in the past few years - a generalised trend throughout Belgium.

TRENDS IN PRIME RENTALS BY SECTOR (in €/m²/year)



Source: Cushman & Wakefield - Belgium.

Note: right-hand axis: retail park rentals; left-hand axis: high street and shopping centre rentals.

— E-COMMERCE IN BELGIUM

With a total volume of €11.5 billion in 2019, up by 8% on the previous year, sales are made largely by the major internet players, “GAFA” as they are often referred to in continental Europe, meaning Google, Apple, Facebook and Amazon.

Even so, Belgian brands are well represented, with increased presence of their online shops, which are becoming increasingly well structured and which offer a level of performance close to that of the best foreign webshops.

So e-commerce has continued to cohabit with physical points of sale, offering even more possibilities of interaction between consumers and retailers.

This way of buying, which has now firmly established itself among consumer habits, still has growth levers.

It has been notable that in 2020, faced with the lockdown measures, with outings limited to basic necessities, and also with the fear of contracting the virus, consumers had little option but to resort to online purchases.

The growth of online buying in retail therefore accelerated during the lockdown, but it is important to stress that the traditional stores with physical points of sale played a driving role in this growth of online sales.

— INVESTMENT MARKET AND OUTLOOK

VOLUME OF INVESTMENT & TRANSACTIONS

As a reminder, as regards investment in retail, 2018 was an exceptional year, with nearly €2 billion being invested in Belgium, notably as a result of the sale of the *W Shopping Center* and the *Docks Bruxsel* mall in Brussels and then of the *Rive Gauche* centre in Charleroi.

In the absence of major sales of shopping centres (the only major deal in this sector being part of the “W Shopping”), 2019 logically posted a sharp decline in the volume of investment, ending the year at around €1 billion (through 153 transactions) or 20% of the Belgian professional market.

Volumes of investment in high street properties held steady, while those in out-of-town retail properties increased relative to 2018.

However the start of 2020 marked time relative to previous years.

The first six months of the year saw a volume of €315 million invested.

The decline is seen in all market segments, and since most of the transactions were initiated before the health crisis, the total volume of investments in 2020 will presumably be lower than in 2019.

TRENDS IN VOLUMES OF INVESTMENT BY RETAIL SECTOR (in millions of euros)



Source: Cushman & Wakefield - Belgium.

YIELDS

The health crisis and investors' wariness about retail in general have inevitably had an impact on prime yields in Belgium.

Prime yields on high streets have been seeing constant corrections for two years now: they were at 3.15% at the end of 2018 on the Meir and Rue Neuve, and they are now at 4.00% in both these prime zones with further increases foreseeable in the second half of 2020.

Prime yields on shopping centres saw a first correction in the first half of 2020, to their present 4.25%, with a further correction expected between now and the end of the year.

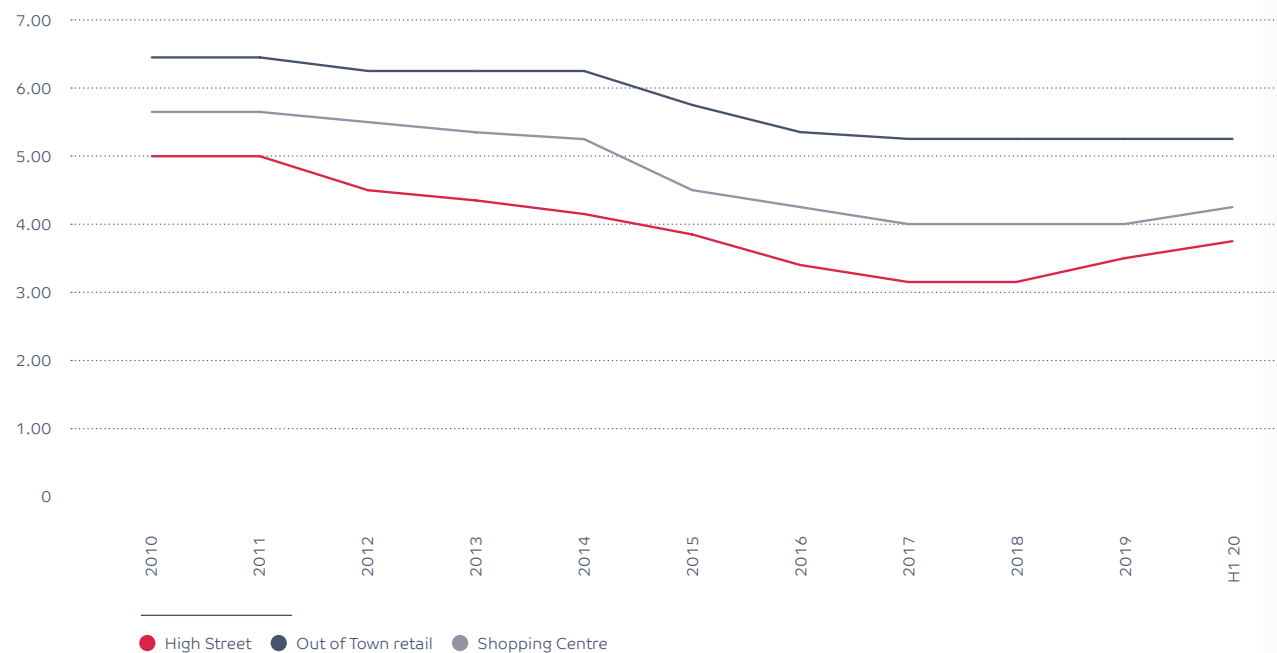
However, as with the rental market, out-of-town commercial property shows trends contrary to the other

two market segments, with yields holding steady in the first half of 2020, at 5.25%. They are not expected to change between now and year-end.

We would point out that banks, which had already been more reluctant to support retail projects since the 2008 crisis, are currently even more cautious about financing these kinds of transactions in the real estate category that has suffered most from the health crisis and require borrowers to provide more equity and more convincing business plans.

As regards the quality of the assets themselves, the parameters behind purchasing decisions are shifting; sales prices and yields are no longer determined just by location, but also by the stability and quality of the tenant.

TRENDS IN PRIME YIELDS BY SECTOR (%)



Source: Cushman & Wakefield - Belgium.

— DEVELOPMENTS

The stoppage of work sites during the period of lockdown naturally led to delays in deliveries in the first half of 2020.

The general uncertainty about commercial property that has prevailed for many months has also led certain developers to delay their projects.

It is too soon however to draw up a definitive scorecard of projects that will eventually get off the ground this year.

Looking ahead, the pipeline shows great possible activity in the retail parks sector, with 600,000 m² planned between now and 2022, the biggest expected development being the Val Saint Lambert Free Time Park in Seraing (42,000 m², of which 19,000 m² devoted to leisure, scheduled to open in 2022).

Sources:

Banque Nationale de Belgique, SPF Economie, PME, Classes Moyennes et Energie, Cushman & Wakefield - Belgium - Ascencio Property Expert - "Retail Market report", JLL Belgium - Ascencio Property Expert, L'Echo, BeCommerce, Trends Tendances (Oct 2020), BNB, OECD, IMF.

THE COMMERCIAL PROPERTY MARKET IN FRANCE

— MACRO-ECONOMIC INDICATORS

Economic indicators (in%)	2020 (Forecasts)	2019	2018	2017
GDP growth	-9.5	1.5	1.8	2.4
Trends in inflation	0.5	1.1	1.8	1
Trends in the unemployment rate (whole of France)	9.1	8.2	8.7	9.1

Source: Banque de France Consensus Forecast and projections for 2022.

— RETAIL MARKET

RENTAL TAKE-UP AND RENTAL VALUES

Although forecasters agreed that consumption would recover, social movements such as the rail (SNCF) and public transport (RATP) strikes against the pension reforms brought 2019 to a close on a negative note and dented households' confidence at a time when shops had already suffered the excesses of the "Gilets Jaunes" in 2018.

In this adverse social context, France saw a similar downward trend in rental take-up.

As for rentals, all categories together, prime assets remained much in demand by brands as supply continued to be very limited.

This situation kept prime rental values at high levels of €23,500 per m² per annum maximum (Champs-Élysées) for ground floor properties, €2,300 per m² per annum for shopping centres and €210 per m² per annum for retail parks, which had seen an increase of 5% at the end of the year.

PRIME RENTALS IN RETAIL PARKS IN Q4 2019 (BY SIZE OF UNIT) (€/m²/year)

Population	< 500 m ²	500 - 1,000 m ²	1,000 - 2,000 m ²	> 2,000 m ²
< 100,000 inhabitants	125 - 150	80 - 130	70 - 120	50 - 120
100,000 - 300,000 inhabitants	180 - 200	120 - 150	100 - 140	80 - 130
> 300,000 inhabitants	180 - 200	120 - 150	100 - 140	80 - 130
Mainland regions	200 - 270	150 - 200	140 - 170	100 - 150
Greater Paris Region	270 - 350	160 - 270	140 - 210	100 - 175

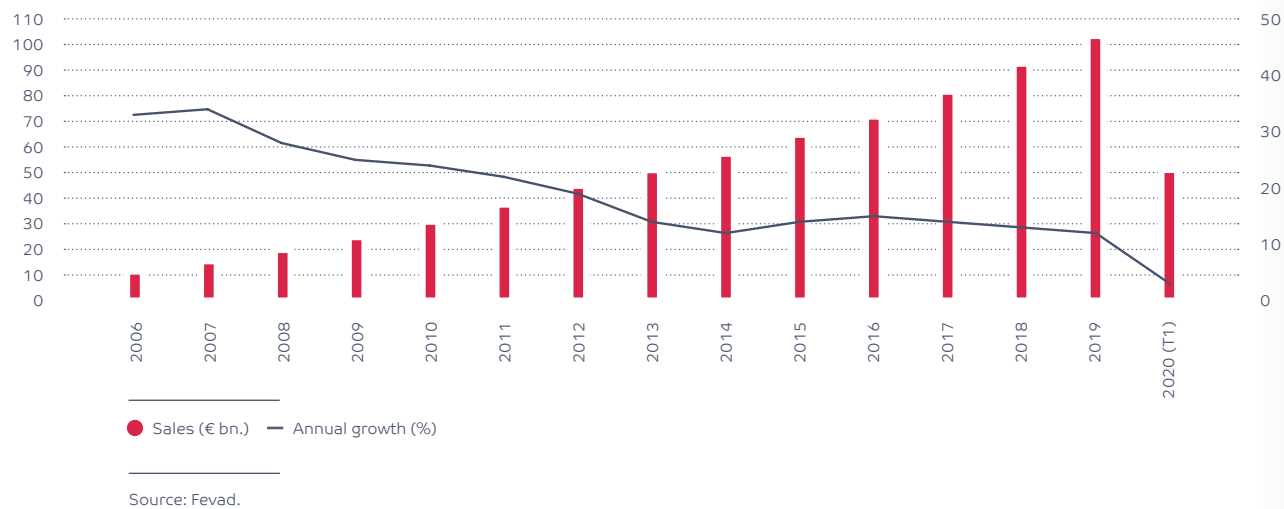
Source: JLL.



E-COMMERCE

In 2019 e-commerce surpassed €100 billion in sales for the first time (€103.4 billion), up by 11.6% on 2018.

E-COMMERCE SALES IN FRANCE (€ billions)



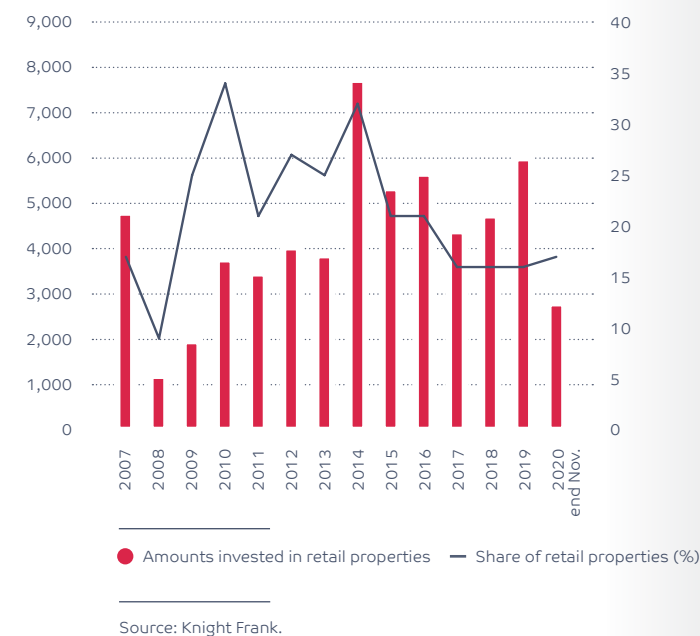
INVESTMENT MARKET

VOLUME OF INVESTMENTS AND TRANSACTIONS

Buoyed by a context of persistently low interest rates encouraging investors to accelerate the diversification of their assets and to give more room to real estate, the French commercial property investment market posted new record highs in 2019, with more than €41 billion, an increase of 19% on the previous year (Source: BNP Paribas Real Estate).

This volume was mainly invested in offices (83%), followed by shops and industrial properties.

VOLUMES INVESTED IN RETAIL PROPERTIES (€ billions)



Thanks to a particularly dynamic fourth quarter, the retail investment market more than held its own (second best growth ever, after 2014) with more than €6.05 billion invested (31% up on 2018) or 15% of the overall volume of investments in commercial property.

In general terms, investors recovered their appetite for retail property at the end of 2019 thus attenuating the trend towards “retail bashing” that we had been seeing for some time.

In the first quarter of 2020, if we exclude Mata Capital’s acquisition of the CIFA Fashion Business Centre in Aubervilliers for an amount of €200 million, activity continued in the same dynamic as in Q4 2019 and equalled the volume posted in Q1 2017 with nearly €500 million, albeit still below the ten-year average of €690 million.

Apart from the CIFA transaction referred to above, another third of investments in Q1 were in the intermediate tranche of amounts between €50 million and €100

million, with the sale of two portfolios of supermarkets, including one lot of five CASINO stores to ASCENCIO for close to €85 million.

At the end of March, the imposition of lockdown and other measures by governments worldwide inevitably changed the whole deal landscape.

Apart from the technical difficulties linked to lockdown, the investment market suffered from extremely selective access to financing, but nonetheless was not inactive, with a volume of €2.78 billion YTD in the third quarter, 21% down on the same period of the previous year but 11% up on the long-term average (€2.51 billion).

Shopping centres led the way at the end of September 2020 with just under €1.28 billion (45% of volumes invested...82% of which for the URW transaction referred to above). They were followed by out-of-town retail (€797 million) and lastly ground floor properties (€704 million) accounting for 29% and 26% of capital invested respectively.

VOLUMES INVESTED (€ billions)



As for investors, the predominance of French investors noted at the beginning of the year was accentuated during the following two quarters (with 9 out of every 10 euros invested at the end of September 2020).

In terms of vehicles, investment funds remained the most active, accounting for more than half of all investments (53%).

SIGNIFICANT TRANSACTIONS IN H1 2020 (top 3 by type)

Ground floor premises

Year	Quarter	Acquirer	Vendor	Name/Address	City	Amount (€ millions)	Area
2020	Q2	AEW CILOGER	APOLLO / CASINO	Portfolio - 4 MONOPRIX	France	98	17,500 m ²
2020	Q1	IMMEUBLES ET COMM. INVEST.	KLEPIERRE	Place Pey Berland	Bordeaux	38	-
2020	Q1	EMERIGE	PRIVATE INVESTOR	Portfolio - 18 assets	Paris	31.9	2,300 m ²

In shopping centres

Year	Quarter	Acquirer	Vendor	Name/Address	City	Amount (€ millions)	Area
2020	Q2	CA ASSURANCES / LA FRANCAISE	UNIBAIL RODAMCO WESTFIELD	52.4% of the URW portfolio	France	1,048	173,874 m ²
2020	Q2	KEYS REIM / CITYNOVE	-	Galeries Lafayette	Bron	61.6	27,500 m ²
2020	Q2	STE DES GRANDS MAGASINS	HAMMERSON	"SQY OUEST"	Montigny-le-Bretonneux	38	31,000 m ²

Out-of-town retail sites

Year	Quarter	Acquirer	Vendor	Name/Address	City	Amount (€ millions)	Area
2020	Q1	MATA CAPITAL	EURAZEO	"Marché CIFA"	Auber-villiers	94	40,000 m ²
2020	Q1	ASCENCIO	CASINO	Portfolio - 5 Casino	France	80	-
2020	Q1	AB SAGAX	KLEPIERRE	Portfolio - 19 Buffalo Grill	France	70	-

Source: Knight Frank – France bureau /commerces et locaux industriels in "Le Marché des commerces Immobiliers en France – septembre 2020".

YIELDS

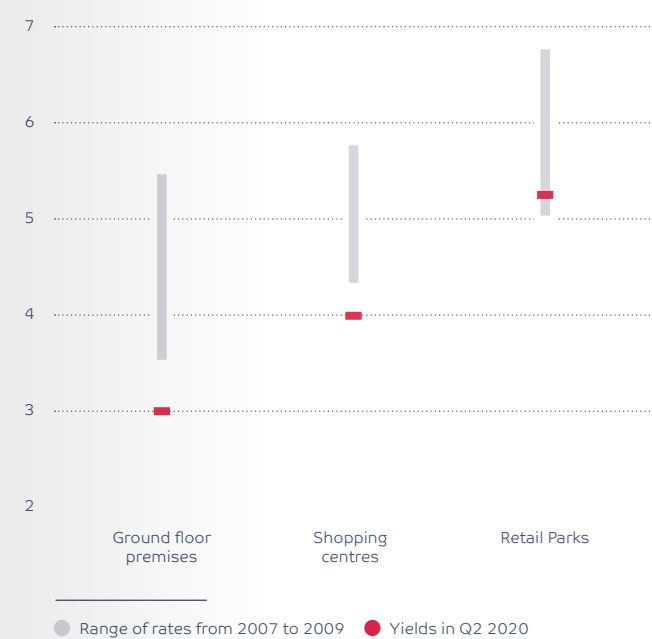
At the end of December 2019, prime yields were 2.75% for the best ground floor premises in Paris, 4.75% for shopping centres and commercial arcades and 5% for retail parks.

Having eased somewhat during Q2 2020 for certain asset classes, yields held steady at the end of the third quarter.

For example yields on ground floor properties remained at 3% after increasing by 25 bps in the previous quarter. Shopping centres remained stable from one quarter to the next, at 4%.

Lastly, after also seeing an increase of 25 bps during Q2, yields on retail parks remained stable at 5.25%.

RATES STABLE IN Q3 (in %)



Source: JLL.



— DEVELOPMENTS

The volume of openings remained substantial in 2019, at 450,000 m².

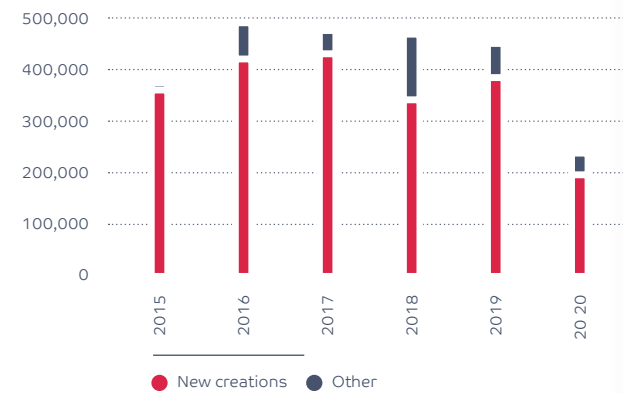
This volume consisted mainly of new retail parks, including several large new generation complexes such as Shopping Promenade in Arles and “Mon Beau Buchelay” in the Paris region.

At the beginning of 2020, deliverable retail surface area in the pipeline for the year (shopping centres and retail parks combined) was down by nearly 40% relative to the beginning of 2019 and consisted basically of extensions and renovations of existing spaces.

While new complexes will emerge, the number and proportion of pure new creations could therefore decline, the more so as the regulatory, political and social context seems to be more restrictive for developments from scratch.

In the first half of 2020 the lockdown and the slowdown in the economy, with construction work stopped and difficulties in selling, put a further brake on the dynamic of openings, which are now less certain to take place by year-end.

OPENINGS OF RETAIL PARKS (in m²)



Source: JLL.

Lastly, there was also a significant decline in the number of transactions, with three major openings accounting for 83% of all openings so far in 2020 (30 Sept.): the extension of Lyon La Part Dieu, Mon Grand Plaisir and Lillenum, the last two having been inaugurated at the end of August in the Paris region and in Lille respectively.

Sources:

- JLL France – Ascencio property experts - “Retail Markets in France” - Q3 - 2020.
- C&W France – Ascencio property experts – “Marketbeat Investissement France” – Q3 - 2020.
- CBRE France - Ascencio property experts – “France Investissement 3Q 2020”.

THE COMMERCIAL PROPERTY MARKET IN SPAIN

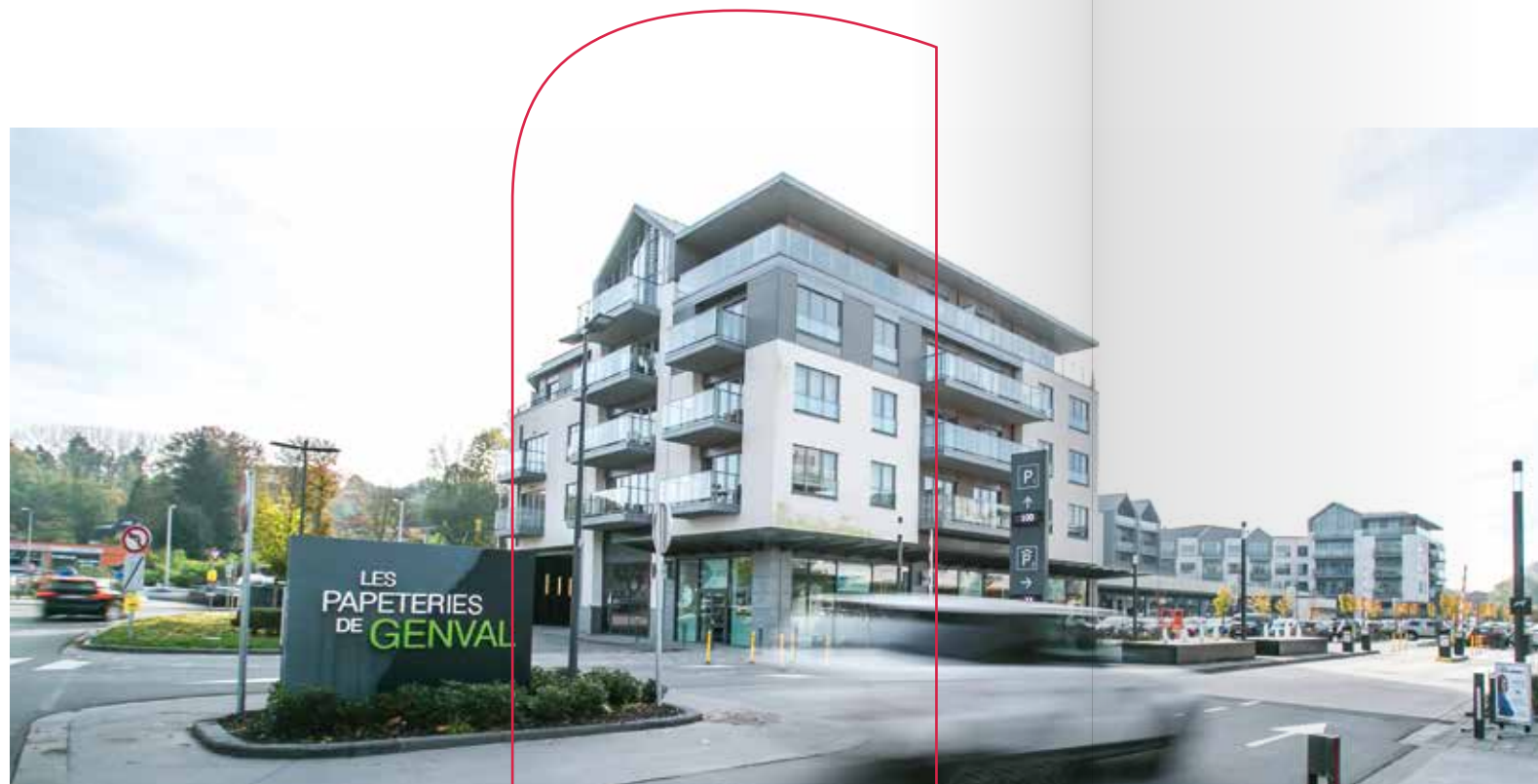
FOR SPAIN, PLEASE REFER TO THE BROAD TRENDS EXPLAINED ABOVE FOR BELGIUM AND FRANCE.

— MACRO-ECONOMIC INDICATORS

Economic indicators (in%)	2022 (Forecasts)	2021 (Forecasts)	2020 (Forecasts)	2019	2018
Annual GDP growth	4.2	6.6	-11.6	2	2.4
Annual consumption	3.6	7	-12.7	0.8	1.2
Unemployment rate	15.8	17.6	16.6	14.1	14.8
Occupancy rate	-	0.7	-0.3	0.7	1.7

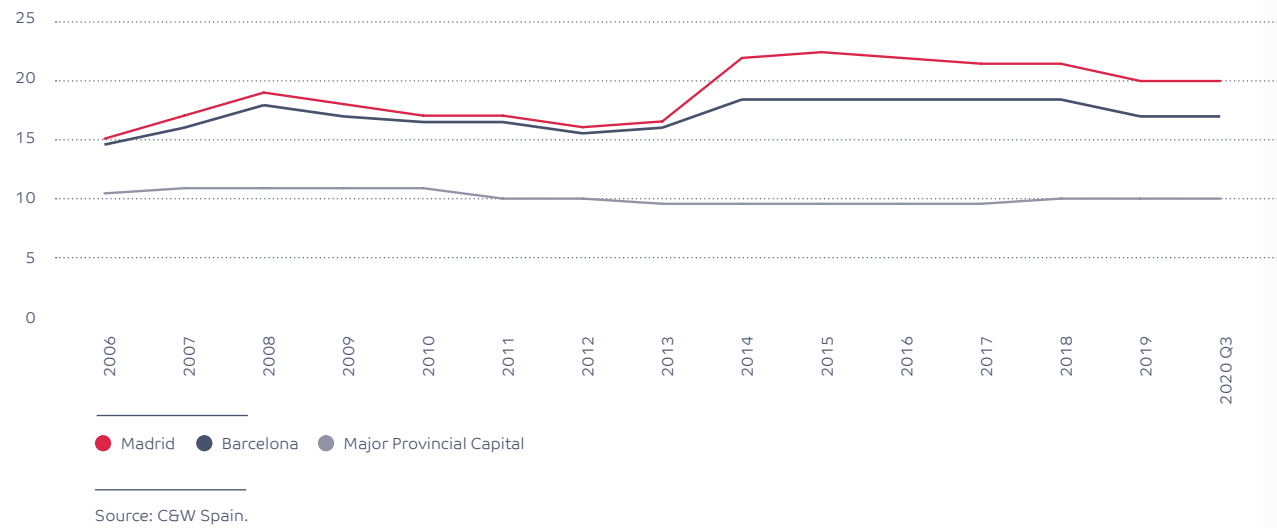
Source: Société Générale.

The current health crisis is testing the solidity of the Spanish government, confronting it with a rapid increase in the number of unemployed, a reduction in consumption (particularly in the coastal regions affected by a sharp fall in tourism) and a significant contraction of GDP (10% according to Banco de España, the central bank).



— RETAIL MARKET

PRIME RENTALS
(€/m²/month)

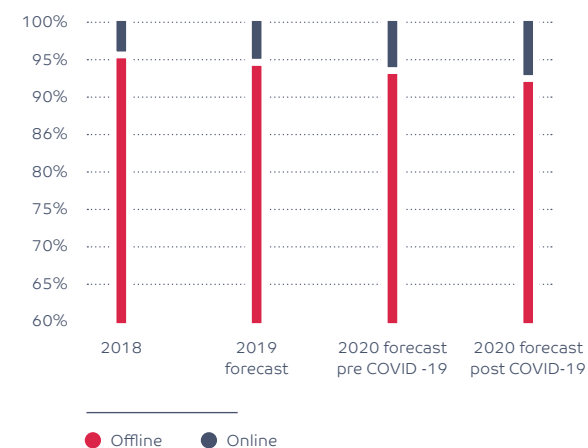


At the beginning of the fourth quarter of 2020, there is still not enough distance to be able to analyse the real impact of the lockdowns on rental values, particularly

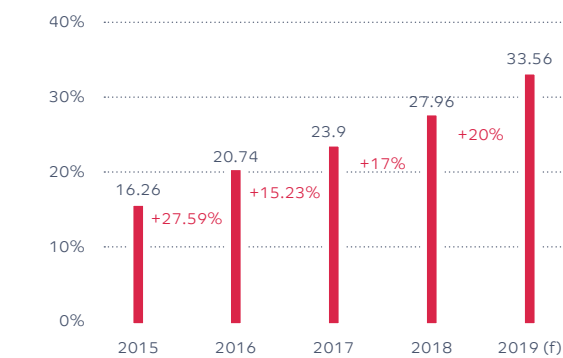
as landlords have mainly been granting temporary reprieves rather than long-term rental reductions.

— E-COMMERCE

BREAKDOWN OF SALES BY DISTRIBUTION CHANNEL: CURRENT SITUATION AND FORECASTS



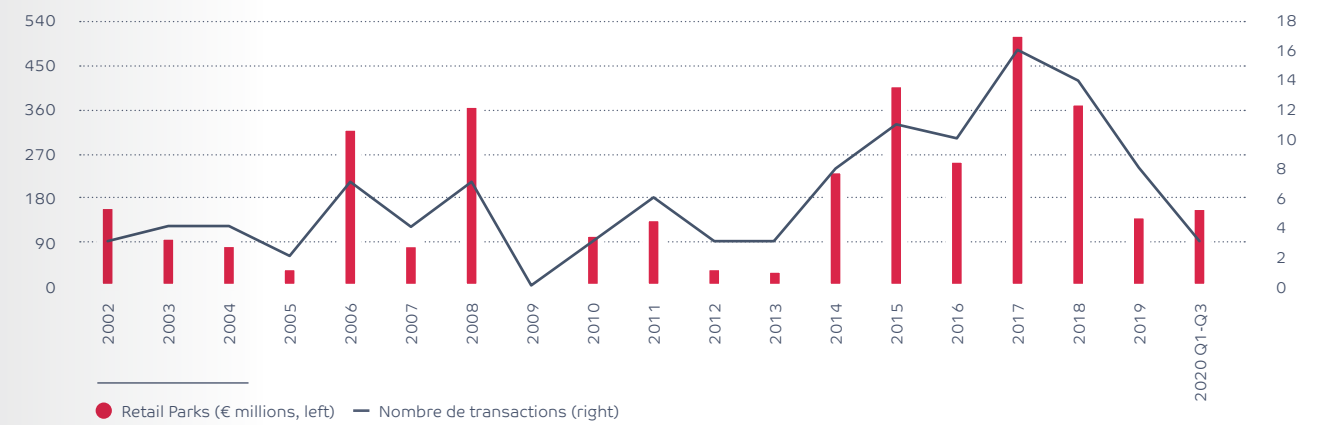
GROWTH IN E-COMMERCE B2C SALES (€ billions)



— INVESTMENT MARKET AND OUTLOOK

Over the past six years the Spanish property market has attracted significant amounts of foreign capital, thanks in particular to an attractive tax regime.

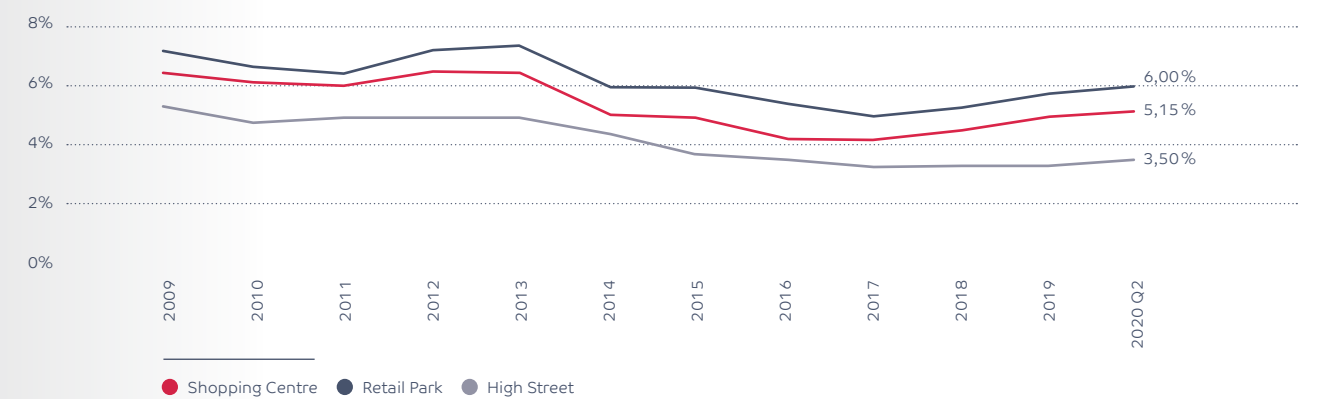
VOLUME OF INVESTMENT AND NUMBER OF TRANSACTIONS



The year 2020 is characterised by portfolios being subject to sale and leaseback transactions (Decathlon, Leroy Merlin, Castorama, Carrefour, Eroski, Mercadona, etc.) with a strong predominance of food chains.

By selling their real estate to professionals, it seems clear that brands are looking to invest in their core businesses, adapting their concepts to the new modes of consumption that are evolving.

YIELDS



VOLUME OF INVESTMENT

MAIN TRANSACTIONS DURING THE LAST 15 TO 18 MONTHS (EXCLUDING HIGH STREET SALES TRANSACTIONS, OUT-OF-TOWN OR DOWNTOWN STAND-ALONE ASSETS, THE SALE OF GRANDS MAGASINS, AND TRANSACTIONS IN PROGRESS THAT HAVE NOT YET BEEN CONCLUDED.)

Shopping centre / Date	GLA	Vendor	Buyer	Classification	Approx. price in euros
On Plaza, Madrid (August 2020)	10,580 m ²	Private	Union Investment	Urban Retail Park	€15 - €20 million
Espacio Torrelorones, Madrid (July 2020)	21,600 m ²	Activum	Private	Neighbourhood Shopping Centre	€ Confidential C&W advised vendor
Intu Asturias, Oviedo (January 2020)	74,000 m ²	Intu / CPPIB	ECE	Prime Regional Shopping Centre	€291 million C&W advised buyer
Intu Puerto Venecia, Zaragoza (December 2019)	120,000 m ²	Intu / CPPIB	Generali / Union	Prime Regional Shopping Centre and Retail Park	€475 million C&W advised buyer
Alicante Outlet Stores, Alicante (September 2019)	34,700 m ²	Savills IM	UBS	Non purpose-built Factory Outlet scheme with Leisure	€34 million
Ballonti, Bilbao (July 2019)	52,700 m ²	Deka	Harbert	Good secondary shopping centre	€100 million est.
Puerta Europa, Algeciras (July 2019)	29,750 m ²	Dos Puntos	Castellana Properties	Good secondary shopping centre	€56.8 million C&W advised vendor
Dos Mares, Murcia (January 2019)	15,700 m ²	Sonae Sierra	General de Galerias Comerciales, T. Olivo	Secondary shopping centre	€31 million C&W advised vendor
Las Terrazas, Telde, Gran Canaria (March 2019)	58,500 m ²	Sigla	General de Galerias Comerciales, T. Olivo	Outlet / Leisure centre	€42 million C&W advised vendor

Source: C&W Spain.

RETAIL INVESTMENT MARKET BY TYPE OF PRODUCT



Source: Savills Aguirre Newman.

VOLUME OF INVESTMENT AND NUMBER OF TRANSACTIONS (EXCL. HIGH STREETS)



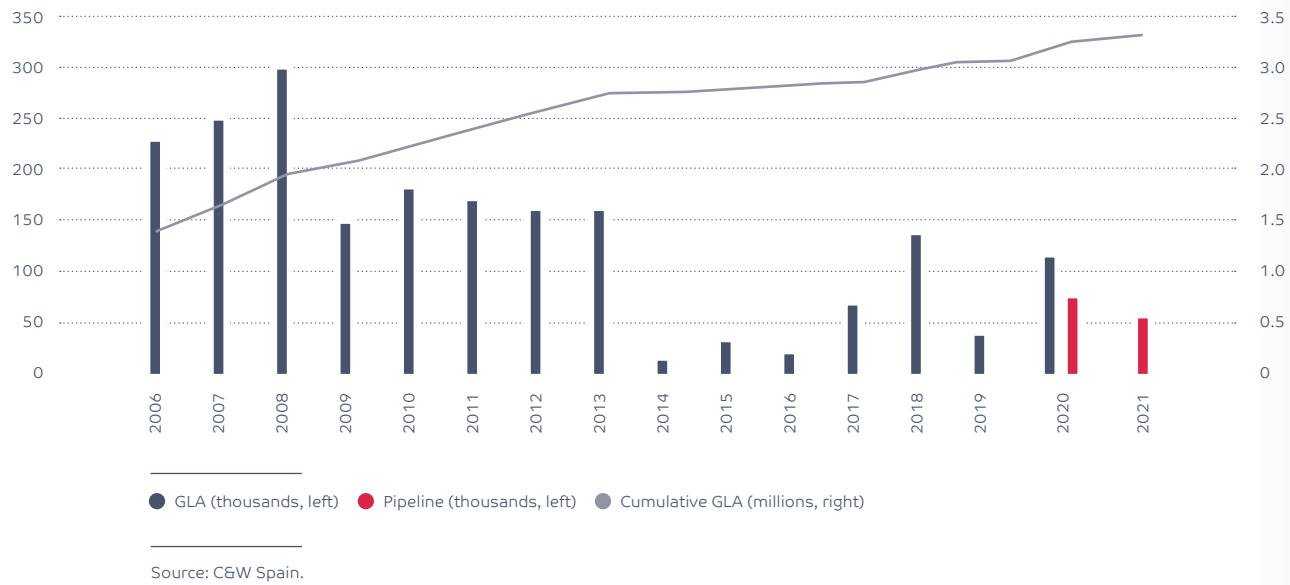
Source: Savills Aguirre Newman.

— DEVELOPMENTS

At the end of 2019, Spain had more than 3 million m² of GLA in retail parks developing more than 10,000 m² or a national average of 63 m² for every 1,000 inhabitants.

Compared with France (114 m²) or the UK (159 m²), this figure confirms the attractive room for growth that is still possible in retail parks in Spain.

TOTAL SURFACE AREA OF RETAIL PARKS (m²)



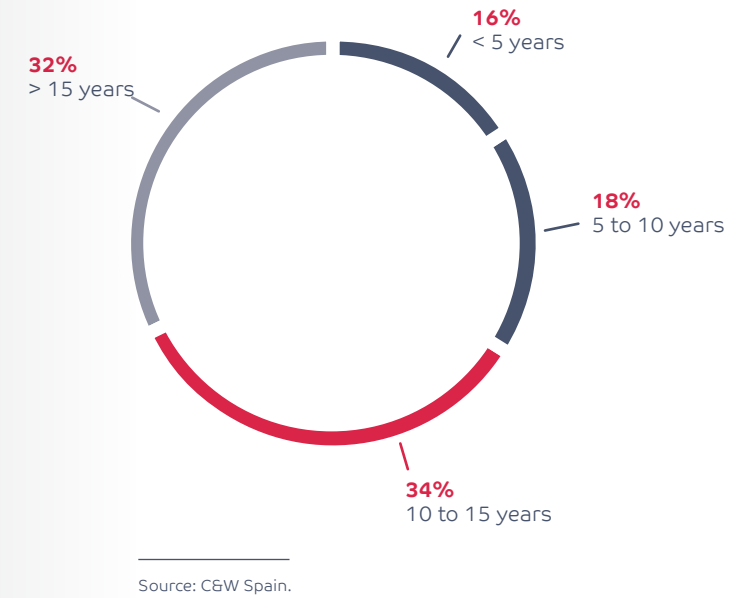
Proof of this growth potential, the area of retail parks will increase by 8% (245,000 m² GLA) within one year thanks to the opening of eight new projects spread throughout the country.

The regions with the biggest areas of retail parks are also the most populous (Andalusia, Madrid and Valencia, with an average density of 93 m² per 1,000 inhabitants). With the exception of Catalonia, with a density of 28 m² of retail parks per 1,000 inhabitants, which therefore offers particularly attractive growth prospects for developers.

As for the existing stock, there is also good potential for optimising and developing sites; 2/3 of the GLA surface area is over ten years old, 32% of it over 15 years old.

These assets need to be given a complete makeover to regain their attractiveness, with extensions and adjustments to their retail mix.

BREAKDOWN OF GLA (by age)



2020 FORECAST OPENINGS

Location	Name	GLA (m ²)	Category	Developer
Torrejón de Ardoz	Open Sky	91,600	Very Large	Compagnie de Phalsbourg
Zaragoza	Torre Village (1 st phase)	60,000	Very Large	Ibereco
Dos Hermanas	Way Dos Hermanas	48,646	Retail Park	Kronos Properties
Burgos	Burgos Este	19,000	Retail Park	Inbisa, Activ group
Málaga	Plaza Mayor Designer Outlet (1 st phase)	17,500	Factory Outlet	Sonae Sierre, McArthurGlenn
Vilagarcia de Arousa	Poligono O Vara	15,141	Retail Park	Inmobiliaria Ponteno
Córdoba	Los Patios de Azahara	10,308	Retail Park	Mistika
TOTAL	7	262,195		

Source: Cushman & Wakefield – quarterly appraisal reports
Savills Aguirre Newman – Spain Retail (July 2020).

KEY FIGURES

(€000s)	30/09/2020	30/09/2019
Investment value (excl. projects in development) [A]	719,429	646,172
Fair value (excl. projects in development)	690,066	622,894
Contractual rents [B]	47,197	42,433
Contractual rents including estimated rental value of unoccupied properties	48,329	43,631
Gross yield = [B] / [A]	6.56%	6.57%
Occupancy rate,%	97.7%	97.3%

At 30/09/2020 Ascencio held a portfolio of 105 properties spread among Belgium, France and Spain with a total surface of 443,336 m².

Its fair value¹ amounted to €690.0 million at 30/09/2020, compared with €622.8 million one year earlier.

	Surface (m ²)		Fair value (€000s)	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Belgium	285,292	284,748	368,321	375,664
France	145,791	112,156	292,220	214,480
Spain	12,253	12,253	29,525	32,750
TOTAL	443,336	409,157	690,066	622,894

Based on the contractual rents in force at 30/09/2020, average rents per m² stood at: €95 per m² in Belgium, €132 per m² in France and €160 per m² in Spain.

¹ Excl. projects in development.

— INVESTMENTS DURING THE FINANCIAL YEAR

During the 2019/2020 financial year, Ascencio made €88.1 million of investments.

In the main, these concerned the acquisition, on 06/03/2020 of 5 Casino supermarkets in south-east France (Aix-en-Provence, Antibes, Marseille, Le Rouret, and Mouans-Sartoux).

Ascencio also built a new 2,139 m² unit for Aldi at its Hannut site (Belgium), and enlarged the Grand Frais site in Nîmes (France).

— DIVESTMENTS DURING THE FINANCIAL YEAR

There were no divestments during the 2019/2020 financial year.

— CHANGE IN VALUE

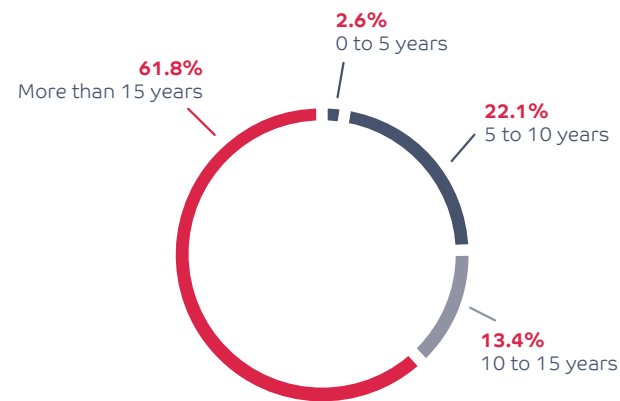
Overall, investment properties available for rent saw a decrease in value of €20.5 million:

— On a like-for-like basis, the fair value of the property portfolio fell 2.38% (a decrease of €14.8 million) compared with 30/09/2019. This fall was primarily due to the reduction in value of a few non-food sites subject to repositioning.

— Furthermore, the recognition at fair value of the 5 Casino supermarkets acquired in March generated a shortfall of €5.7 million on the all-in acquisition price, which includes expenses and stamp duty paid.



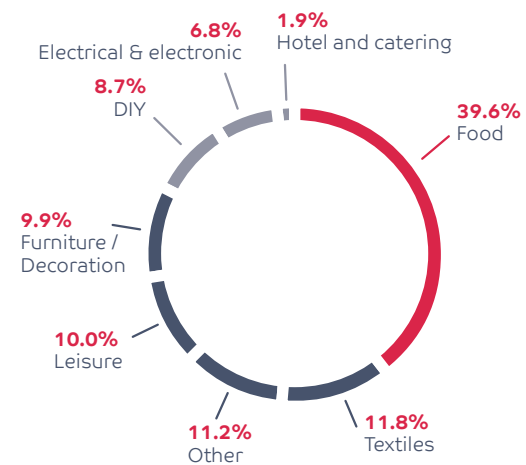
— AGE OF BUILDINGS *



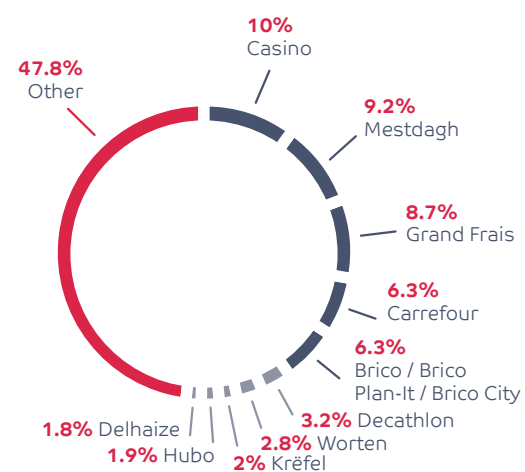
* The percentage is calculated on the basis of fair value.

— BREAKDOWN OF THE PROPERTY PORTFOLIO

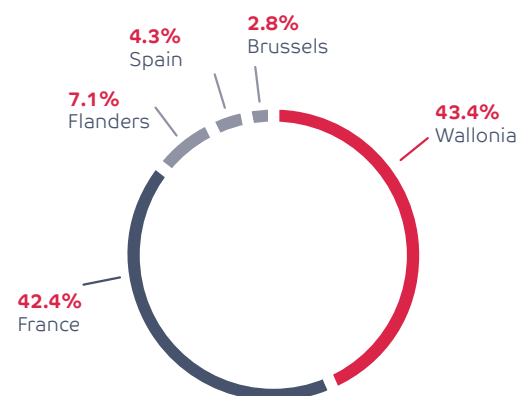
BREAKDOWN BY RETAIL ACTIVITY OF TENANTS¹



BREAKDOWN BY BRANDS¹



GEOGRAPHICAL DISTRIBUTION²



¹ Distribution established on the basis of rentals received.

² Distribution established on the basis of fair value.

INSURED VALUE

In accordance with the B-REITs legislation, the Company and its subsidiaries subscribe appropriate insurance cover for all their properties. At 30 September 2020, the insured value represented 54% of the fair value of the portfolio¹. This cover conforms to the conditions usually applied in the market.

In order to avoid the risk of recourse, and to be able to benefit from advantageous premiums, the standard lease provides for the insurance policy on the asset to be subscribed by the lessor, with a mutual clause renouncing recourse and confirming that the premiums are to be passed on to the lessee.

In Belgium, the assets insured directly by Ascencio under a framework agreement are covered on the basis of new reconstruction value of the buildings, indexed each year to the ABEX index. Furthermore, a portion of the Belgian portfolio is insured directly by holders of emphyteuses and surface rights. The greater part of the premiums paid is re-invoiced to tenants.

In France, the assets insured directly by Ascencio under a framework agreement or directly by tenants in the case of Grand Frais are covered on the basis of the new reconstruction value of the buildings as determined by an expert based on real costs following loss. All premiums are for tenants' account.

In Spain, the assets are insured directly by the tenants on the basis of new reconstruction value of the buildings.

The following table shows the initial acquisition values, insured values, fair values and gross yields of Ascencio's various sub-portfolios of property assets.

	Acquisition value (€000s)	Insured value (€000s)	Fair value (€000s)	Gross yield
Belgium	339,669	218,595	368,321	6.87%
France	282,390	137,236	292,635	6.18%
Spain	27,693	18,182	29,525	6.42%
TOTAL	649,752	374,013	690,481	6.56%

¹ The difference relative to the fair value of the portfolio is due to the fact that land, car parks, cabling and in general, anything that is in the ground, is not insured. Furthermore, assets on which an emphyteusis has been granted are not included in the insured value.

OPERATIONAL MANAGEMENT

The Company aims to develop and manage its property portfolio actively.

For this purpose, Ascencio has a team of nineteen people, two thirds of whom devote themselves to Ascencio's operating activity.

The Development department and the Asset Management & Acquisitions department are responsible for optimising the profitability of the assets. They implement and coordinate with the teams all actions aimed at maximising the value of the assets (works, redevelopment, repositioning, restructuring, re-establishing the lease valuation basis, (re)negotiating the leases, marketing, relations with key accounts, etc.) and also take charge of financial monitoring (business plan, forecast budgets, etc.). They also manage insurance and co-properties. Lastly, they carry out the analysis and integration of new acquisitions.

The Property Management department is responsible for conserving and maximising the value of the assets. It establishes the budgets of charges, participates in the due diligence operations and establishes the reports. It defines the technical policy and establishes the renovation and maintenance plans, planning and budget. In certain cases the team is assisted on the ground by "external" suppliers, while still retaining responsibility for and coordination of this task. See hereunder. The Property Management department also provides inventories, takes charge of delivering properties and manages incidents.

The Customer Services department handles the rent administration of the assets, namely the administration of the database, (re)-invoicing and rental and lease contracts and in general ensures that tenants meet their contractual obligations (rental guarantee, insurance, etc.). In coordination with the finance department, the

Customer Services department monitors rental collections, issues reminders and follow-ups and assists in preparing pre-litigation and legal proceedings.

The Legal Department is the point of reference for all legal matters concerning real estate. Responsible for identifying risks and seeking solutions, it is the principal point of contact of the operational teams. To monitor and ensure compliance with regulatory constraints, the Legal Department is also responsible for drafting the various real estate contracts and managing conflicts.

Ascencio has established a Marketing & Communication department in order to disseminate Ascencio's image, implement the marketing strategy defined by the management, manage public relations and develop communication with our various stakeholders including through the use of digital means. The marketing department also takes charge of coordinating the marketing and communication of the retail parks.

Mainly because of their geographical distance, and for specific assignments, management of certain French retail parks is entrusted to specialist external providers.

Depending on the particular case, the assignments entrusted consist of:

- rental, accounting and administrative management aimed at the proper execution of the tenants' contractual obligations deriving from the leases;
- technical and operational management of the sites aimed at optimising the functioning of the communal services and equipment;
- and providing any assistance that may be needed for communication, marketing and sales.

Ascencio retains overall coordination, makes the decisions and assumes full responsibility for the assignments entrusted. The external managers are selected by means of a competitive bidding process. Contracts are generally for a limited duration and accompanied by Service Level Agreements allowing performance to be evaluated over the life of the contracts.

Ascencio's external managers for France are:

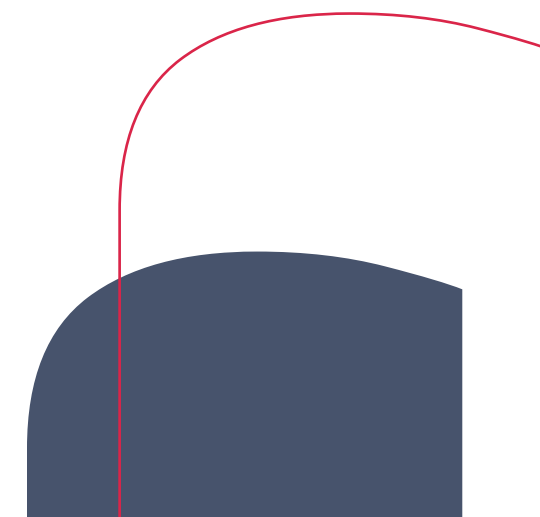
- TERRANAE SAS with its registered office at Place de la Défense 12, Courbevoie (92400), registered with the Nanterre Trade & Companies Registry under number 478.511.124;
- NEVEZ, SARL with its registered office at Chemin Edouard Tavan, 8D, 1206 Geneva, registered with the Geneva Trade & Companies Registry under ref. no. 117793/2012 and Federal no. CH-660-2690012-8;
- GOUNY & STARKLEY, SAS, with its registered office at Opéra - 7 Rue Meyerbeer, 75009 Paris, registered with the Paris Trade & Companies Registry under number 520.807.397.

In France, the external managers' remuneration is partly proportional to the rentals received. The portion not re-invoiceable to tenants amounted to €76,000 incl. tax for the financial year ended 30 September 2020.

Ascencio's external managers for Belgium are:

- PAMS SPRL with its registered office at Avenue de Tervueren 197, Brussels 1150, registered with the Banque Carrefour des Entreprises under number 0686.856.010;
- CEUSTERS DC (Devimo-Consult for short), SA having its registered office at Avenue Jules Bordet 142, Brussels 1140, registered with the Banque Carrefour des Entreprises under number 0423.855.455;
- CUSHMAN & WAKEFIELD BELGIUM SA, with its registered office at Avenue Marnix 23, Brussels 1000, registered with the Banque Carrefour des Entreprises under number 0422.118.165;
- Jacques Berns, a natural person, with his offices at Rue du Dolberg 15, Messancy 6780, registered with the Banque Carrefour des Entreprises under number 0724.427.474.

In Belgium, the external managers' remuneration is partly proportional to the rentals received. The portion not re-invoiceable to tenants amounted to €46,000 incl. tax for the financial year ended 30 September 2020.



— STANDARD COMMERCIAL LEASE

Ascencio generally enters into commercial lease agreements, preferably for a period of nine years, cancellable in accordance with legal requirements. Rentals are payable in advance at the beginning of each month or quarter. They are indexed each year on the anniversary of the lease agreement.

A provision for charges is stipulated in the lease agreement and adapted if necessary depending on consumption and costs actually incurred. A breakdown of actual charges is sent to tenants each year. Advance property levies and taxes are paid annually after notification to the tenant of the tax advice received by the landlord after any necessary breakdown.

A rental guarantee is required of the tenant in order to safeguard the interests of Ascencio and to guarantee compliance with the obligations imposed by the lease agreement. This guarantee, in the form of a bank guarantee payable on first demand or a deposit in guarantee, generally represents three months' rentals.

The formalisation of the lease includes drawing up and mutually agreeing an initial inventory. Ascencio also takes care of transferring the utility meters and registering the lease. Upon expiry of the lease, a final inventory is drawn up in order to assess the amount of any loss or damage.

The tenant may not assign the lease or sub-let the areas without Ascencio's prior agreement in writing. This is given only occasionally except in the case of major chains working either with so-called integrated stores or franchisees. In this case, the franchisor remains jointly and severally liable with its franchisees.

Commercial leases in Belgium are subject to the Law of 30 April 1951 on commercial leases. In France, the status of commercial leases is governed by the French Commercial Code. This Code has been amended by the "Pinel Law". In Spain, commercial leases are subject to law 29/1994 of 24 November 1994, the *Ley de arrendamientos urbanos* or "law on urban leases", abbreviated as "ULA". However this law is merely supplementary to the parties' wishes, which prevail in Spain.



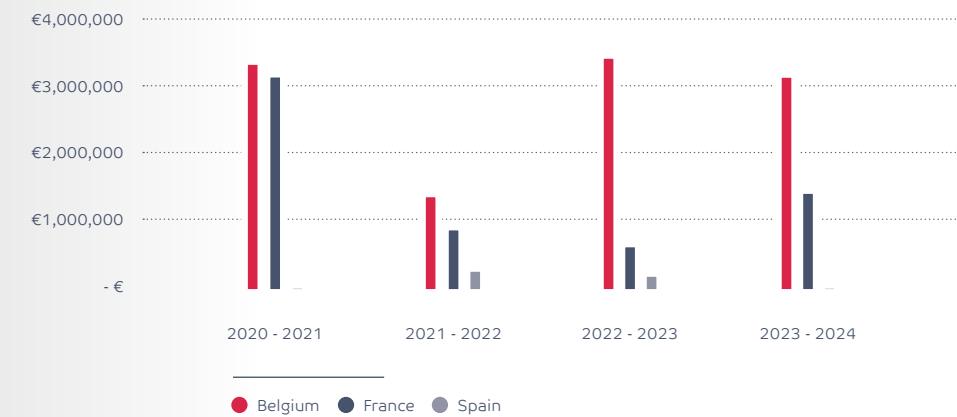
— ESTIMATED RENTAL VALUE (ERV)

The estimated rental value (ERV) is the value as determined by independent property experts based on their knowledge of the property market taking account of various factors such as location, terms of leases, the quality of the property and market conditions.

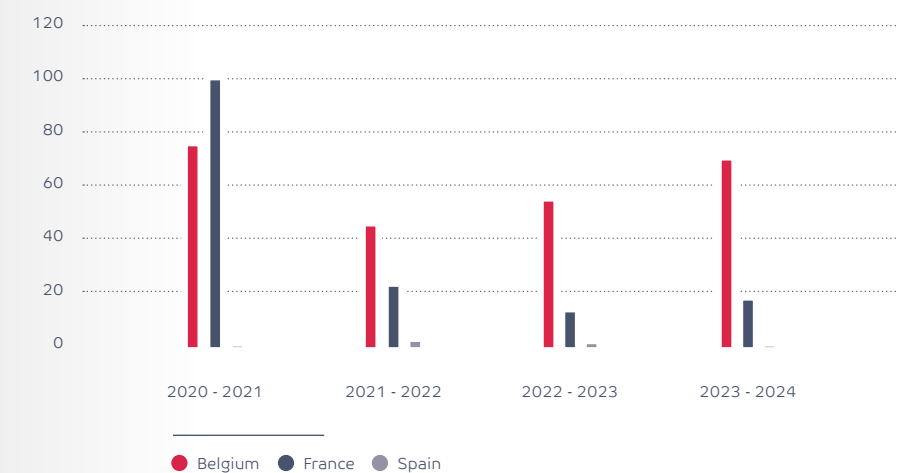
For further information on the valuation methods used by the independent property experts and the valuation process, please refer to the Notes to the Consolidated Financial Statements.

— RESIDUAL DURATION OF AGREEMENTS

MATURITIES OF CONTRACTS AND FIRST POSSIBILITIES OF THREE-YEARLY TERMINATION WITH ASSOCIATED POTENTIAL LOSSES OF RENTAL INCOME



NUMBER OF CONTRACTS AFFECTED BY MATURITIES AND FIRST POSSIBILITIES OF THREE-YEARLY TERMINATION, BY COUNTRY



CONSOLIDATED PORTFOLIO

— COMMERCIAL PROPERTIES IN BELGIUM - AVAILABLE TO LET

Sites (at 30 September 2020 all Belgian sites were held by Ascencio SCA)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rental + ERV of vacant units (€000s)	Estimated rental value (ERV) (€000s)
Aarschot (3200) Lierssesteenweg 21	Cluster	2000	2,955 m ²	280	100%	280	279
Andenne (5300) Avenue Roi Albert 135	Stand-alone (food)	2000	2,386 m ²	164	100%	164	179
Anderlecht (1070) Chaussée de Ninove 1024	Stand-alone	1962	1,061 m ²	140	100%	140	101
Anderlecht (1070) Digue du Canal 112-113	Stand-alone (food)	2018	1,977 m ²	268	100%	268	257
Auderghem (1160) Chaussée de Wavre 1130	Stand-alone	2006	1,810 m ²	291	100%	291	262
Berchem (2600) Fruithoflaan 85	Stand-alone (food)	1971	2,685 m ²	254	100%	254	242
Bonnelles (4100) Route du Condroz 20-24	Cluster	1995	3,000 m ²	531	100%	531	437
Bonnelles (4100) Rue de Tilff 114	Cluster	2004	597 m ²	97	86%	113	108
Braine l'Alleud (1420) Place St Sébastien 15	Stand-alone (food)	1978	1,525 m ²	97	100%	97	114
Bruges (8000) Legeweg 160	Stand-alone	1995	999 m ²	87	100%	87	90
Chapelle-lez-Herlaimont (7160) Rue de la Hestre 93	Stand-alone (food)	1973	2,237 m ²	208	100%	208	179
Chatelet (6200) Rue de la Station 55	Stand-alone (food)	1998	2,500 m ²	166	100%	166	175

Sites (at 30 September 2020 all Belgian sites were held by Ascencio SCA)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rental + ERV of vacant units (€000s)	Estimated rental value (ERV) (€000s)
Châtelineau (6200) Rue des Prés 45	Stand-alone (food)	1993	1,924 m ²	115	100%	115	125
Châtelineau "Cora" (6200) Rue du Trieu-Kaisin	Retail Park	1990	23,183 m ²	2,391	100%	2,391	2,196
Couillet "Bellefleur" (6010) Chaussée de Philippeville 219	Retail Park	1970	2,726 m ²	202	93%	216	246
Couillet "Bellefleur" (6010) Chaussée de Philippeville 304-317	Retail Park	1990	224 m ²	44	100%	44	40
Couillet "Bellefleur" (6010) Chaussée de Philippeville 329	Retail Park	2014	17,077 m ²	2,078	100%	2,078	1,999
Courcelles (6180) Rue du 28 Juin	Stand-alone (DIY)	2005	2,495 m ²	177	100%	177	176
Dendermonde (9200) Heirbaan 159	Stand-alone (food)	1970	3,090 m ²	388	100%	388	201
Dendermonde (9200) Mechelsesteenweg 24	Cluster	1983	4,356 m ²	404	100%	404	362
Frameries (7080) Rue Archimède 5	Stand-alone (food)	1978	2,180 m ²	162	100%	162	153
Gembloux (5030) Avenue de la Faculté d'Agronomie 28	Cluster	1976	2,095 m ²	89	51%	174	178
Gent Dampoort (9000) Pilorijstraat 20	Stand-alone (food)	1960	2,889 m ²	321	100%	321	251
Genva "Les Papeteries De Genva" (1332) Square des Papeteries	Ground floor shop	2015	10,256 m ²	1,719	94%	1,835	1,532
Gerpinnes "Shopping Sud" (6280) Route de Philippeville 138	Retail Park	2000	8,177 m ²	530	100%	530	484

Sites (at 30 September 2020 all Belgian sites were held by Ascencio SCA)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rental + ERV of vacant units (€000s)	Estimated rental value (ERV) (€000s)
Gerpinnes (6280) Route de Philippeville 196	Cluster	1979	3,369 m ²	296	100%	296	337
Gerpinnes Bultia (6280) Rue Neuve 182-184	Cluster	1988	1,511 m ²	139	100%	139	128
Ghlin (7011) Rue du Temple 23	Stand-alone (food)	1975	1,957 m ²	155	100%	155	127
Gilly (6060) Chaussée de Ransart 252	Stand-alone (food)	1989	2,725 m ²	251	100%	251	232
Gozée (6534) Rue de Marchienne 204A	Stand-alone (food)	1977	2,431 m ²	185	100%	185	207
Hamme Mille (1320) Chaussée de Louvain 27	Cluster	2013	3,628 m ²	316	89%	355	336
Hannut "Orchidée Plaza" (4280) Route de Huy 54	Retail Park	1986	9,643 m ²	660	75%	879	894
Hannut (4280) Route de Landen 57	Cluster	2000	3,431 m ²	369	100%	369	335
Hannut (4280) Route de Landen 51	Cluster	2000	1,888 m ²	173	100%	173	189
Hoboken (2660) Sint Bernardsesteenweg 586	Stand-alone (food)	1988	4,620 m ²	441	100%	441	347
Huy (4500) Quai d'Arona 19A	Stand-alone (DIY)	2002	1,969 m ²	187	100%	187	167
Jambes (5100) Rue de la Poudrière 14	Cluster	1986	2,760 m ²	208	100%	208	221
Jemappes (7012) Avenue Maréchal Foch 934	Retail Park	1966	10,319 m ²	647	95%	683	648
Jemeppe Sur Sambre (5190) Rue Hittetelet 143	Cluster	2006	1,553 m ²	148	100%	148	148
Jodoigne (1370) Rue du Piétrain 61A	Stand-alone (food)	1987	2,245 m ²	152	100%	152	168
Jumet (6040) Rue de Dampremy 22	Stand-alone (food)	1975	1,730 m ²	172	100%	172	130
Kortrijk (8500) Gentsesteenweg 50-56	Stand-alone (food)	1965	2,309 m ²	231	100%	231	196
La Louvière (7100) Avenue de la Wallonie 5	Stand-alone	1991	1,000 m ²	99	100%	99	90

Sites (at 30 September 2020 all Belgian sites were held by Ascencio SCA)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rental + ERV of vacant units (€000s)	Estimated rental value (ERV) (€000s)
La Louvière "Cora" (7100) Rue de la Franco Belge 28	Retail Park	1990	24,758 m ²	2,569	100%	2,569	2,344
Laeken (1020) Rue Marie-Christine 185-191	Ground floor shop	2001	1,638 m ²	294	100%	294	256
Lambusart (6220) Route de Fleurus et Wainage	Stand-alone (food)	1976	2,600 m ²	128	100%	128	156
Leuze (7900) Avenue de l'Artisanat 1	Cluster	2006	3,463 m ²	229	83%	276	259
Liège (4000) Rue du Laveu 2-8	Cluster	1991	2,290 m ²	158	100%	158	160
Loverval (6280) Allée des Sports 11	Retail Park	2002	5,621 m ²	364	98%	372	400
Marchienne-au-Pont (6030) Rue de l'Hôpital 3-5	Stand-alone (food)	1976	2,010 m ²	151	100%	151	131
Messancy "Cora" (6780) Route d'Arlon 220	Retail Park	2001	19,482 m ²	719	79%	912	792
Morlanwelz (7140) Rue Pont du Nil 19	Retail Park	2004	3,951 m ²	258	72%	360	334
Nivelles (1400) Rue du Tienne à Deux Vallées 6	Stand-alone (food)	1983	3,308 m ²	251	100%	251	281
Ottignies (1340) Avenue Provinciale 127	Stand-alone (food)	1984	2,127 m ²	168	100%	168	180
Philippeville (5600) Rue de France 47	Stand-alone (food)	1989	1,677 m ²	195	100%	195	168
Philippeville (5600) Rue de Neuville 2	Stand-alone	2003	1,228 m ²	123	100%	123	123
Rocourt "Cora" (4000) Chaussée de Tongres 269	Stand-alone (DIY)	1990	7,367 m ²	592	100%	592	700
Saint-Vaast (7100) Rue Albert Dufrane 99	Stand-alone (food)	1980	2,026 m ²	158	100%	158	142
Schelle (2627) Boomssesteenweg 35	Stand-alone	1993	5,375 m ²	561	100%	561	538
Sint Niklaas (9100) Stationstraat 16-24	Ground floor shop	1988	1,031 m ²	93	60%	154	126

Sites (at 30 September 2020 all Belgian sites were held by Ascencio SCA)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rental + ERV of vacant units (€000s)	Estimated rental value (ERV) (€000s)
Soignies (7060) Rue du Nouveau Monde 17	Stand-alone (food)	1975	2,899 m ²	232	100%	232	246
Tournai (7500) Rue de la Tête d'Or 22-24	Stand-alone (food)	1958	2,713 m ²	505	100%	505	231
Trazegnies (6183) Rue de Gosselies 76	Stand-alone (food)	1974	2,869 m ²	112	100%	112	201
Tubize (1480) Rue du Pont Demeur 2	Cluster	2002	3,043 m ²	300	100%	300	285
Turnhout (2300) Korte Gasthuistraat 38	Stand-alone (food)	1966	2,503 m ²	505	100%	505	288
Uccle "Shopping De Fré" (1180) Avenue de Fré 82	Shopping mall	1970	3,826 m ²	361	95%	381	370
Walcourt (5650) Rue de la Forge 34	Stand-alone (food)	2004	1,680 m ²	150	100%	150	143
Waremme (4300) Chaussée Romaine 189	Stand-alone (food)	2003	2,043 m ²	141	100%	141	174
Wavre (1300) Avenue des Princes 9	Stand-alone (food)	1986	2,358 m ²	185	100%	185	224
TOTAL RETAIL SITES, BELGIUM			277,378 m²	25,532	96.4%	26,490	24,517

— COMMERCIAL PROPERTIES IN FRANCE - AVAILABLE TO LET

Sites (at 30 September 2020 the French sites were held by 100% subsidiaries or by the French branch of Ascencio SCA)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rental + ERV of vacant units (€000s)	Estimated rental value (ERV) (€000s)
Aix en Provence (13100) Avenue des Infirmiers Quartier Saint-Jérôme (held by the French branch)	Stand-alone (food)	1964	3,092 m ²	770	100%	770	771
Anney (Seynod) (74370) 18, Rue Zananoli (held by SCI Seynod Barral)	Stand-alone (food)	2004	1,388 m ²	206	100%	206	206
Antibes (06160) Avenue Nicolas Ausset Antibes (held by the French branch)	Stand-alone (food)	1976	4,614 m ²	911	100%	911	902
Bourgoin Jallieu (38300) Rue Edouard Branly (held by SCI La Pierre de l'Isle)	Cluster	1975	4,978 m ²	474	100%	474	474
Brives Charensac (43700) 127, Avenue Charles Dupuy (held by SCI Candice Brives)	Stand-alone (food)	2006	2,296 m ²	258	100%	258	258
Chalon sur Saône "Les Portes du Sud" (71100) Rue René Cassin (held by SCI Les Portes du Sud)	Retail Park	2010	13,179 m ²	1,385	98%	1,415	1,522
Chanas (38150) Route de Lyon - ZAC du Parc du Soleil (held by SCI du Rond Point)	Stand-alone (food)	1997	1,750 m ²	117	100%	117	117
Chasse-sur-Rhône (38670) Rondpoint des Charneveaux - Rue Pasteur (held by SCI du Rond Point)	Stand-alone (food)	2002	2,012 m ²	318	100%	318	287

Sites (at 30 September 2020 the French sites were held by 100% subsidiaries or by the French branch of Ascencio SCA)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rental + ERV of vacant units (€000s)	Estimated rental value (ERV) (€000s)
Choisey (39100) 3, rue des Guyonnes - ZAC du Paradis (held by SCI Seynod Barral)	Stand-alone (food)	2005	2,129 m ²	323	100%	323	323
Civrieux d'Azergues (Lozanne) (69380) Chemin du Vavre, Route de Lyon (held by SCI Les Halles de Lozanne)	Stand-alone (food)	2010	2,080 m ²	232	100%	232	232
Clermont Ferrand (63000) 10, Boulevard Saint Jean (held by SCI Clermont Saint Jean)	Stand-alone (food)	2006	2,146 m ²	312	100%	312	308
Cormontreuil (51350) Avenue des Goisses (held by the French branch)	Cluster	2008	13,471 m ²	1,411	100%	1,411	1,391
Crèches-sur-Saône "Parc des Bouchardes" (71680) Lieudit Les Bouchardes (held by the French branch)	Retail Park	2009	11,618 m ²	1,210	91%	1,336	1,302
Crèches-sur-Saône "Parc des Bouchardes" (71680) Lieudit Les Bouchardes (held by SCI Les Halles de Crèches)	Stand-alone (food)	2009	1,963 m ²	193	100%	193	192
Echirolles (38130) 13, Avenue de Grugliasco (held by SCI Echirolles Grugliasco)	Stand-alone (food)	2006	2,366 m ²	337	100%	337	337
Essey-lès-Nancy (54270) Rue Catherine Sauvage (held by SCI ZTF Essey les Nancy)	Stand-alone (food)	2007	2,043 m ²	226	100%	226	226
Guyancourt (78280) 5-7, Route de Dampierre et 5, Rue Denis Papin (held by SCI GFDI 37 Guyancourt)	Stand-alone (food)	2015	2,348 m ²	565	100%	565	547

Sites (at 30 September 2020 the French sites were held by 100% subsidiaries or by the French branch of Ascencio SCA)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rental + ERV of vacant units (€000s)	Estimated rental value (ERV) (€000s)
Houdemont (54180) 6, Avenue des Erables (held by the French branch)	Stand-alone	2014	7,000 m ²	678	100%	678	650
Isle d'Abeau (38080) ZAC St Hubert - Secteur les Sayes (held by SCI La Pierre de l'Isle)	Stand-alone (food)	2006	1,713 m ²	252	100%	252	252
Isle d'Abeau (38080) ZAC St Hubert - Secteur les Sayes (held by SCI La Pierre de l'Isle).r.	Cluster	2013	1,050 m ²	155	100%	155	155
Le Cannet (06110) 17-21, Boulevard Jean Moulin (held by SCI Cannet Jourdan)	Stand-alone (food)	2007	1,961 m ²	270	100%	270	267
Le Creusot (71200) 83, Avenue de la République (held by SCI Harfleur 2005)	Stand-alone (food)	2006	2,169 m ²	214	100%	214	187
Marsannay-La-Côte (21160) Allée du Docteur Lépine (held by SCI de la Cote)	Stand-alone (food)	2010	2,081 m ²	272	100%	272	272
Marseille Delprat (13013) Boulevard Marcel Delprat (held by the French branch)	Stand-alone (food)	1996	5,590 m ²	1,596	100%	1,596	1,515
Mouans Sartoux (06370) 1006, Chemin des Gourettes (held by the French branch)	Stand-alone (food)	1986	5,128 m ²	887	100%	887	843
Nîmes (30000) 1245, Route de Saint Gilles (held by SCI du Mas des Abeilles)	Stand-alone (food)	2003	2,075 m ²	273	100%	273	261

Sites (at 30 September 2020 the French sites were held by 100% subsidiaries or by the French branch of Ascencio SCA)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rental + ERV of vacant units (€000s)	Estimated rental value (ERV) (€000s)
Rots "Parc des Drapeaux" (14980) Avenue des Drapeaux (held by the French branch)	Retail Park	2011 & 2016	23,981 m ²	2,895	100%	2,895	2,753
Saint Aunès "Parc des Cyprès" (34130) Parc d'activités Saint Antoine (held by SCI Saint Aunès Retail Parc)	Retail Park	2012	9,726 m ²	1,267	100%	1,267	1,194
Seyssins (38180) 2, Rue Henri Dunant (held by SCI Kevin)	Stand-alone (food)	1992	1,702 m ²	197	100%	197	197
Teste de Buch (33260) 11, Avenue de Binghampton (held by SCI GFDI 62 La Teste de Buch)	Stand-alone (food)	1997	2,455 m ²	325	100%	325	325
Viriat (01440) 44, Rue du Plateau (held by SCI Viriat la Neuve)	Stand-alone (food)	2009	1,866 m ²	190	100%	190	190
Le Rouret (06650) Route de Nice (held by the French branch)	Stand-alone (food)	2011	5,327 m ²	528	100%	528	540
TOTAL RETAIL SITES, FRANCE			147,295 m²	19,251	99.2%	19,407	18,995

— COMMERCIAL PROPERTIES IN SPAIN - AVAILABLE TO LET

Sites (at 30/09/2020 all Spanish sites were held by Ascencio Iberia SAU, a fully-owned subsidiary of Ascencio SCA)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rental + ERV of vacant units (€000s)	Estimated rental value (ERV) (€000s)
Sant Boi (08830, Barcelona) Centro Comercial Sant Boi C/Hortells, 6-8	Cluster	2003	3,479 m ²	627	100%	627	607
San Sebastián de los Reyes (28703, Madrid) Centro Comercial Megapark Plaza del Comercio, 2	Cluster	2002	3,683 m ²	760	100%	760	743
Aldaia (46960, Valencia) Parque Comercial Bonaire Carretera N-III, Km. 345	Cluster	2005	5,091 m ²	572	100%	572	434
TOTAL RETAIL SITES, SPAIN			12,253 m²	1,959	100.0%	1,959	1,784

— NON-COMMERCIAL PROPERTIES - AVAILABLE TO LET

Sites (at 30/09/2020 all non-commercial sites were held by Ascencio SCA)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rental + ERV of vacant units (€000s)	Estimated rental value (ERV) (€000s)
Dendermonde (9200) Mechelsesteenweg 24	Vacant offices	1983	375 m ²	0	0%	0	0
Uccle "Shopping De Fré" (1180) Avenue de Fré 82	Non-saleable zone	1970	344 m ²	0	0%	0	0
Gosselies Aéroport (6041) Avenue Jean Mermoz	Semi-industrial buildings and offices	1992	6,656 m ²	435	96%	454	349
Gosselies Aéroport (6041) Avenue Jean Mermoz	Service area	1992	243 m ²	0	0%	0	0
Hannut (4280) Route de Huy 54	Apartments	1986	296 m ²	19	100%	19	18
TOTAL OTHERS BELGIUM			7,914 m²	455	96.0%	474	367
TOTAL ASCENCIO PORTFOLIO			444,840 m²	€47,197	97.7%	€48,330	45,663

The following assets and property complexes each represent more than 5% of the consolidated assets of the Company and its subsidiaries:

- The Châtelineau retail park (Belgium). The main tenants are Decathlon, Brico Plan-it and Tournesol.
- The La Louvière retail park (Belgium). The main tenants are Brico Plan-it, Sportsdirect.com, Leenbakker and Trafic.
- The Caen retail park (France). The main tenants are Decathlon, Kiabi, Darty Intersport, Foir'fouille and Géo.

The Company does not hold any property complex representing more than 20% of its consolidated assets.

EXPERTS' REPORT

Brussels, 30th September 2020

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 m².

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 September 30th, 2020 amounts to:

719.851.764 EUR

(Seven hundred nineteen million eight hundred fifty-one thousand seven hundred sixty-four euro)

This amount takes into account the value attributed to the buildings valued 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 September 30th, 2020 at:

690.480.831 EUR

(Six hundred ninety million four hundred eighty thousand eight hundred thirty-one euro)

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

— OPINION OF CUSHMAN & WAKEFIELD

Cushman & Wakefield estimates, for its part of Ascencio's real estate portfolio valued at 30th September 2020, the investment value at EUR 252.899.306 and the fair value (transaction costs deducted) at EUR 242.354.214.

— OPINION OF JONES LANG LASALLE

Jones Lang LaSalle estimates, for its part of Ascencio's real estate portfolio valued at 30th September 2020, the investment value at EUR 174.496.628 and the fair value (transaction costs deducted) at EUR 166.203.617.

— OPINION OF CBRE

CBRE estimates, for its part of Ascencio's real estate portfolio valued at 30th September 2020, the investment value at EUR 292.455.830 and the fair value (transaction costs deducted) at EUR 281.923.000.

Important: please read next page "Market conditions explanatory note: 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.

— MARKET CONDITIONS
EXPLANATORY NOTE:
CORONAVIRUS (COVID-19)

The outbreak of COVID-19, declared by the World Health Organization 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 restrictions have been implemented by many countries and “lockdowns” applied to varying degrees. Whilst restrictions have now been lifted in some cases, local lockdowns may continue to be deployed as necessary and the emergence of significant further outbreaks or a “second wave” is possible.

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, some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value.

MATERIAL VALUATION UNCERTAINTY

In respect of the retail sector, as at the valuation date, we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements.

Our valuation of retail properties is therefore reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation - Global Standards. Consequently, in respect of these valuations less certainty - and a higher degree of caution - should be attached to our valuation than would normally be the case.

For the avoidance of doubt, this explanatory note, including the ‘material valuation uncertainty’ declaration, does not mean that the valuation(s) cannot be relied upon. Rather, 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.



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
Partner
Cushman & Wakefield
Spain



Christophe Adam MRICS
Director
Jones Lang LaSalle
France



Béatrice Rousseau MRICS
Director
CBRE France

SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED RESULTS FOR FINANCIAL YEAR 2019/2020

CONSOLIDATED RESULTS (€000s)	30/09/2020	30/09/2019
RENTAL INCOME	44,555	41,585
Rental related charges	-2,224	-225
Taxes and charges not recovered	-183	-162
PROPERTY RESULT	42,148	41,198
Property charges	-2,711	-3,585
Corporate overheads	-3,881	-3,807
Other income and operating costs	-4	73
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	35,551	33,879
Operating margin¹	79.8%	81.5%
Financial income	0	0
Net interest charges	-5,308	-4,376
Other financial charges	-334	-388
Taxes	-489	-488
EPRA EARNINGS	29,420	28,628
Net gains and losses on disposals of investment properties	-41	963
Change in the fair value of investment properties	-20,520	-399
Other result on the portfolio	0	0
Portfolio result	-20,561	564
Change in fair value of financial assets and liabilities	316	-8,570
Exit Tax	0	969
Taxes on net gains and losses on disposals of investment properties	0	0
Deferred tax	71	-242
NET RESULT	9,246	21,348
EPRA EARNINGS PER SHARE	4.46	4.34
EARNINGS PER SHARE (EPS)	1.40	3.24
NUMBER OF SHARES	6,595,985	6,595,985

¹ Alternative Performance Measure (APM). See glossary at the end of the financial report.

— SUMMARY OF ACTIVITY IN 2019/2020 AND IMPACT OF COVID-19 ON RESULTS

The first half of the financial year played out in a climate that gradually deteriorated due to the health crisis, which started in December 2019 in China.

For Ascencio, it was marked by a substantial investment of €85 million, inclusive of costs, involving the acquisition of 5 assets in the food sector in the south-east of France. Completion of this transaction shows Ascencio's desire to strengthen its exposure to the food sector. This is a part of its DNA and an essential and strategic component of its portfolio.

The share of the food sector in the Ascencio portfolio rose from 33% at 30/09/2019 to 40% at 30/09/2020.

This investment, financed entirely by debt, generates annual rental income of €4.7 million, taking current lease rentals from €42.4 million per year at 30/09/2019 to €47.2 million at 30/09/2020. It was conducted with the help of Ascencio's traditional bankers and with new major financial partners on the French market.

Mid-March 2020, the health crisis obliged the governments of most European countries to enforce shop closures, with the exception of those selling food and certain other essential goods and services.

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

The health crisis did not affect the results of the first half-year ended 31/03/2020. Since rentals are invoiced and payable in advance, overdue payments at 31 March 2020 caused by the Covid-19 crisis were not significant, and did not lead to any reduction in value at that date.

From 1 April many retailers in sectors other than food have suspended payment of their rentals due to the closure of their business.

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

By 30/09/2020, Ascencio had reached agreement with all of its Belgian and Spanish tenants. In France, an agreement was signed with a large number of tenants.

At this time, agreement has been reached on 94% of the rents in the French portfolio.

At 30/09/2020, Ascencio estimated that the impact of the Covid-19 crisis on its rental revenue for the financial year amounts to €1.64 million, corresponding to partial cancellations of rent for April and May 2020 for certain retailers, i.e. an amount lower than the impact estimated at 30/06/2020 (€2.04 million).

This amount of €1.64 million comprises €1.08 million in credit notes already issued on 30/09/2020 and €0.56 million in credit notes still to be issued (estimated amount based on negotiations in progress at 30/09/2020).

The health crisis also exacerbated the difficulties of certain brands which are now in administration or were declared bankrupt, including Orchestra and Brantano. Write-downs of trade receivables recorded during the financial year stand at €0.58 million (compared with €0.22 million the previous year).

However, the impact of retailers in difficulty on the Company's results was greatly limited due to the positioning of Ascencio's portfolio in out-of-town retail.

In fact, out-of-town retail has a "corona-safe" profile for consumers. This has allowed retailers active in the out-of-town sector to rapidly resume activities, and make up for non-seasonal spending, particularly in the DIY, home and sport sectors.

What's more, thanks to their location, ample parking, attractive rent, and flexible commercial space, out-of-town retail assets give retailers the edge they need in terms of financial and operational agility in order to develop their omnichannel strategy.

These two characteristics put out-of-town retail in a commanding position compared with high streets and shopping centers.

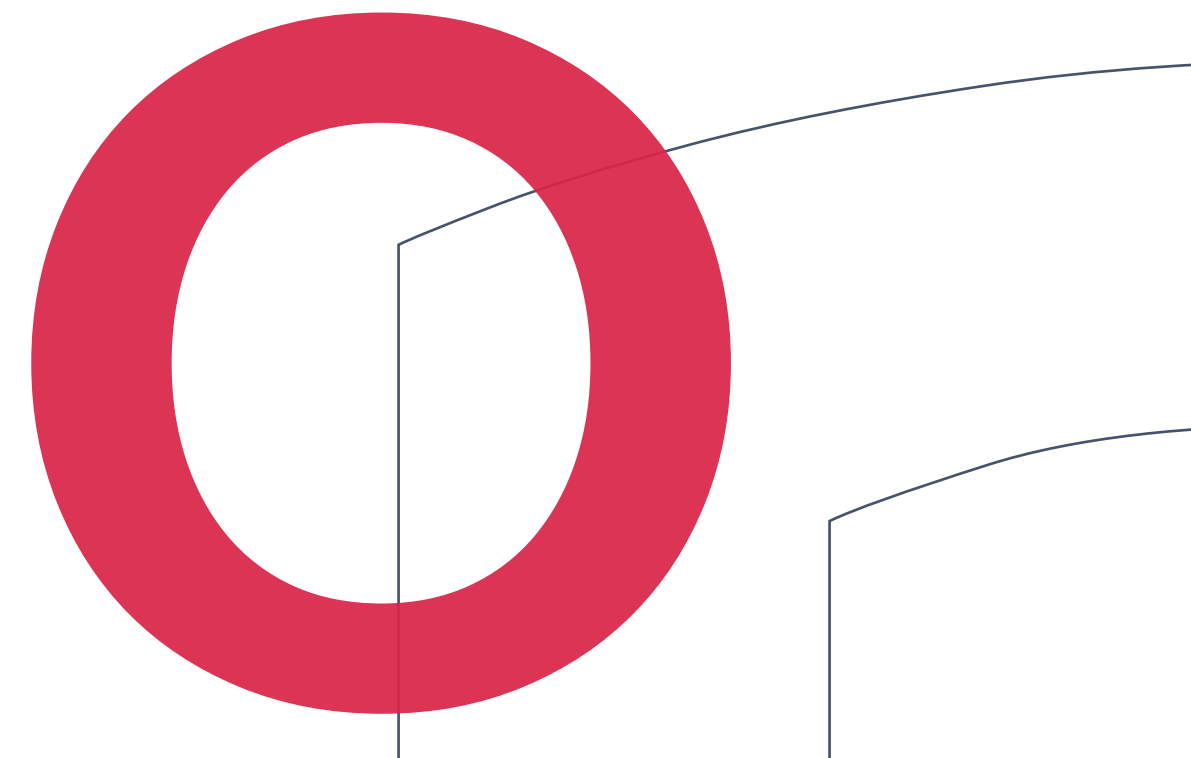
With the exception of 6 sites out of the 370 in Ascencio's portfolio, all the tenants in administration have decided, as part of their continuity plans, to continue operating the shops in the Ascencio portfolio. In particular, 4 of Ascencio's 5 Orchestra stores are continuing their activities. As regards Brantano, Ascencio owns only one of the chain's stores, and the commercial unit has already been re-let to another brand.

The resilience and robust nature of Ascencio's portfolio shone through in the context of the health crisis.

The food retail sector was able to continue its activities during the crisis and accounts for 40% of Ascencio's annual contractual rental revenue. Food has proved resilient in the face of the pandemic, confirming the limited impact of e-commerce on its activities.

The DIY, garden centre, electronic and multi-media sectors also represent an important base of the portfolio, with 16.1% of annual rental revenue. These sectors suffered relatively little from the crisis.

Despite the health crisis, Ascencio ended the 2019/2020 financial year with improved results, both in terms of rental income (+7.1% before Covid impact) and EPRA result (+2.8%).



— EVOLUTION OF RESULTS DURING THE FINANCIAL YEAR 2019/2020

As a result of the acquisition of 5 Casino supermarkets on 06/03/2020, rental income for the year was up by 7.1% at €44.55 million (before Covid impact) compared with €41.58 million for the previous financial year.

The following table shows rental income by country:

RENTAL INCOME (€000s)	30/09/2020		30/09/2019	
	Value	%	Value	%
Belgium	25,567	57%	25,435	61%
France	17,033	38%	14,224	34%
Spain	1,955	4%	1,926	5%
TOTAL	44,555	100%	41,585	100%

On a like-for-like basis rental income on the whole portfolio was up by 0.65% (before Covid impact). By country, the change on a like-for-like basis was as follows:

- Belgium: +0.74%
- France: +0.35%
- Spain: +1.52%

Rental-related charges were up sharply at €2.22 million compared with €0.22 million for the previous financial year. These charges include

- firstly, reductions in value of trade receivables for €0.58 million (compared with €0.22 million the previous year);
- secondly, the cancellation of rents granted to certain non-food tenants for €1.64 million in connection with the closure of non-essential businesses.

After taking account of rental cancellations linked to Covid-19 and reductions in the value of receivables, **property result** stands at €42.15 million (up 2.3% compared with 30/09/2019).

After deduction of property charges and corporate overheads, the **operating result before result on portfolio** stood at €35.55 million (€33.88 million at 30/09/2019).

The **operating margin**¹ came to 79.8%.

Net interest charges, including the cash flows generated by interest rate hedging instruments, amounted to €5.31 million (€4.38 million at 30/09/2019). The increase (of €0.93 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**¹ (including margins and the cost of hedging instruments) is 1.84% (compared with 1.87% in 2018/2019).

Thanks to the interest rate hedging policy put in place, the Group's hedging ratio is currently 81.3%. Based on the level of financial debt at 30/09/2020, it is set to remain above 70% until June 2025.

After deduction of the tax charge on French and Spanish assets, **EPRA earnings** amounted to €29.42 million at 30/09/2020, a rise of 2.8% year-on-year.

Investment properties saw a decrease in value of €20.5 million:

- On a like-for-like basis, the fair value of the property portfolio fell 2.38% (a decrease of €14.8 million) compared with 30/09/2019. This fall was primarily due to the reduction in value of a few non-food sites subject to repositioning.

- Furthermore, the recognition at fair value of the 5 Casino supermarkets acquired in March generated a shortfall of €5.7 million on the all-in acquisition price, which includes expenses and stamp duty paid.

The fair value of interest rate hedging instruments increased by €0.32 million.

Net result come to €9.25 million, compared with €21.35 million for the year ended 30/09/2019.

CONSOLIDATED BALANCE SHEET AT 30/09/2020

CONSOLIDATED BALANCE SHEET (€000s)	30/09/2020	30/09/2019
ASSETS	713,716	635,806
Investment properties	697,639	622,894
Other non-current assets	1,506	1,736
Assets held for sale	0	847
Trade receivables	7,441	4,107
Cash and cash equivalents	4,710	4,650
Other current assets	2,420	1,573
EQUITY AND LIABILITIES	713,716	635,806
Equity	349,130	363,124
Non-current financial debts	293,738	165,742
Other non-current liabilities	14,656	14,689
Deferred tax	832	903
Current financial debts	42,494	81,430
Other current liabilities	12,866	9,918
DEBT RATIO (*)	48.7%	40.5%

* Calculated in accordance with the Royal Decree of 13/07/2014, as amended by the Royal Decree of 23/04/2018, on B-REITs.

— ASSETS

At 30/09/2020, investment property (excluding IFRS 16) is measured at its fair value (as defined by IAS 40) for an amount of €690.5 million. This represents 96.7% of consolidated assets, of which

- €368.3 million for properties located in Belgium;
- €292.6 million for properties located in France;
- €29.5 million for properties located in Spain.

— EQUITY AND LIABILITIES

On the liabilities side, financial debt (current and non-current) amounts to €336.2 million (€247.2 million at 30/09/2019). The increase in financial debt at 30/09/2020 is primarily the result of debt financing to enable the acquisition of 5 Casino supermarkets in France in March 2020.

¹ Alternative Performance Measure (APM). See glossary at the end of this financial report.

Financial debt is divided into six types of financing:

(€000s)	30/09/2020	30/09/2019
Roll over bank borrowing	262,600	190,300
Commercial paper	41,000	50,000
Medium term note	20,000	0
Investment credits	5,017	6,327
Finance leases	410	544
Lease debts (IFRS 16)	7,205	0
Total financial debts	336,232	247,172

As part of the acquisition of 5 Casino supermarkets in March 2020,

— €73 million in new bank loans were put in place, both with long-standing partner banks and through new French bank lines;

— Ascencio increased the size of its commercial paper programme from €50 to €100 million in January 2020 with a view to increasing its short-term issues (maturities of one year or less), and developing its long-term borrowings (more than one year).

An initial issue with a four-year maturity was thus placed on 5 March for €20 million with an institutional investor.

At 30/09/2020, Ascencio has roll-over bank credit facilities of €338.5 million available in the form of advances. The unutilised portion of these lines amounts to €75.9 million.

No roll-over bank credit lines are set to mature during the next financial year 2020/2021.

Outstanding commercial paper stands at €41 million on 30/09/2020. Issues of commercial paper are permanently covered by unutilised bank credit lines, which are activated in the event of changes in the volume of commercial paper outstanding.

In the context of the application of IFRS 16, financial debt has included since 01/10/2019 the liabilities linked to the right-of-use of land which are now recognised as assets in the balance sheet, i.e. an amount of €7.2 million at 30/09/2020.

Other non-current liabilities of €14.7 million include the fair value of interest rate hedging instruments (€12.5 million, compared with €12.8 million at 30/09/2019).

The consolidated debt ratio stands at 48.7% at 30/09/2020 as against 40.5% at 30/09/2019.

PROPERTY PORTFOLIO AT 30/09/2020

The fair value of the property portfolio (excluding IFRS 16) stands at €690.5 million at 30/09/2020, compared with €622.8 million at 30/09/2019.

(€000s)	30/09/2020	30/09/2019
BALANCE AT BEGINNING OF THE PERIOD	622,894	619,029
Acquisitions	88,106	10,304
Disposals	0	-5,192
Transfer from assets held for sale	0	-847
Change in fair value	-20,520	-399
BALANCE AT THE END OF THE PERIOD	690,481	622,894

— INVESTMENTS DURING THE FINANCIAL YEAR

During the 2019/2020 financial year, Ascencio made €88.1 million of investments.

In the main, these concerned the acquisition, on 06/03/2020 of 5 Casino supermarkets in south-east France (Aix-en-Provence, Antibes, Marseille, Le Rouret, and Mouans-Sartoux).

Ascencio also built a new 2,139 m² unit for Aldi at its Hannut site (Belgium), and enlarged the Grand Frais site in Nîmes (France).

— DIVESTMENTS DURING THE FINANCIAL YEAR

There were no divestments during the 2019/2020 financial year.

— CHANGE IN VALUE

Overall, investment properties available for rent saw a decrease in value of €20.5 million, as outlined previously.

— GEOGRAPHICAL DISTRIBUTION OF THE PORTFOLIO

At 30/09/2020, the breakdown of the portfolio (excluding development projects and IFRS 16 - right-of-use land) among the 3 countries in which Ascencio operates was as follows:

COUNTRY	INVESTMENT VALUE (€000S)	FAIR VALUE (€000S) (%)	CONTRACTUAL RENTS (€000S)	OCCUPANCY RATE (%)	GROSS YIELD (%)
Belgium	378,032	368,321 53.4%	25,987	96.4%	6.87%
France	310,879	292,220 42.3%	19,251	99.2%	6.19%
Spain	30,518	29,525 4.3%	1,959	100.0%	6.42%
TOTAL	719,429	690,066 100%	47,197	97.7%	6.56%

At 30/09/2020, the occupancy rate of the portfolio stood at 97.7%, compared with 97.3% at 30/09/2019.

CONSOLIDATED DATA PER SHARE

NUMBER OF SHARES	30/09/2020	30/09/2019
Weighted average number of shares	6,595,985	6,595,985
Total number of existing shares	6,595,985	6,595,985
CONSOLIDATED RESULT PER SHARE (EUROS)		
EPRA EARNINGS per share (euros)	4.46	4.34
Earnings per share (EPS) (euros)	1.40	3.24
Net asset value (NAV) (€000s)		
	30/09/2020	30/09/2019
Net asset value (NAV) (€000s)	349,130	363,124
NAV per share (euros)	52.93	55.05
Restatements:		
Deferred tax (€000s)	832	903
Fair value of hedging instruments (IRS and CAP) (€000s)	12,483	12,800
Net asset value (NAV) EPRA (€000s)	362,445	376,827
Number of shares	6,595,985	6,595,985
Net asset value (NAV) EPRA per share (euros)	54.95	57.13



APPROPRIATION OF PROFIT FOR THE FINANCIAL YEAR

The Board of Directors will propose to the Ordinary General Meeting of Shareholders of 29/01/2021 that it approve the financial statements for the year ended 30/09/2020 (a summary of which is given in the section headed "Summary of the annual statutory accounts"

in this Annual Report) and the distribution of a gross dividend of €3.65 per share.

Based on this proposal, the net statutory profit would be appropriated as shown in the following table:

PROPOSED APPROPRIATION (€000s)	30/09/2020	30/09/2019
A NET RESULT	9,246	21,348
B TRANSFERS TO/FROM RESERVES	-14,829	-1,738
1. Transfer to/from reserves of net change in fair value of property assets (-/+)	-20,520	-399
- accounting financial year	-20,520	-399
- previous financial years	0	0
- realisation of property assets	0	0
2. Transfer to/from reserves of transaction costs resulting from hypothetical disposal of investment properties (-/+)	0	0
3. Transfer to reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is applied (-)	0	0
4. Transfer from reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is applied (+)	0	0
5. Transfer to reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (-)	0	-8,570
- accounting financial year	0	-8,570
- previous financial years	0	0
6. Transfer from reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (+)	316	0
- accounting financial year	316	0
- previous financial years	0	0
7. Transfers to/from reserves of net differences on conversion of monetary assets and liabilities (-/+)	0	0
8. Transfers to/from reserves of fiscal latencies related to investment properties abroad (-/+)	0	0
9. Transfers to/from reserves of the received dividends aimed at the reimbursement of financial debts (-/+)	0	0
10. Transfers to/from reserves	5,374	7,230
11. Transfer to/from the result carried forward of the previous years	0	0
C REMUNERATION OF CAPITAL (ART. 13, SECTION 1, PARA. 1)	23,940	20,048
D REMUNERATION OF CAPITAL - OTHER THAN C	135	3,038

In this way the Statutory Manager aims to maintain a dividend distribution policy based on the EPRA Earnings of the Company.

	30/09/2020	30/09/2019	30/09/2018
EPRA Earnings per share (euros)	4.46	4.34	4.05
Gross dividend ¹ per share	3.65	3.50	3.40

¹ For 2019/2020, this concerns the dividend proposed to the General Meeting of Shareholders to be held on 29/01/2021.

The proposed dividend complies with the provisions of Article 13, section 1, para. 1 of the Royal Decree of 13/07/2014 on B-REITs:

OBLIGATION TO DISTRIBUTE AS PER ROYAL DECREE OF 13/07/2014, as amended by the Royal Decree of 23/04/2018, on B-REITs.	30/09/2020 (€000s)	30/09/2019 (€000s)
STATUTORY NET RESULT	9,246	21,348
(+) Depreciation	79	64
(+) Reductions in value	356	138
(+/-) Other non-monetary items (Change in value of financial interests)	3,853	-1,595
(+/-) Other non-monetary items (Change in value of financial instruments)	-316	8,570
(+/-) Other non-monetary items	0	0
(+/-) Net gains/(losses) on disposals of property assets	41	-963
(+/-) Change in fair value of property assets	16,667	1,995
= CORRECTED RESULT (A)	29,925	29,557
(+/-) Capital gains and losses realised ^(*) on property assets during the financial year	100	-4,496
(-) Capital gains realised ^(*) on property assets during the financial year, exonerated from the distribution obligation, subject to reinvestment within 4 years	-100	0
(+) Capital gains realised on property assets earlier, exonerated from the distribution obligation and not reinvested within 4 years	0	0
= NET CAPITAL GAINS ON THE REALISATION OF PROPERTY ASSETS NON-EXONERATED FROM THE DISTRIBUTION OBLIGATION (B)	0	-4,496
TOTAL ((A + B) x 80%)	23,940	20,048
(-) REDUCTION IN BORROWINGS	0	0
OBLIGATION TO DISTRIBUTE	23,940	20,048
AMOUNT DISTRIBUTED	24,075	23,086
% DISTRIBUTED OF CORRECTED RESULT (A)	80.45%	78.11%

(*) Relative to the acquisition value plus capitalised renovation costs.

The following table shows equity not distributable under Article 7:212 of the companies and associations code:

	30/09/2020	30/09/2019
Paid-up capital, or if greater, subscribed capital (+)	38,659	38,659
Share premium account unavailable for distribution according to the Articles of Association (+)	253,353	253,353
Reserve for the positive balance of changes in fair value of property assets (+)	30,420	51,236
Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties (-)	-10,031	-10,049
Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (+/-)	-12,648	-13,021
Equity not distributable under Article 7:212 of the companies and associations code	299,753	320,178
Statutory equity after distribution	324,890	339,873
Remaining margin after distribution	25,137	19,695



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).

Since October 2017 Ascencio has been part of this move to standardise financial reporting with a view to improving the quality and the comparability of the information for investors.

On 8 September 2020 Ascencio received the EPRA Gold Award for its 2019/2020 annual financial report.



EPRA KEY PERFORMANCE INDICATORS

		30/09/2020	30/09/2019
1	EPRA Earnings (000 EUR) Earnings from operational activities	29,420	28,628
	EPRA Earnings per share (EUR)	4.46	4.34
2	EPRA NAV (000 EUR) Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model	362,445	376,827
	EPRA NAV per share (EUR)	54.95	57.13
3	EPRA NNNAV (000 EUR) EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes	347,657	361,205
	EPRA NNNAV per share (EUR)	52.71	54.76
4	EPRA Net Initial Yield (NIY) 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	6.23%	6.15%
5	EPRA Topped-up NIY 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	6.28%	6.21%
6	EPRA Vacancy Rate Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio	2.48%	2.91%
7	"EPRA Cost Ratio (including direct vacancy costs)" Administrative & operating costs (including costs of direct vacancy) divided by gross rental income	20.21%	18.53%
8	"EPRA Cost Ratio (excluding direct vacancy costs)" Administrative & operating costs (excluding costs of direct vacancy) divided by gross rental income	19.47%	17.68%

These data are not compulsory according to the RREC regulation and are not subject to verification by public authorities.

EPRA EARNINGS

(€000s)	30/09/2020	30/09/2019
EARNINGS (OWNERS OF THE PARENT) PER IFRS INCOME STATEMENT	9,246	21,348
ADJUSTMENTS TO CALCULATE EPRA EARNINGS	20,174	7,279
(i) Change in value of investment properties, development properties held for investment and other interests	20,520	399
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	41	-963
(iii) Profits or losses on disposal of trading properties including impairment charges in respect of trading properties	0	0
(iv) Tax on profits or losses on disposals	0	0
(v) Negative Goodwill / Goodwill impairment	0	0
(vi) Change in fair value of financial instruments and associated close-out costs	-316	8,570
(vii) Acquisition costs on share deals and non-controlling joint venture interests (IFRS 3)	0	-969
(viii) Deferred tax in respect of EPRA adjustments	-71	242
(ix) Adjustments (i) to (viii) above in respect of joint ventures	0	0
(x) Non-controlling interests in respect of the above	0	0
EPRA EARNINGS (OWNERS OF THE PARENT)	29,420	28,628
Number of shares	6,595,985	6,595,985
EPRA EARNINGS PER SHARE (EPRA EPS - €/SHARE)	4.46	4.34

EPRA NET ASSET VALUE (NAV)

(€000s)	30/09/2020	30/09/2019
NAV PER THE FINANCIALS STATEMENTS (OWNERS OF THE PARENT)	349,130	363,124
Number of shares	6,595,985	6,595,985
NAV PER THE FINANCIALS STATEMENTS (€/SHARE) (OWNERS OF THE PARENT)	52.93	55.05
Effect of exercise of options, convertibles and other equity interests (diluted basis)	0	0
DILUTED NAV, AFTER THE EXERCISE OF OPTIONS, CONVERTIBLES AND OTHER EQUITY INTERESTS	349,130	363,124
Include:		
(i) Revaluation of investment properties	0	0
(ii) Revaluation of investment properties under construction	0	0
(iii) Revaluation of other non-current investments	0	0
Exclude:		
(iv) Fair value of financial instruments	12,483	12,800
(v.a) Deferred tax	832	903
(v.b) Goodwill as a result of deferred tax	0	0
Include/exclude:		
Adjustments (i) to (v) in respect of joint venture interests	0	0
EPRA NAV (OWNERS OF THE PARENT)	362,445	376,827
Number of shares	6,595,985	6,595,985
EPRA NAV PER SHARE (€/SHARE) (OWNERS OF THE PARENT)	54.95	57.13

EPRA TRIPLE NET ASSET VALUE (NNNAV)

(€000s)	30/09/2020	30/09/2019
EPRA NAV (OWNERS OF THE PARENT)	362,445	376,827
Include:	-14,788	-15,621
(i) Fair value of financial instruments	-12,483	-12,800
(ii) Fair value of debt	-1,473	-1,918
(iii) Deferred tax	-832	-903
EPRA NNAV (OWNERS OF THE PARENT)	347,657	361,205
Number of shares	6,595,985	6,595,985
EPRA NNAV PER SHARE (€/SHARE) (OWNERS OF THE PARENT)	52.71	54.76

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

(€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
PROPERTIES AVAILABLE FOR LEASE	368,321	292,635	29,525	690,481
Allowance for estimated purchasers' costs (+)	9,711	18,667	993	29,371
GROSS UP COMPLETED PROPERTY PORTFOLIO VALUATION	378,032	311,302	30,518	719,852
Annualised cash passing rental income (+)	25,694	19,251	1,959	46,904
Property outgoings ¹ (-)	-1,344	-689	0	-2,033
ANNUALISED NET RENTS	24,351	18,561	1,959	44,871
Add: notional rent expiration of rent free periods or other lease incentives (+)	292	25	0	317
TOPPED-UP NET ANNUALISED RENT	24,643	18,586	1,959	45,189
EPRA NIY (%)	6.44%	5.96%	6.42%	6.23%
EPRA TOPPED-UP NIY (%)	6.52%	5.97%	6.42%	6.28%

(€000s)	30/09/2019			
	Belgium	France	Spain	TOTAL
Investment properties in fair value	375,664	214,480	32,750	622,894
Properties held for sale (+)	847	0	0	847
Developments (-)	0	0	0	0
PROPERTIES AVAILABLE FOR LEASE	376,511	214,480	32,750	623,741
Allowance for estimated purchasers' costs (+)	9,437	12,760	1,102	23,299
GROSS UP COMPLETED PROPERTY PORTFOLIO VALUATION	385,948	227,240	33,852	647,040
Annualised cash passing rental income (+)	25,702	14,431	1,949	42,081
Property outgoings ¹ (-)	-1,790	-528	0	-2,318
ANNUALISED NET RENTS	23,912	13,903	1,949	39,763
Add: notional rent expiration of rent free periods or other lease incentives (+)	352	72	0	424
TOPPED-UP NET ANNUALISED RENT	24,264	13,974	1,949	40,187
EPRA NIY (%)	6.20%	6.12%	5.76%	6.15%
EPRA TOPPED-UP NIY (%)	6.29%	6.15%	5.76%	6.21%

¹ The scope of the property outgoings to be excluded for calculating the EPRA Net Initial Yield is defined in the EPRA Best Practices and does not correspond to "property" as presented in the consolidated IFRS accounts.

EPRA VACANCY RATE

(€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
EPRA VACANCY RATE (%)	3.92%	0.82%	0.00%	2.48%

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

Over the last 12 months, the EPRA vacancy rate has decreased in France (from 1.11% to 0.82%), following the acquisition of 5 Casino supermarkets (100% occupied) and has decreased in Belgium (from 4.14% to 3.92%) mainly explained by two re-letting on the Genval site.

PROPERTIES UNDER CONSTRUCTION OR IN DEVELOPMENT

(€000s)	30/09/2020						
	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Lettable space (m ²)	ERV on completion
PROPERTIES BEING CONSTRUCTED OR DEVELOPED	401	1,599	-	2,000	March 2021	1,504	162

As at 30/09/2020, the properties being constructed or developed concern the building of a new commercial surface of 1.504 m² in Chalon-sur-Saône (France) for Maisons du Monde.

(€000s)	30/09/2019						
	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Lettable space (m ²)	ERV on completion
PROPERTIES BEING CONSTRUCTED OR DEVELOPED	-	-	-	-	-	-	-

EPRA COST RATIOS

(€000s)	30/09/2020	30/09/2019
ADMINISTRATIVE/OPERATING EXPENSE LINE PER IFRS STATEMENT	-9,004	-7,706
Rental-related charges	-2,224	-225
Recovery of property charges	0	0
Rental charges and taxes normally paid by tenants on let properties	-192	-180
Other revenue and expenditure relating to rental	8	18
Technical costs	-497	-1,164
Commercial costs	-182	-103
Charges and taxes on unlet properties	-327	-354
Property management costs	-1,566	-1,432
Other property charges	-140	-531
Corporate overheads	-3,881	-3,807
Other operating income and charges	-4	73
EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)	-9,004	-7,706
Charges and taxes on unlet properties	327	354
EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)	-8,677	-7,352
GROSS RENTAL INCOME	44,555	41,585
EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (%)	20.21%	18.53%
EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (%)	19.47%	17.68%

Expenses incurred on works carried out on investment properties are charged to the property operating result if they do not add to the economic benefits. They are capitalised if they add to the expected economic benefits.

The increase in the two EPRA Cost Ratios results mainly from the impact of rent cancellations granted to certain tenants due to the COVID19 crisis (€1.6 million), included in the section "Rental-related charges".

EPRA CAPEX

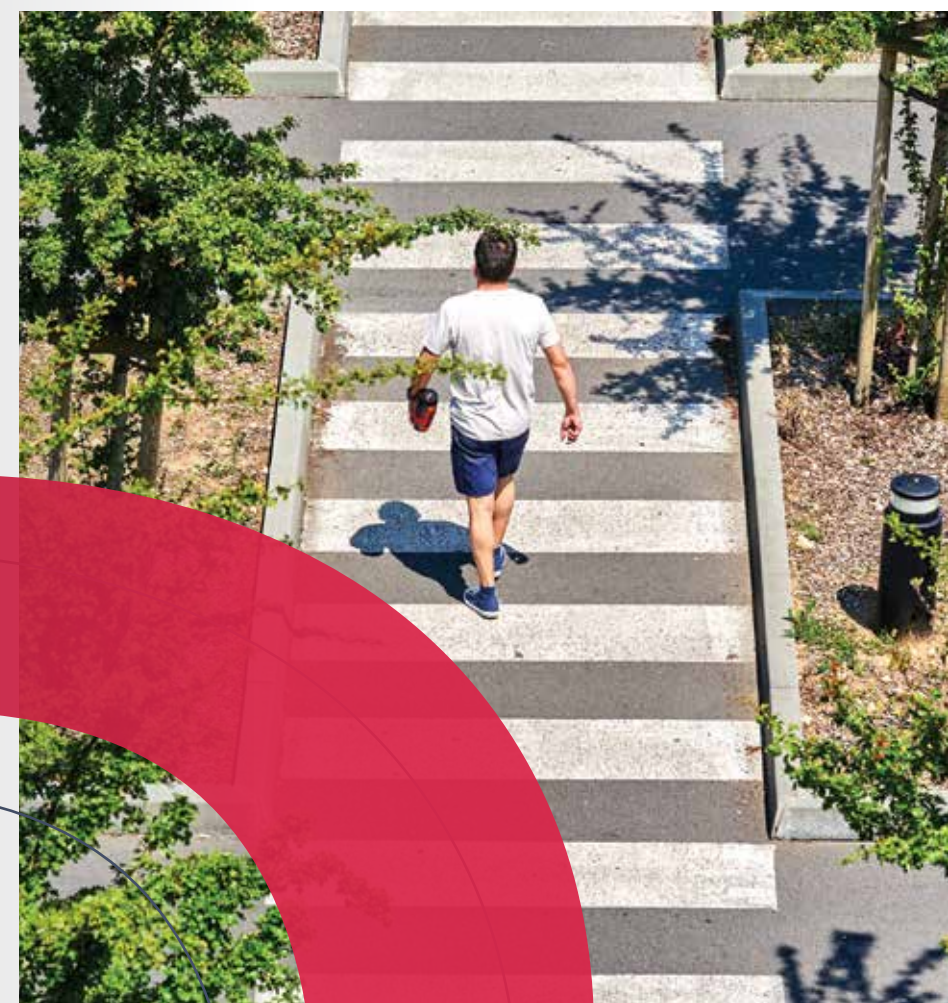
(€000s)	30/09/2020	30/09/2019
Investments relating to investment properties		
(1) Acquisitions	85,167	10,000
(2) Development	1,769	0
(3) Like-for-like portfolio	1,170	427
(4) Others	0	0
TOTAL	88,106	10,427

Expenses incurred on works carried out on investment properties are charged to the property operating result if they do not add to the economic benefits. They are capitalised if they add to the expected economic benefits.

All investments are made by entities that are 100% owned by Ascencio (there are no joint ventures).

During the financial year, Ascencio made €88.1 million of investments. These mainly concerned

- €85.2 million for the acquisition of 5 Casino supermarkets in south-east France;
- the demolition/rebuilding of a commercial surface of 2.000 m² on the site of Hannut Orchidée Plaza (Aldi);
- the building of a commercial surface of 1.504 m² in Chalon-sur-Saône (France) for Maisons du Monde.



ASCENCIO ON THE STOCK EXCHANGE

ASCENCIO'S STOCK (ASC) HAS BEEN LISTED ON EURONEXT BRUSSELS SINCE 2007. IT FORMS PART OF THE BEL MID INDEX.

KEY FIGURES

	30/09/2020	30/09/2019	30/09/2018
Total number of shares	6,595,985	6,595,985	6,595,985
Number of shares listed	6,595,985	6,595,985	6,595,985
Highest price (euros)	60.00	57.60	61.13
Lowest price (euros)	38.15	45.60	49.50
Closing price at 30/09 (euros)	41.80	56.60	51.00
Stock market capitalisation ¹	275,712,173	373,332,751	336,395,235
Net asset value IFRS per share (euros)	52.93	55.05	55.19
Net asset value EPRA per share (euros)	54.95	57.13	56.34
Premium (+) Discount (-) ²	-23.9%	-0.9%	-9.5%
Annual volume	1,264,424	1,338,307	801,200
Velocity	19.2%	20.3%	12.1%
Gross dividend per share (euros) ³	3.65	3.50	3.40
Gross yield ⁴	8.7%	6.2%	6.7%
Pay out ratio as compared to the corrected result ⁵	80.5%	78.1%	84.2%

¹ Based on the closing price at 30/09.

² Based on the closing price at 30/09, as compared to the Net asset value EPRA per share.

³ For 2019/2020, this concerns the dividend proposed to the General Meeting of Shareholders to be held on 29/01/2021.

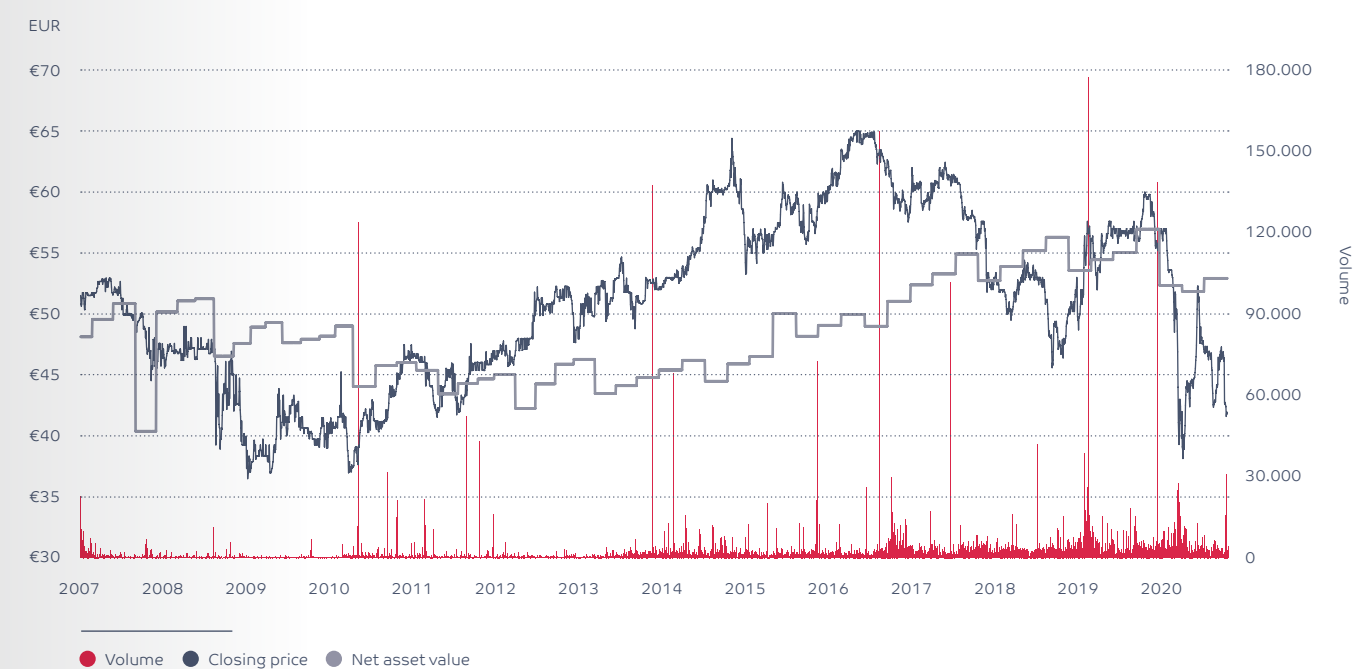
⁴ Based on the closing price at 30/09.

⁵ Corrected result as defined in art.13, section 1, para. 1 of the Royal Decree of 13/07/2014, as amended by the Royal Decree of 23/04/2018, on B-REITs.

EVOLUTION OF ASCENCIO'S TOTAL RETURN INDEX COMPARED WITH THOSE OF THE BEL 20 AND EPRA RETAIL EUROPE



TRENDS IN SHARE PRICE, VOLUMES AND (IFRS) NET ASSET VALUE





DIVIDEND POLICY

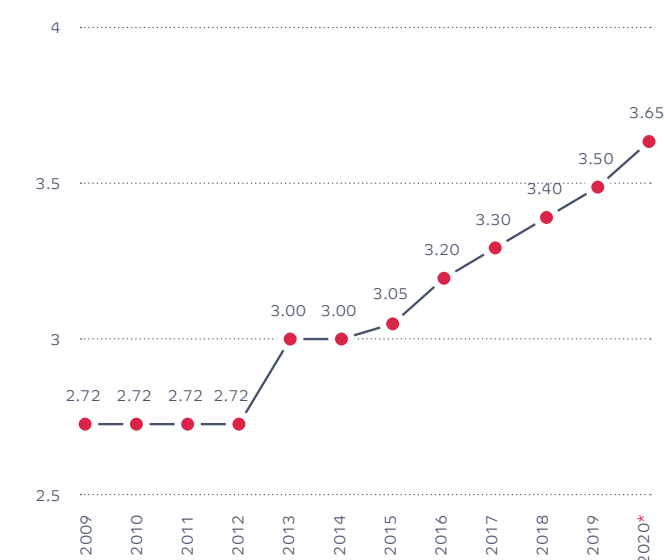
— OBLIGATION TO DISTRIBUTE DIVIDEND

In accordance with the Royal Decree of 13/07/2014 as amended by the Royal Decree of 23/04/2018, on B-REITs, these companies are obliged to distribute at least 80% of the sum of corrected result and net capital gains on the realisation of non-exempt property assets. However, the net decrease in debt during the period may be deducted from the amount to be distributed.

— DIVIDEND

The Board will propose to the Ordinary General Meeting of Shareholders of 29/01/2021 that it approve the distribution of a gross dividend of €3.65 per share.

— GROWTH IN GROSS DIVIDEND PER SHARE



* For 2019/2020, this concerns the dividend proposed to the General Meeting of Shareholders to be held on 29/01/2021.

SHAREHOLDING

Based on the declarations of transparency recorded at 30/09/2020, the shareholding of Ascencio is as follows:

AG Finance SA	12.10%
Carl, Eric and John Mestdagh and Fidagh SA	9.49%
Free float	78.41%
TOTAL	100.00%

SHAREHOLDERS' DIARY¹

Ordinary general meeting	29 January 2021 at 2.30 p.m.
Interim statement as at 31 December 2020	4 March 2021
Semi-annual financial report as at 31 March 2021	11 June 2021
Interim statement as at 30 June 2021	5 August 2021
Annual press release as at 30 September 2021	25 November 2021
Ordinary general meeting	31 January 2022 at 2.30 p.m.

¹ These dates are subject to change. Any changes will be announced to shareholders by press release or on Ascencio's website (www.ascencio.be).

CORPORATE GOVERNANCE DECLARATION

90	—	Corporate governance
92	—	Management structure of the Company
93	—	Shareholding structure
94	—	The Statutory Manager and its governing body: the Board of Directors
101	—	The Board committees
107	—	Remuneration report
113	—	Settlement of conflicts of interest
117	—	Internal control

CORPORATE GOVERNANCE

Ascencio applies the 2020 Belgian Code of Corporate Governance (the “2020 Code”), taking account of the specificities of the B-REIT legislation. The 2020 Belgian Code of Corporate Governance is available at: www.corporategovernancecommittee.be.

The 2020 Code follows the “comply or explain” principle, which means that any deviation from the recommendations must be justified. At the date of the annual financial report, Ascencio complies with the provisions of the 2020 Code, except as regards some as explained in the Remuneration Report (see hereinafter).

Ascencio's consideration of its governance is constantly evolving and the Company would like to give a snapshot evaluation on this subject. Ascencio's rules of governance take account of the specific organisational characteristics of B-REITs, the form chosen by Ascencio, the close ties it intends to keep with its reference shareholders and its small size, while at the same time preserving its independence.

The corporate Charter of Governance describes the main aspects of corporate governance of Ascencio SCA and of its Statutory Manager, Ascencio S.A. It can be consulted on the Company's website: www.ascencio.be.

The Charter is completed by the following documents, which form an integral part of it:

- the internal regulations of the Audit Committee;
- the internal regulations of the Nomination and Remuneration Committee;
- the internal regulations of the Investment Committee;
- the remuneration policy.

- SCI Saint Aunès Retail Parc *
- SCI Echirolles Grugliasco *
- SCI du Mas des Abeilles *
- SCI Kevin *
- SCI Harfleur 2005 *
- SCI Clermont Saint Jean *
- SCI de la Cote *
- SCI ZTF Essey les Nancy *
- SCI La Pierre de l'Isle *
- SCI Candice Brives *
- SCI Cannet Jourdan *
- SCI du Rond Point *
- SCI Seynod Barral *
- SCI Les Halles de Lozanne *
- SCI Les Halles de Crèches *
- SCI Les Portes du Sud *
- SCI Viriat la Neuve *
- SCI GFDI 37 Guyancourt *
- SCI GFDI 62 La Teste de Buch *



- **Belgium**
* SIR status
- **France**
* SIIC status
- **Spain**

MANAGEMENT STRUCTURE OF THE COMPANY

Ascencio SCA is established in the form of a private company limited by shares, whose managing general partner, the general partner, is the public limited company Ascencio. The limited partners are shareholders. They assume joint and several liability up to the amount of their participation only.

Ascencio's corporate governance structure comprises:

- the shareholders, limited partners;
- the management bodies of the statutory manager of Ascencio SCA, namely Ascencio SA:
 - the Board of Directors;
 - the specialised committees of the Board of Directors: the Audit Committee, the Nomination and Remuneration Committee and the Investment Committee;
 - the *dirigeants effectifs* ("effective managers") of the Company.

— The shareholders, limited partners

— The SIR (B-REIT) Ascencio SCA

— Carl, Eric and John Mestdagh, 100%

— The Statutory manager Ascencio SA General Partner

SHAREHOLDING STRUCTURE

All shareholders of Ascencio SCA are treated in exactly the same way, and the Company respects their rights.

Shareholders have access to the "Investors" section of the Company's website (www.ascencio.be), where they can find all the information needed to take informed decisions. They can also download the documents needed to take part in voting in the Company's General Meetings of Shareholders.

At 30 September 2020 the share capital stood at €39,575,910 represented by 6,595,985 ordinary shares fully paid up. Each share confers one vote in the General Meeting of Shareholders. There are no preferred shares.

In accordance with the conditions, time frames and methods stipulated by the Law of 2 May 2007 on the publication of significant shareholdings in issuers whose shares are admitted to trading on a regulated market, each natural or legal person who directly or indirectly acquires or sells shares in the Company conferring

voting rights must inform the Company and the FSMA of the number and percentage of voting rights held following such acquisition or sale whenever the voting rights associated with the shares in that person's possession exceed or cease to exceed the legal threshold of 5%. The Company has not established a statutory threshold lower than the legal one.¹

The Company's obligations and shareholders' rights regarding the General Meeting of Shareholders, its calling and participation in voting, are set out extensively in the "Investors" section of Ascencio's website (www.ascencio.be). This information remains accessible on the website.

The shareholding of Ascencio SCA is as follows according to the transparency declarations recorded at the end of the reporting period:

AG Finance S.A.	12.10%	798,224
Carl, Eric and John Mestdagh and Fidagh SA	9.49%	625,809
Free float	78.41%	5,171,952
TOTAL	100%	6,595,985

¹ Article 16 of the Articles of Association of Ascencio SCA.

THE STATUTORY MANAGER AND ITS GOVERNING BODY: THE BOARD OF DIRECTORS

In accordance with the Articles of Association, as Statutory Manager, Ascencio S.A. is empowered, in particular:

- to perform such acts as may be necessary or conducive to the fulfilment of the corporate object of Ascencio SCA;
- to draw up on the Company's behalf the interim statements, the annual and half-yearly financial reports and any prospectus or document publicly offering securities of the Company in accordance with the applicable legal and regulatory framework;
- to appoint the property experts in accordance with applicable legislation on the Company's behalf;
- to increase the Company's authorised capital and to acquire shares in the Company or take them in guarantee on its behalf;
- to carry out any transactions with the purpose of bringing about an interest of the Company, by means of merger or otherwise, in any businesses having the same corporate object as that of the Company.

Resolutions of the Company's General Meeting of Shareholders, including amendments to the Articles of Association, are valid only if passed with the Manager's agreement.

Ascencio SA is represented in Ascencio SCA by a permanent representative, Vincent H. Querton. The permanent representative is responsible for implementing the resolutions passed by the Statutory Manager's Board of Directors in the name and on behalf of the Company.

— RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The functions and powers of the Manager of the Company are performed by the Board of Directors of Ascencio S.A. or under its responsibility.

The Board of Directors of the Statutory Manager is responsible for performing all such acts as may be necessary or conducive to the fulfilment of the corporate object of Ascencio SCA, including:

- taking important decisions, notably those regarding strategy, investments and divestments, quality and occupancy of properties, financial conditions, long-term financing; approving the operating budget; and deciding on any initiatives submitted to the Board of Directors;
- putting in place the structures and procedures necessary for the Company's smooth operation and shareholders' trust, notably mechanisms for preventing and managing conflicts of interest and internal control mechanisms; dealing with conflicts of interest;
- approving the annual accounts and drawing up the semi-annual accounts of Ascencio SCA; drawing up the Management Report to the General Meeting of Shareholders; approving merger projects; ruling on the use of authorised capital and calling Ordinary and Extraordinary General Meetings of Shareholders;
- keeping a close watch on the rigour, accuracy and transparency of communications to shareholders, financial analysts and the public, e.g. prospectuses, annual and half-yearly reports and press releases;
- making sure the reference shareholders make judicious use of their position and ensuring dialogue between the promoters and Ascencio, complying with rules of corporate governance.

In addition to carrying out its general responsibilities described above, the Board of Directors of the Statutory Manager also pronounced on various matters during the past financial year, including:

- the Company's strategy;
- the organisation of the property department;
- the Company's financing and hedging policy;
- investment cases.

— FUNCTIONING OF THE BOARD OF DIRECTORS

The Board of Directors of the Statutory Manager meets at least four times a year when called by the Chairman. Additional meetings are held in accordance with the Company's requirements. During the past financial year the Board of Directors of Ascencio S.A. met eight times.

All resolutions of the Board of Directors relating to the management of Ascencio SA and, for as long as it is the Statutory Manager of the Company, are passed by simple majority vote of Directors present or duly represented, and in the event of one or more abstentions, by a majority of the remaining Directors. In the event of a tie, the Chairman of the Board does not have a casting vote.

During the past financial year the Board of Directors carried out a self-assessment and an assessment of its committees.

This assessment pursues several objectives:

- to assess the operation and composition of the Board and its committees;
- to check to see whether important matters are appropriately prepared, documented, discussed and addressed;
- to assess the degree of constructive contribution and the attendance record of each Director.

— COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors (hereinafter "the Board") is composed of at least three directors: The directors of Ascencio SA are appointed in compliance with the principles summarised hereunder:

- the Board is composed of a majority of non-executive directors;
- the Board has at least three independent directors in accordance with the criteria of Article 7:87 § 1 of the Code of Companies and Associations and Article 3.5 of the 2020 Code;
- the Board is composed of a majority of directors not linked to property developers;
- the Board is composed of a majority of directors not linked to shareholders (other than property developers);

For as long as AG Insurance SA ("AGI"), a company forming part of the Ageas Group, of which AG Real Estate ("AGRE") also forms part, holds shares in Ascencio SCA representing at least 8% of the total shares issued, the Board of Directors shall include two directors nominated by AGRE. This number will be reduced to one if the shares held by AGI should represent less than 8% but at least 5% of the total shares issued.



The downward crossing of these thresholds shall entail the right to require the resignation of one of the AGRE-nominated directors or of the only such director as the case may be.

The nomination and remuneration committee, composed of two independent directors and the Chairman of the Board, sees to it that a permanent balance is maintained among the executive director, the independent non-executive directors and the other non-executive directors, while at the same time taking account of the principles of continuity and diversity.

In accordance with the 2020 Code, the Board of Directors regularly evaluates, on the initiative of the nomination and remuneration committee, its size and composition taking account of the size of the B-REIT and its shareholding and making sure there is an appropriate distribution of skills.

Directors are appointed for a term of four years and may be re-elected. Their appointment may be revoked at will without indemnification.

NAME	STATUS	INDEPENDENT	START OF TERM OF OFFICE	END OF TERM OF OFFICE
Carl Mestdagh	Chairman of the Board of Directors of the Statutory Manager - non-executive		May 2008 ¹	June 2021
Serge Fautré	Vice-Chairman		June 2012	June 2021
Vincent H. Querton	Chief Executive Officer - executive		October 2017	June 2021
Yves Klein	Non-executive Director	X	July 2009	June 2021
Laurence Deklerck	Non-executive Director	X	January 2015	June 2021
Patrick Tacq	Non-executive Director	X	June 2017	June 2021
Stéphanie Boniface	Non-executive Director	X	March 2018	June 2022
Alexandra Leunen	Non-executive Director	X	March 2018	June 2022
Olivier Beguin	Non-executive Director		March 2018	June 2022
Amand-Benoit D'Hondt	Non-executive Director		December 2018	June 2022

¹ As a private individual or via SPRL CAI.

— THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Board of Directors elects its Chairman from among the directors nominated by Carl, Eric and John Mestdagh. The office of Chairman of the Board is performed by Carl Mestdagh.

The Chairman takes the necessary steps to develop a climate of trust within the Board of Directors, contributing to open discussions, the constructive expression of divergent views and compliance with the decisions taken by the Board of Directors. He establishes the agenda for meetings after consulting with the CEO and the effective managers and sees to it that the procedures relating to the preparation, discussion, taking and execution of decisions are correctly applied.

More specifically, the Chairman of the Board of Directors:

— will be entrusted with specific assignments associated with the B-REIT's strategy and development;

— will establish close relations, depending on each case, with the CEO and the effective managers, providing them with support and advice while respecting their executive responsibilities;

— may at any time require from the CEO and effective managers a report on all or part of the Company's activities;

— will organise the meetings of the Board of Directors; will establish the calendar and agenda of Board meetings, in consultation with the CEO and the effective managers if necessary;

— will prepare, chair and direct meetings of the Board of Directors and make sure that the documents are distributed before the meetings so as to give recipients time to study them;

— will oversee and ensure the quality of interaction and ongoing dialogue at Board level;

— may at any time, without having to move from his office, obtain access to the books, correspondence, minutes and in general all the B-REIT's documents; in performing his functions, he may require from the B-REIT's directors, executives and employees all such explanations or information and carry out all such checks as he may deem necessary;

— will chair and direct the General Meetings of Shareholders of the B-REIT and ensure that they are efficiently run.

— THE DIRECTORS



CARL MESTDAGH,
Chairman of the Board
of Directors,
non-executive
Equilis Europe SA
Avenue Jean-Mermoz 1/4
6041 Gosselies

Carl Mestdagh¹ is Chairman of the Board of Directors of Mestdagh SA and Executive Chairman of Equilis Europe S.A. After studying management and tax, Carl Mestdagh placed his property skills mainly at the service of companies linked to the Mestdagh Group.

- Start of term of office: May 2008
- Term of office expires: June 2021
- Shares held in Ascencio: 391,401



SERGE FAUTRÉ,
Vice-Chairman
AG Real Estate SA
Avenue des Arts 58
1000 Brussels

Serge Fautré joined AG Real Estate as CEO in May 2012. he had previously been CEO of Cofinimmo (March 2002 – April 2012). Before that he had held positions with Belgacom, JP Morgan, Glaverbel and Citibank, having started his professional career in New York with J. Henry Schroder Bank and Trust Company. He holds a degree in economic sciences (UCL 1982) and a Master's in Business Administration (University of Chicago 1983). He also holds a diploma from the Dartmouth Executive Program 2009.

- Start of term of office: June 2012
- Term of office expires: June 2021
- Shares held in Ascencio: 0

¹ As a private individual or via SPRL CAI.



VINCENT H. QUERTON,
CEO, executive
Ascencio SCA – Avenue
Jean-Mermoz 1/4
6041 Gosselies

Vincent H. Querton holds a law degree and an MBA from INSEAD-CEDEP, Fontainebleau. Vincent H. Querton has recognised experience in the banking and real estate sectors in Belgium and abroad. In particular he was Senior Vice President with Fortis Real Estate from 1996 to 2002 and then worked for Jones Lang Lasalle (JLL) from 2003 to 2017 as International Director and CEO Benelux.

- Start of term of office: October 2017
- Term of office expires: June 2021
- Shares held in Ascencio: 1,935



YVES KLEIN,
Independent non-executive
Director
Rue du Rond-Point 16
6110 Montigny-le-Tilleul

Yves Klein has an MBA from Liège University and has been active in the field of banking since 1984. He has held various positions, first with CBC, then with Dexia from 1999 to 2012 as manager of Corporate Banking for Wallonia. He is currently a member of the Management Committee of CPH.

- Start of term of office: July 2009
- Term of office expires: June 2021
- Shares held in Ascencio: 100



LAURENCE DEKLERCK,
Independent non-executive
Director
Avenue des Chênes 19/A
1180 Uccle

Having graduated in law from the Free University of Brussels in 1980, Laurence Deklerck has been a barrister specialising in tax matters at the Brussels Bar since 1981. She is also a member of the Tax Committee of the French Order of Lawyers of the Brussels Bar, Associate Professor at the EPHEC business school and head of courses of the Executive Master de l'Immobilier (Saint-Louis/UCLouvain).

- Start of term of office: January 2015
- Term of office expires: June 2021
- Shares held in Ascencio: 0



PATRICK TACQ,
Independent non-executive
Director
Zwanenlaan 28
2610 Wilrijk

Patrick Tacq holds a law degree from the Free University of Brussels (1982) and is the founder of Zurich-based advisory firm Shalita GmbH. After obtaining a master's degree from the George Washington University Law School, he held various posts with InterTan Europe. He subsequently worked for a number of different companies specialising in property, such as LRE Consulting Services, C&T Retail and latterly CB Richard Ellis.

- Start of term of office: June 2017
- Term of office expires: June 2021
- Shares held in Ascencio: 0



STÉPHANIE BONIFACE,
Independent non-executive
Director
Avenue de Brigode 183
59650 Villeneuve D'Ascq,
France

Stéphanie Boniface has extensive expertise in the French retail property market. After completing a master's degree in business management and administration at the University of Lille Law School, Stéphanie Boniface worked for the Sedaf Group as a commercial property consultant. She then joined property company Immochan (now Ceetrus) in 2007 as Head of Sales for France in various positions in the Projects, Renovations and site Sales areas.

- Start of term of office: March 2018
- Term of office expires: June 2022
- Shares held in Ascencio: 0



ALEXANDRA LEUNEN,
Independent non-executive
Director
Rue Van Hammée 41, 1030
Brussels

Alexandra Leunen has proven experience in the Lean UX approach and digital transformation (Manager of the Anais Digital UX Department - Founder and Managing Partner of Lemon Crush). Alexandra Leunen graduated in marketing from EPHEC, holds a certificate in User Research & Design from the Université Libre de Bruxelles, and is a qualified member of the International Advertising Association. She is a director of various companies, including Smartphoto Group. Since April 2020, Alexandra Leunen has been Head of Digital & Customer Experience with STIB, the Brussels Intercommunal Transport Company.

- Start of term of office: March 2018
- Term of office expires: June 2022
- Shares held in Ascencio: 0



OLIVIER BEGUIN,
Non-executive Director
 Equilis Europe SA
 Avenue Jean-Mermoz 1/4
 6041 Gosselies

Olivier Beguin is CEO of Equilis Europe, a property development company. Olivier Beguin started out as a consultant at Fortis before moving on to head various projects within Arcelor International in Europe and Iran. He joined Equilis in 2006. Olivier Beguin is a UCL management and commercial engineering graduate and holds an MBA from the Vlerick Business School.

- Start of term of office: March 2018
- Term of office expires: June 2022
- Shares held in Ascencio: 327



AMAND-BENOÎT D'HONDT,
Non-executive Director
 AG Real Estate SA
 Avenue des Arts 58
 1000 Brussels

Amand-Benoît D'Hondt has an international career behind him with wide experience of real estate, finance and legal affairs. He has been Head of Indirect, Alternative & Healthcare Investments with AG Real Estate since 2015 and in this capacity he manages and grows substantial property portfolios in several countries. He also performs various offices in investee companies of AG Real Estate. Amand-Benoît D'Hondt started his career in 2001 as a lawyer in the Corporate and Real Estate departments of Allen & Overy for whom he worked for 12 years. From 2013 to 2015 he was COO & General Counsel of DTH Capital, a joint-venture between Eastbridge and AG Real Estate in New York engaged in the conversion of office properties into residential apartments. Amand-Benoît D'Hondt holds a master's degree in law from the University of Louvain, an MBA from the Vlerick Business School and an LL.M from Columbia University.

- Start of term of office: December 2018
- Term of office expires: June 2022
- Shares held in Ascencio: 0

THE COMMITTEES

The Board of Directors has also established committees responsible for advising it on decisions to be taken, making sure that certain matters are handled correctly and where necessary or appropriate bringing certain matters to the attention of the Board of Directors.

Decision making remains the collegial responsibility of the Board of Directors.

The Board of Directors has established three specialised committees in Ascencio, each with its own internal regulations: an audit committee a nomination and remuneration committee and, in accordance with its Charter of Governance, an investment committee.

— THE AUDIT COMMITTEE

The Audit Committee is composed of three non-executive Directors: Laurence Deklerck, Amand-Benoît D'Hondt and Yves Klein. Two of them are independent directors meeting the criteria of Article 7:87 § 1 of the Code of Companies and Associations and Article 3.5 of the 2020 Code. The members of the Audit Committee are competent in the area of auditing and accounting. Their terms of office expire at the same time as their terms of office as Directors.

The Audit Committee meets at least four times a year, at each quarterly closing, after which it reports to the Board of Directors of the managing general partner. It met four times during the past financial year.

The responsibilities of the Audit Committee are as follows:

- to monitor the process of drawing up the financial information;
- to monitor the effectiveness of the Company's internal control, internal audit and risk management systems;

- to oversee the legal control of the annual financial statements and the consolidated financial statements, and to follow up on questions and recommendations made by the Statutory Auditor;

- to examine and monitor the independence of the Statutory Auditor, particularly as regards the provision of additional services to the Company.

The Audit Committee reports regularly to the Board of Directors on the performance of its responsibilities, and at least at the time the Board approves the annual and half-yearly accounts, the consolidated accounts and, if applicable, the abridged financial statements for publication.

The Company's Statutory Auditor reports to the Audit Committee on important matters coming to light in the exercise of its legal audit of the accounts. The Audit Committee informs the Board of Directors of this report.

During the past financial year the Audit Committee addressed the following matters in particular:

- quarterly, half-yearly and annual accounting positions and related financial communication;
- financing and interest rate hedging policy;
- examination of key performance indicators;
- budget and outlook;
- independent internal auditor's report;
- internal control policy and executive managers' report on internal control;
- summary of disputes and appropriate provisions;
- compliance programme.

The Audit Committee's internal regulations, which form an integral part of Ascencio's Corporate Governance Charter, set out in detail the responsibilities of the Audit Committee and are available on Ascencio's website (www.ascencio.be).

— THE NOMINATION AND REMUNERATION COMMITTEE

The nomination and remuneration committee is composed of three non-executive Directors: Carl Mestdagh, Laurence Deklerck and Patrick Tacq. The majority of the members of the nomination and remuneration committee are independent directors in the meaning of Article 7:87 § 1 of the Code of Companies and Associations and Article 3.5 of the 2020 Code. Their terms of office expire at the same time as their terms of office as Directors.

The nomination and remuneration committee meets whenever it considers it necessary in order to perform its responsibilities, and in principle at least twice a year. It met four times during the past financial year.

The role of the Nomination and Remuneration Committee is to advise and assist the Board of Directors of the Statutory Manager. The Nomination and Remuneration Committee performs its duties under the supervision and responsibility of the Board of Directors of the Statutory Manager.

The Nomination and Remuneration Committee assists and reports to the Board of Directors in all matters relating to the nomination and remuneration of the Company's Directors, CEO, executive managers and, where applicable, members of management.

In particular, the committee is responsible for:

1. As regards nominations and renewals of terms of office:

a. Periodically assessing the optimal size and composition of the Board of Directors and its committees and submitting opinions to the Board of Directors on any proposed changes, complying with the relevant legal rules and Articles of Association;

b. Conducting, under the direction of its Chairman, the process of searching for candidates, where necessary with the help of consultants, and examining the candidacies presented by shareholders, Directors or any other persons as well as spontaneous candidacies;

c. Managing the process of renewing terms of office and proposing succession solutions to the Board of Directors in the case of foreseeable vacancies in order to ensure the continuity of the work of the Board of Directors and its committees and to maintain the balance of skills and experience;

d. Making sure that new Directors are properly informed and trained so that they can quickly familiarise themselves with the characteristics of the Company, its activities and its business environment and so perform their office optimally without delay.

2. As regards remuneration:

a. Making proposals to the Board of Directors on the policy regarding remuneration of Directors, the CEO, the executive managers and, if applicable, members of management;

b. Making proposals to the Board of Directors on the individual remuneration of Directors, the CEO, the executive managers and, if applicable, members of management, including, for these last-named, variable remuneration and long-term performance bonuses – share-based or otherwise – granted in the form of stock options or other financial instruments and end-of-service indemnities;



c. Making proposals to the Board of Directors on the setting and evaluation of performance objectives linked to individual remuneration of Directors, the CEO, the executive managers and, if applicable, members of management;

d. Preparing the remuneration report in accordance with Article 3:6§3 of the Code of Companies and Associations with a view to its inclusion in the Corporate Governance Declaration in the Annual Report;

e. Commenting on the remuneration report in the Ordinary General Meeting of Shareholders of the Company;

f. Submitting proposals to the Board of Directors regarding the terms and conditions of contracts of Directors, the CEO, the executive managers and, if applicable, members of management.

3. As regards assessment of the Board of Directors and its committees:

a. Evaluating the functioning, performance and effectiveness of the Board of Directors and its committees and their interactions with the Board of Directors;

b. Ensuring that these evaluations are carried out regularly, at least once every three years;

c. Putting in place a smooth evaluation process and appropriate questionnaires;

d. Submitting to the Board of Directors the conclusions of these evaluations and the measures for improvement proposed;

e. Re-examining internal regulations and recommending any necessary adjustments to the Board of Directors.

Activities of the Nomination and Remuneration Committee during the past financial year notably included:

— bringing the remuneration policy into line with SRD II (see section on remuneration report);

— evaluating performance objectives and the related criteria linked to executive managers' variable remuneration;

— preparing the remuneration report.

The Nomination and Remuneration Committee's internal regulations are available on Ascencio's website (www.ascencio.be).

— THE INVESTMENT COMMITTEE

The Investment Committee is composed of the Chairman of the Board of Directors (Carl Mestdagh), four non-executive Directors (Amand-Benoît D'Hondt, Patrick Tacq, Stéphanie Boniface and Olivier Beguin) and the members of the Executive Committee. The Investment Committee may also invite anyone whose presence it considers useful to its meetings.

The Investment Committee meets as often as required for the performance of its responsibilities. It met five times during the past financial year.

The Investment Committee is a consultative committee whose responsibility is to give advice to the Board of Directors on all investment cases submitted to it.

The aim in creating the Investment Committee was to optimise the Company's decision making process as regards investment and divestment proposals.

The Investment Committee performs its duties under the supervision and responsibility of the Board of Directors.

The Investment Committee performs its duties in strict compliance with the rules of good corporate governance laid down in the Ascencio Charter.

The Investment Committee's internal regulations are available on Ascencio's website (www.ascencio.be).

— THE EXECUTIVE COMMITTEE

In the context of the strategy and general policy defined by the Board of Directors, an Executive Committee performs the following functions:

- guiding the various activities forming part of the organisation's corporate object;
- follow-up on the decisions of the Board of Directors;
- exchanges and reflections on strategy and matters of general interest;
- management of human resources.

The members of the Executive Committee work in close collaboration and in a collegial manner. Their decisions are taken by majority vote. The members of the Executive Committee meet as often as necessary. They prepare the cases for submission to the Board of Directors of the Statutory Manager and report to it on their activities.

Apart from Vincent Querton, who assumes the function of CEO, the Executive Committee is composed of:

— Michèle Delvaux, Chief Financial Officer

Michèle Delvaux joined Ascencio in 2012.

Previously she had worked in the Corporate Finance department of Banque Degroof, then as Chief Financial Officer of City Hotels and lastly as Finance Manager with the B-REIT Befimmo. She started her professional career in the field of auditing, with Arthur Andersen.

She holds commercial engineering qualifications from Solvay Business School, 1983, and a financial analyst diploma from the Belgian Association of Financial Analysts, 1988.

— Philippe Scheirlinckx¹, Director Asset Management & Acquisitions

Philippe Scheirlinckx joined Ascencio in 2017.

Following several years of experience in sales with Générale de Banque and then developing the international distribution network of a derivative rights management company (Moulinsart S.A.) which allowed him to get to know the world of retail, Philippe Scheirlinckx pursued his career in commercial real estate, first as account manager in international firms (JLL and CBRE), and then as a consultant in a real estate development company (Wilhelm & Co- L'esplanade, Médiacité) and lastly as sales manager of a shopping centre management company (Devimo Consult).

He is an approved real estate agent (IPI), holds diplomas in Distribution Marketing (EPHEC) and Real Estate Agent Business Management (IFPME) and has undergone continuous training in real estate (notably the Real Estate Executive Programme of Solvay Business School, ULB).

— Jean-Luc Stavaux², Director Development

Jean-Luc Stavaux joined Ascencio in 2008.

Following university experience as a researcher in the "Architecture and Climate" team and as teaching assistant in the Architecture faculty of UCL, he directed various project management departments in a variety of Brussels structures (SICABEL, T.O.M., DTZ Consulting and C&W) basically managing office and hotel fit-out projects.

He holds a degree in civil engineering and architecture (UCL 1985).

— Stéphanie Vanden Broecke, Secretary General & General Counsel

Stéphanie Vanden Broecke joined Ascencio in 2008.

After several years of experience at the Brussels Bar with law firms specialising in property law, in 2003 Stéphanie Vanden Broecke joined the Lhoist Group, world leaders in lime and dolomite. As head of corporate housekeeping for the group's subsidiaries, she gained great experience in company law and corporate governance.

She holds a law degree from the Free University of Brussels (1998) and a Master's in International Relations from the Catholic University of Leuven (1999). She also holds a diploma in Risk Management from the ICHEC Brussels Management School (2016).



¹ For SPRL Philippe Scheirlinckx.

² For SPRL Jean-Luc Stavaux.

— EFFECTIVE MANAGERS

In accordance with the B-REITs Act, executive management of the Company has been entrusted for an indefinite period to three effective managers: Vincent H. Querton, Michèle Delvaux and Stéphanie Vanden Broecke.

— RESPONSIBILITY AND FUNCTIONING

The effective managers are also responsible, under the oversight of the Board of Directors, for taking the measures necessary to ensure compliance with the rules relating to the structure of management and organisation, internal control, internal audit, compliance and risk management. They must report at least once a year to the Board of Directors, the FSMA and the Statutory Auditor.

As main points of contact for the FSMA, they organise themselves so as to be permanently available.

— DIVERSITY POLICY

Diversity in all its facets (cultural, gender, language, professional experience, etc.), equal opportunities and respect for human capital and rights are inherent in Ascencio's corporate culture. The Company is convinced that these values contribute to balanced interactions, clearer vision from more perspectives, better informed reflection, innovation and optimisation of the atmosphere at work.

As regards diversity, we seek complementarity of skills, knowledge and expertise and diversity of educational background, knowledge, gender, age, experience, nationality, etc. in the composition of the Board of Directors and the Executive Committee.

This translates into a balanced composition of the Board of Directors in terms of skills, knowledge and experience. The members of the Executive Committee also form a balanced team, each presenting the required expertise. This is evident from the curriculum vitae of each of the members, presented in this Corporate Governance Declaration.

The composition of the Board of Directors (three women and seven men) conforms sufficiently to the legal provisions relating to gender diversity (Article 7:86 of the Code of Companies and Associations).



REMUNERATION REPORT

— INTRODUCTION

The Remuneration Report has been drawn up in accordance with Article 3:6 § 3, paragraph 2 of the Code of Companies and Associations (“CSA”), the 2020 Governance Code (“2020 Code”) and the provisions of SRD II¹ transposed into Belgian law by the law of 28 April 2020.

It sets out the broad principles of the remuneration policy and the manner in which they were applied over the past financial year.

Ascencio is careful to provide pertinent and transparent information concerning the main principles of the remuneration policy and the level of remuneration of the Statutory Manager, its Board of Directors and the members of the Executive Committee.

During the past financial year there were no derogations from the remuneration policy in force.

On 29 January 2021, the ordinary general shareholders' meeting of Ascencio will be asked to approve, by separate votes, a “new” remuneration policy in order to adapt it to the new provisions of Article 7:99/1 § 2 of the Code of Companies and Associations and to the 2020 Code. This remuneration policy does not entail major amendments to the current remuneration policy but responds notably to the prescriptions of the 2020 Code as regards the “comply or explain” principle. The main changes are addressed at the end of this chapter; the complete remuneration policy is available on Ascencio's website (www.ascencio.be).

— REMUNERATION OF THE STATUTORY MANAGER: ASCENCIO S.A.

The means of remuneration of the statutory manager are described in the Articles of Association of Ascencio SCA. They can therefore be changed only by a resolution to amend the Articles of Association passed by the General Meeting of Shareholders of Ascencio SCA.

The Manager receives a portion of the B-REIT's profits. It is further entitled to reimbursement of all expenses directly linked to the management of the B-REIT. The Manager's share is calculated each year depending on the gross dividend for the accounting financial year concerned, as approved by the Company's General Meeting of Shareholders. This share is equal to 4% of the gross dividend distributed. The share thus calculated is due on the last day of the financial year concerned, but is not payable until the dividend has been approved by Company's General Meeting of Shareholders.

The calculation of the Manager's share is subjected to checks by the Statutory Auditor.

The interests of Ascencio S.A., whose remuneration is linked to the B-REIT's results, are thus aligned with those of all the shareholders.

For the financial year last ended, the Manager's remuneration was €963,000.

¹ Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement and containing various provisions regarding companies and associations (“SRD II”).

— REMUNERATION OF THE NON-EXECUTIVE DIRECTORS

The remuneration of the non-executive Directors of Ascencio SA is established by the General Meeting of Shareholders of Ascencio SA at the proposal of its Board of Directors, which in turn is based on the proposals of the Nomination and Remuneration Committee. This remuneration is charged to Ascencio SCA.

Remuneration consists of:

- a fixed annual amount,
- attendance fees.

The basic remuneration of the Chairman of the Board of the Statutory Manager is €15,000 per year excl. VAT. That of the other non-executive directors is €6,000 per year excl. VAT.

Attendance fees are €1,500 for each attendance of a Board meeting of the Statutory Manager or meeting of

the Audit Committee, Nomination and Remuneration Committee or Investment Committee or for one-off assignments such as site visits.

No contracts have been entered into with Directors. The Directors' remuneration is not linked directly or indirectly to transactions carried out by the Company.

This will be paid in June 2021 after the Ordinary General Meeting of Shareholders of the Statutory Manager.

Non-executive Directors do not receive performance-linked remuneration such as bonuses or long-term incentives, nor do they receive benefits in kind or benefits linked to pension schemes.

Directors can be removed at will without compensation.

		Annual fixed remuneration (in euros)	Attendance fees (in euros)					Total (in euros)
			Board of Directors	Audit Committee	Investment Committee	Nomination and Remuneration Committee	Working group	
Mestdagh Carl	Chairman of the Board of Directors	15,000	10,500	-	1,500	6,000	-	33,000
Fautré Serge	Vice-Chairman of the Board of Directors	6,000	7,500	-	-	-	-	13,500
Klein Yves	Non-executive Director	6,000	12,000	6,000	-	-	-	24,000
Deklerck Laurence	Non-executive Director	6,000	12,000	6,000	-	6,000	1,500	31,500
Tacq Patrick	Non-executive Director	6,000	9,000	-	7,500	4,500	-	27,000
Beguín Olivier	Non-executive Director	6,000	10,500	-	4,500	-	-	21,000
Boniface Stéphanie	Non-executive Director	6,000	10,500	-	7,500	-	-	24,000
Leunen Alexandra	Non-executive Director	6,000	12,000	-	-	-	-	18,000
D'Hondt Amand-Benoît	Non-executive Director	6,000	12,000	6,000	4,500	-	1,500	30,000
Total directors (in euros)		63,000	96,000	18,000	25,500	16,500	3,000	222,000

— REMUNERATION OF THE EXECUTIVE COMMITTEE

THE CHIEF EXECUTIVE OFFICER (CEO)

The CEO of Ascencio S.A., the only executive Director, performs the function of CEO. He is also the permanent representative of the statutory manager and a dirigeant effectif (effective manager) of Ascencio SCA in the meaning of Article 14 § 3 of the law on Regulated Property Companies (the "B-REITS Act").

The office of the CEO in his capacity as an executive Director of Ascencio S.A. is not remunerated.

His remuneration as CEO is set by the Board of Directors at the proposal of the Nomination and Remuneration Committee and is paid by Ascencio SCA. This remuneration consists of a fixed portion and a variable portion.

The fixed remuneration is determined on the basis of comparisons with fixed remuneration in the market for comparable positions in companies of comparable size. It is paid irrespective of results and is not indexed. Variable remuneration rewards quality performance meeting expectations as regards results, professionalism and motivation. It cannot be more than 25% of total remuneration (fixed plus variable). Variable remuneration will be paid before the end of the calendar year.

In order to determine the amount of the variable remuneration to be granted, if any, the Board of Directors - at the proposal of the Nomination and Remuneration Committee - evaluates the CEO's performance, before the end of each financial year, relative to the objectives set for the financial year in question. This involves a combination of quantitative and qualitative financial and property objectives, to which weightings are assigned.

Ascencio bears the operational expenses reasonably incurred by the CEO in the performance of his office, against presentation of documentary evidence and if the nature and amount of such expenses so require, subject to prior agreement. These expenses may not exceed the amount of a budget which is established each year.

In the event of the early termination of the agreement between the CEO and Ascencio SCA on the Company's initiative, and with the exception of the cases provided contractually, in which no indemnity is due, the CEO is contractually entitled to an end-of-service indemnity equal to twelve months' remuneration, corresponding to the monthly average of the fixed and variable remuneration during the twelve months preceding the termination.

In the financial year last ended the CEO's variable remuneration was decided taking account of the quantitative and qualitative target plans and performance criteria (net profit before non-recurring items, property performance of the portfolio, cost of financing and management of human resources). Objectives specific to the financial year last ended were also used (organisation of the real estate division, development of the marketing and communication policy, sales policy and development of the Company's strategic vision).

On 26 November 2020, the Board of Directors concluded, after due analysis and with the opinion of the Nomination and Remuneration Committee, that all the objectives had been attained.

2019/2020 FINANCIAL YEAR

Recurring objectives

EPRA NAV per share

Portfolio Real Estate Performance

Cost of financing

Management of Human Resources

Objectives specific to the past financial year

Organisation of the real estate division, development of the marketing and communication policy, sales policy and development of the Company's strategic vision.

THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE

The other members of the Executive Committee are paid on the basis of employment contracts or contracts for the provision of services. The Board of Directors decides on the recruitment, promotion and fixed and variable remuneration of each of the other members of the Executive Committee at the proposal of the Nomination and Remuneration Committee, which will itself have previously consulted the CEO on the subject.

The fixed remuneration is determined on the basis of information relating to the levels of remuneration applied to comparable positions and for comparable profiles in comparable companies, particularly in the financial and property sectors. This information is collected by the Nomination and Remuneration Committee.

Fixed remuneration is paid monthly in arrears and depending on the individual contracts may be subject to annual indexation.

Variable remuneration rewards quality performance meeting expectations as regards results, professionalism and motivation. In order to determine the amount of the variable remuneration to be granted, if any, the Board of Directors - at the proposal of the Nomination

and Remuneration Committee, which will itself have previously consulted the CEO on the subject - evaluates the performance of the other members of the Executive Committee, before the end of each financial year, relative to the objectives set them for the financial year in question. This involves a combination of quantitative and qualitative financial and property objectives, to which weightings are assigned.

Verification of the degree of fulfilment of the financial evaluation criteria was carried out in light of the financial statements. The qualitative evaluation criteria are subjected to an overall assessment by the Nomination and Remuneration Committee, which then submits its opinion to the Board of Directors.

For the past financial year, the variable remuneration of the other members of the Executive Committee was decided taking account of recurring criteria linked to their function. Complementary individual objectives were also used, linked to the specific operational responsibilities of each one of them.

On 26 November 2020, the Board of Directors concluded, after due analysis and with the opinion of the Nomination and Remuneration Committee, that all the objectives had been attained:

(in euros)	Remuneration ¹	Variable remuneration ²	Group insurance	Benefits in kind	Total remuneration
CEO					
Vincent Querton	€ 232,000	€ 60,000	n/a	€ 5,000	€ 297,000
Sprl AN&MO	€ 100,000	€ 40,000	n/a	n/a	€ 140,000
Total CEO	€332,000	€100,000	n/a	€5,000	€437,000
Other members of the executive committee	€647,964	€166,826	€14,055	€11,453	€840,298
					Variable remuneration as% of total remuneration³
CEO					22.88%
Other members of the executive committee					19.85%

¹ Comprises gross remuneration and flat fees.

² Includes bonus and CCT90.

³ Total remuneration in the meaning of Article 3:6 § 3 1° of the Code of Companies and Associations.

— EMPLOYEE REMUNERATION

The Board of Directors has entrusted to the Nomination and Remuneration Committee the examination and approval of the proposals made annually by the CEO as regards the overall (not individual) budget for fixed and variable remuneration of Ascencio's employees.

The Board of Directors has delegated to the CEO and members of the Executive Committee the examination and power of decision concerning the individual fixed and variable remuneration of Ascencio employees and fringe benefits such as luncheon vouchers, company

car, mobile phone, etc. depending on the level of responsibility and experience of each.

Employees' variable remuneration consists of one part linked to individual objectives and another part linked to collective performance objectives (CCT 90 bonus plan). EPRA earnings and the occupancy rate thus determine the degree to which the collective variable remuneration is allocated.

The ratio of the highest remuneration of the Executive Committee to the lowest among the employees, expressed on an FTE basis, is 9:1.

— ANNUAL VARIATION OF OVERALL REMUNERATION

Annual variation in %	2015/2016 vs. 2014/2015	2016/2017 vs. 2015/2016	2017/2018 vs. 2016/2017	2018/2019 vs. 2017/2018	2019/2020 vs. 2018/2019
Remuneration of the Manager	8%	5%	5%	3%	4%
Remuneration of non-executive Directors¹					
SPRL CAI (Ended 9 June 2017) - Carl Mestdagh (Appointed 9 June 2017)	13%	-15%	37%	-19%	29%
Serge Fautré (Appointed 8 June 2012)	-33%	25%	35%	0%	0%
Yves Klein (Appointed 16 July 2009)	-24%	19%	66%	-33%	14%
Laurence Deklerck (Appointed 25 January 2015)	n/a	20%	35%	-22%	24%
Patrick Tacq (Appointed 9 June 2017)	n/a	n/a	n/a	-30%	13%
Olivier Beguin (Appointed 28 March 2018)	n/a	n/a	n/a	n/a	27%
Stéphanie Boniface (Appointed 28 March 2018)	n/a	n/a	n/a	n/a	7%
Alexandra Leunen (Appointed 28 March 2018)	n/a	n/a	n/a	n/a	33%
Amand-Benoît D'Hondt (Appointed 1 December 2018)	n/a	n/a	n/a	n/a	94%
Total remuneration of the CEO²	n/a	n/a	n/a	2%	13%
Total average remuneration of the other members of the executive committee³	n/a	n/a	n/a	4%	12%
Total average remuneration of employees, FTE⁴	20%	6%	24%	21%	30%
Performance of the company					
Fair value of the property portfolio	10%	7%	1%	1%	11%
EPRA result per share⁵	9%	5%	2%	7%	3%
Gross dividend per share	5%	3%	3%	3%	4%

¹ From their appointment.

² Vincent Querton & Sprl AN&MO from 17 October 2017.

³ The Executive Committee in its current composition was established in October 2017.

⁴ Remuneration comprises: Salary, telephone subscription, mobile phone, internet connection, laptop computer, double holiday bonus, year-end bonus, performance bonus, company car, CCT90 (results-linked bonus), luncheon vouchers, in-patient insurance, transport allowance, flat fees and group insurance.

⁵ Ordinary net result to 30 September inclusive - EPRA result from 1 October 2016.

— ADAPTATION OF THE REMUNERATION POLICY

OBJECTIVES OF VARIABLE REMUNERATION AND METHODOLOGY

Having regard to the provisions of the Code of Companies and Associations and to Article 7.10 of the 2020 Code, as the Company grants the members of the Executive Committee only short-term variable remuneration, this has been capped at 25% of annual remuneration as defined by Article 3:6 § 3 paragraph 3 of the Code of Companies and Associations.

The criteria for assessing the performances and their weightings are divided into two parts. The first part, common to all members of the Executive Committee, brings together criteria linked to the Company's performance and the second part consists of the complementary individual objectives relating to the specific responsibilities of each one as well as the priority objectives for the year.

CLAWBACK PROVISIONS

Principle 7.12 of the 2020 Code recommends including clauses allowing the Company to recover variable emoluments paid, or to defer payment of variable emoluments and specifies the circumstances in which it would be appropriate to act in this way, insofar as permitted by law.

COMPLY - The Company's policy on the adjustment of variable remuneration, which members of the Executive Committee are required to accept, allows it to cancel or reduce all or part of the payment of variable emoluments in the event of a serious breach of the Company's ethical policy or of the Dealing Code or in the event of fraudulent concealment or gross negligence.

SHARE-BASED REMUNERATION OF NON-EXECUTIVE DIRECTORS

Principle 7.6 of the 2020 Code recommends that non-executive Directors should receive part of their remuneration in the form of shares in the Company. These shares must be retained for at least one year

after the non-executive leaves the Board and for at least three years from their allocation. Non-executive Directors do not benefit from stock options.

EXPLAIN - Ascencio departs from this principle and does not allocate remuneration in shares to non-executive Directors. In view of the current amounts of remuneration and the independent status of the non-executive Directors, Ascencio is of the opinion that granting them part of their remuneration in shares would not necessarily contribute to the 2020 Code's objective of causing these Directors to act with a long-term shareholder's perspective. Ascencio's general policy and its way of operating already conform to the objective of recommendation 7.6 of the 2020 Code which aims to promote the creation of long-term value and a balance between the legitimate interests and expectations of the shareholders and of all stakeholders. These principles are enshrined in the Charter of Governance and the internal regulations of the Board of Directors, to which all Directors have subscribed.

MINIMUM NUMBER OF SHARES TO BE HELD BY MANAGERS

Principle 7.9 of the 2020 Code recommends setting a minimum number of shares that managers must hold.

EXPLAIN - Ascencio departs from this principle and does not set any explicit minimum for holdings of shares for the CEO or for the other members of the Executive Committee. As a SIR/B-REIT, Ascencio aims to maintain a stable dividend, with a long-term shareholding perspective. Ascencio offer a solid, profitable and liquid alternative to direct investment in real estate based on rental returns. This is the basis of its strategy, as defined by the Board of Directors, and as clearly reflected in its strategic growth plan. It is this strategy that must be deployed operationally by the members of the Executive Committee of Ascencio. Ascencio believes its simple and transparent remuneration policy with regard to the members of the Executive Committee supports this strategy.

SETTLEMENT OF CONFLICTS OF INTEREST

— PRINCIPLES

As regards the prevention of conflicts of interest, Ascencio is governed simultaneously by:

- the relevant applicable legal provisions common to listed companies as provided in Articles 7:96 and 7:97 of the Code of Companies and Associations;
- a specific regime provided by Article 37 of the law of 12 May 2014 on REITs, notably establishing the obligation to inform the FSMA in advance of certain transactions with the persons referred to in this provision, to carry out these transactions on normal market terms and to disclose them publicly;
- and also by the rules provided in its Corporate Governance Charter.

These rules, and their application over the course of the financial year last ended, are described hereunder.

APPLICABLE LEGAL PROVISIONS

I. Article 7:96 of the Code of Companies and Associations

In accordance with Article 7:96 of the Code of Companies and Associations, if a Director has a direct or indirect financial or equity interest that is in conflict with a decision or a transaction falling within the remit of the Board of Directors, he must report this to the other members before the matter is debated in the Board. His declaration, and the reasons behind the conflict of interest, must appear in the minutes of the Board meeting passing the relevant decision. The Company's Statutory Auditor must be informed of this and the Director concerned may not attend the deliberations of the Board of Directors relating to the transactions or decisions concerned or take part in the voting. The

relevant minutes must subsequently be reproduced in the management report.

ii. Article 7:97 of the Code of Companies and Associations

If a listed company envisages carrying out a transaction with a related company (subject to certain exceptions), Article 7:97 of the Code of Companies and Associations requires an ad hoc Committee composed of three independent Directors to be put in place; this Committee, assisted by an independent expert, must communicate a reasoned assessment of the transaction envisaged to the Board of Directors, which cannot take its decision before it has taken note of this report. The Statutory Auditor must deliver an assessment as to the consistency of the information contained in the Committee's opinion and in the minutes of the Board of Directors meeting. The Board of Directors then specifies in its minutes whether the procedure was complied with and, if applicable, the reasons why the Committee's opinion was derogated from. The Committee's decision, the extract of the minutes of the Board meeting and the Statutory Auditor's assessment are covered in the management report.

III. Article 37 of the Law of 12 May 2014 on B-REITs and Article 8 of the Royal Decree of 13 July 2014 on B-REITs

Article 37 of the B-REIT Act obliges public REITs, with certain exceptions, to inform the FSMA in advance of any transaction that they propose to carry out with a related company, a company with which the B-REIT has an equity link¹, the other shareholders of a company in the consolidation scope² of the B-REIT, Directors, managers or members of the Management Committee of the B-REIT. The Company must establish that the transaction envisaged is of benefit to it and is in line with its strategy and that the transaction will be carried out on normal

¹ As a reminder, by virtue of the Code of Companies and Associations, this link is presumed to exist, unless proven otherwise, if voting rights representing one tenth of the Company's share capital are held.

² "Company in the consolidation scope" is understood to mean a company of which more than 25% of the share capital is held directly or indirectly by a regulated real estate company or one of its subsidiaries in accordance with Article 2, 18° of the Law of 12 May 2014 on B-REITs.

market terms. If the transaction concerns property, the independent property expert must evaluate its fair value, which constitutes the minimum price at which this asset can be sold or the maximum price for which it can be acquired. The B-REIT must inform the public at the time the transaction is entered into and comment on this information in its Annual Financial Report.

IV. Obligatory references by virtue of the Code of Companies and Associations (Articles 7:96 and 7:97)

During the past financial year two resolutions of the Board of Directors gave rise to the application of the procedure referred to in Article 7:96 of the Code of Companies and Associations.

In the meeting of the Board of Directors of 7 November 2019, Carl Mestdagh, Chairman of the Board of Directors, Olivier Beguin, Director and the members of management abstained from the deliberations and the decision on the acquisition of the Casino portfolio since they were remunerated as business referrers for this transaction.

The relevant resolution, extracted from the minutes of the meeting, is reproduced hereunder:

“After due deliberation, the Board of Directors considered that the transaction envisaged fitted perfectly with its strategy and would make a full contribution to its growth objectives.

In this case the acquisition of food supermarkets allows us to strengthen the current resilience of Ascencio’s portfolio. These supermarkets are located in the best catchment areas of south-eastern France. The leases granted to Casino are secured 12-year leases of which 9 years firm. These are among the Casino Group’s best performing stores. The rentals are indexed to the ILC (retail rental index) and guaranteed by the Group holding company.

Having regard to the foregoing, the Board of Directors resolved to approve the acquisition of the Casino portfolio. The price of the properties does not exceed the market value as determined by the Company’s property expert.

To this end the Board of Directors grants powers to Vincent H. Querton, Philippe Scheirlinckx, Michèle Delvaux and Stéphanie Vanden Broecke, any two acting together, to sign the deed of acquisition, in the name and on behalf of Ascencio’s French branch, as well as all such other agreements or documents as may be necessary or conducive to the realisation of this transaction.”

In the meeting of the Board of Directors of 21 November 2019, Vincent H. Querton, CEO, abstained from the deliberations and the resolution on the assessment and establishment of the CEO’s variable remuneration for the financial year 2018/2019.

The following is an extract from the minutes of the meeting:

“After due deliberation, the Board of Directors, except for the CEO, who did not take part in either the deliberations or the decisions relating to this point, resolved to grant, in respect of financial year 2018/2019, variable remuneration of:

- €60,000 to Vincent H. Querton in his capacity as Chief Executive Officer,
- €40,000 to ANEMO Sprl for the assignments carried out for Ascencio’s French branch.”

During the past financial year the Company did not carry out any transaction referred to in Article 7:97 of the Code of Companies and Associations.

During the past financial year the Company did not carry out any transaction referred to in Article 37 of the B-REIT Act.

PROVISIONS OF THE CHARTER OF GOVERNANCE

I. Policy of Ascencio SCA regarding transactions with a director not covered by Article 7:96 of the Code of Companies and Associations (with the exception of corporate opportunities)

If Ascencio SCA proposes to agree with a Director or a company linked to a Director on a transaction that is not covered by Article 7:96 of the Code of Companies



and Associations (with the exception of corporate opportunities, to which only the rules of this Charter apply, without prejudice to the legal provisions on conflicts of interest), Ascencio SCA nevertheless considers it necessary that this Director inform the other Directors of it before the Board of Directors deliberate on it; that his declaration and the reasons justifying non-application of Article 7:96 of the Code of Companies and Associations appear in the minutes of the Board meeting taking the decision; that said Director abstain from attending the deliberation of the Board of Directors relating to this transaction and from taking part in the vote; and that when it would be contrary to the interests of Ascencio SCA for the Director concerned to be informed of the conditions on which Ascencio SCA would be prepared to undertake the transaction in question, the preparatory notes not be sent to him and the item be the subject of an appendix to the minutes which is not communicated to him.

In any case such transaction must be entered into on normal market conditions.

Such transaction will be mentioned in the chapter headed “Corporate Governance” of the annual report, but without the entire minutes relating to the transaction concerned having to be reproduced there.

II. Corporate opportunities

The Directors of Ascencio S.A. being appointed largely in view of their skill and experience in the field of real estate, it is possible that they perform corporate offices or functions in other real estate companies or companies controlling real estate companies.

It may therefore happen that a transaction submitted to the Board of Directors (for example acquisition of a property in the context of an auction process) is likely to be of interest to another company in which a Director performs a corporate office. For these kinds of situations, which in certain cases may involve a conflict of functions, Ascencio SCA has decided to apply a procedure based largely on that provided by Article 7:96 of the Code of Companies and Associations regarding conflicts of interest.

The Director concerned immediately informs the Chairman of the Board of Directors of the existence of such a situation. The Chairman also keeps a watching brief to detect the existence of any such situation.

Once the risk has been identified the Director concerned and the Chairman of the Board of Directors examine together the procedures for “Chinese walls” adopted within the entity to which the Director concerned belong to see whether they allow it to be considered that he

may, on his sole responsibility, attend meetings of the Board of Directors. Where such procedures have not been put in place, or if the Director concerned considers it judicious to abstain, he will withdraw from the process of deliberation and voting: the board meeting papers will not be sent to him and he will withdraw from the meeting when the agenda item is discussed. This agenda item will be reported in an appendix to the minutes which will not be shown to him.

The minutes of the Board meeting will either record compliance with this procedure or explain why it has not been applied.

This procedure ceases to apply once the risk ceases to exist (for example because either Ascencio SCA or the competing company decides not to submit a bid).

This procedure is applied in addition to Article 7:96 of the Code of Companies and Associations when it is applicable (for example because the Director in question has an equity interest in conflict with that of Ascencio SCA). In this latter case, the passages of the minutes of the Board meeting relating to the transaction must be reproduced in full in the management report.



INTERNAL CONTROL

— GENERAL

Ascencio has organised a system of internal control under the responsibility of the Board of Directors of the Statutory Manager. The Board is assisted by the Statutory Auditor, the Audit Committee and an independent internal auditor.

The organisation of the Company's internal control system is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) Framework. COSO is a private international body recognised in the field of internal control and risk management.

Internal control comprises a set of means, behaviours, procedures and actions adapted to the particular characteristics of the Company, which:

- contributes to the control of its activities, the effectiveness of its operations and the efficient use of its resources, and
- allows it to take account appropriately of significant risks, be they operational, financial or compliance-related.

Specifically, internal control aims to ensure:

- the reliability and integrity of financial reporting such that in particular the annual and half-yearly financial statements and reports comply with the regulations in force;
- the orderly and prudent conduct of its affairs in the framework of well-defined objectives;
- the economic and effective use of the resources committed;
- the implementation of general policies, internal plans and procedures;
- compliance with laws and regulations.

In order to ensure an effective approach to risk management and the control environment, the Board of Directors and the effective managers based themselves on international recommendations and best practices as well as on the model of the three lines of defence:

- the first line of defence is that of operations;
- the second line of defence is formed by the Risk Manager and Compliance Officer functions;
- the third line of defence is the independent assurance provided by the internal audit.

These functions are performed appropriately and with the required independence bearing in mind the size of the business and its resources as described later.

In accordance with the law and with FSMA Circular 2019 05 of 19 February 2019, the effective managers draw up a report on internal control in the month preceding the Ordinary General Meeting of Shareholders year for the attention of the FSMA and the Company's Statutory Auditor. This report contains descriptions of the Company's internal control process and its key procedures and an assessment of the process.

In accordance with Article 17 of the law of 12 May 2014, the "B-REIT Act", the Company has the three internal control functions, namely a Compliance Officer, a Risk Manager and an independent internal auditor.

— COMPLIANCE OFFICER

The Compliance Officer is responsible for supervising compliance with the laws, regulations and rules of conduct applicable to the Company, in particular the rules associated with the integrity of the Company's activities and compliance with the obligations regarding transactions with the Company's shares.

Stéphanie Vanden Broecke has been appointed Compliance Officer.



POLICY OF INTEGRITY

Ascencio's integrity policy is an important part of its good governance.

Ascencio implements, manages and evaluates a set of instruments aimed at standardising conduct, so as to ensure that conduct is consistent with the pursuit of the goals of the organisation and its values.

CORPORATE ETHICS

Ascencio observes ethics to the greatest extent possible, emphasising the values of honesty, integrity and fairness in all its activities.

It does not tolerate any form of corruption and refuses to deal with people involved in illegal activities or those suspected of being so.

POLITICAL ACTIVITIES

Ascencio operates in a socially responsible manner, in accordance with the laws of the country in which it operates, and pursues legitimate commercial objectives. It does not finance and does not belong to any political party or organisation.

CONFLICTS OF INTEREST

Ascencio ensures that every person working for it behaves ethically and accordingly to the principles of good conduct in business and professional secrecy. Any member of staff with a conflict of interest has the duty to immediately advise his or her manager. Similarly, a Director must inform the Chairman of the Board of Directors of any such situation, and abstain from participating in the decision-making process. Lastly, a Director faced with a corporate opportunity must immediately inform the Chairman and apply the "Chinese walls" procedure.

For further information on the preventive rules in the area of conflicts of interest, we refer you to the details in the section devoted to this in this report.

PREVENTION OF INSIDER TRADING

Members of the Company's corporate bodies and employees intending to carry out transactions with Ascencio shares must declare this to the Compliance Officer beforehand. They are strictly prohibited from buying or selling shares during closed periods. They are also prohibited from communicating this information to third parties – including their family members.

— RULES TO PREVENT MARKET ABUSE

In application of the EU Regulation¹ (hereinafter the "Regulation") and of the Law² (hereinafter the "Law") on market abuse, the Company in its capacity as issuer has defined a policy for the prevention of the misuse of privileged information relating to its financial instruments.

These rules apply:

- to members of the governing body of Ascencio's Statutory Manager;
- to senior executives who, while not members of the above-mentioned body, have regular access to privileged information directly or indirectly concerning the Company and the power to take management decisions concerning the future development of the Company and its business strategy; (hereinafter the "managers")
- to persons likely to come into possession of privileged information by reason of their involvement in the preparation of a given transaction.

— PRIVILEGED INFORMATION

Privileged information is any information of a precise nature which has not been made public, relating, directly or indirectly, to the Company or to one or more financial instruments and which, if it were made public, could have a significant effect on the evolution and formation of the prices of the financial instruments concerned or of related derivative financial instruments.

Ascencio sees to it that privileged information is made public as soon as possible and in such a way as to allow quick and complete access to and assessment of it by the public.

Ascencio posts all privileged information that it is obliged to publish on its website (www.ascencio.be) and leaves it there for at least five years.

Ascencio may defer publication of privileged information, under its own responsibility, providing all the following conditions are met:

- immediate publication would be likely to harm the issuer's legitimate interests;
- the delay in publication is not likely to mislead the public;
- the issuer is in a position to ensure the confidentiality of the information.

When the issuer has deferred publication of privileged information, it must inform the FSMA in writing immediately after the publication of the information.

INSIDER TRADING

No person in possession of privileged information may:

- make use of the privileged information to acquire or sell financial instruments on his own behalf or on behalf of a third party;
- make use of the privileged information to cancel or alter a stock exchange order that has been given before the person came into possession of the privileged information;
- recommend, on the basis of this privileged information, to another person that he acquire or sell the Financial Instruments concerned or encourage such person to make such an acquisition or sale;

¹ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

² Law of 27 June 2016 amending, with a view to transposing Directive 2013/50/EU and implementing Regulation 596/2014, the law of 2 August 2002 on supervision of the finance sector and financial services, the law of 16 June 2006 on public offers of investment instruments and the admission of investment instruments to trading on regulated markets, as well as the law of 2 May 2007 on disclosure of significant shareholdings in issuers whose shares are admitted to trading on a regulated market.

— recommend, on the basis of this privileged information, to another person that he cancel or alter an existing stock exchange order or encourage such person to carry out such a cancellation or alteration;

— disclose the privileged information to another person, except if:

- such disclosure takes place in the normal course of the performance of his or her work, profession or duties;
- the recipient of the information is subject to a legal, regulatory, statutory or contractual obligation of confidentiality; and
- such disclosure is limited on a “need to know” basis.

LIST OF INSIDERS

The Compliance Officer draws up a list of all persons with access to privileged Information, and keeps it updated. This list will include a section called “permanent insiders”, containing all the persons who by reason of their function or position have permanent access to all the Company’s privileged information.

The Compliance Officer will take all reasonable steps to ensure that the persons on the list of insiders acknowledge in writing the legal and regulatory obligations deriving from such access and confirm that they are aware of the sanctions applying to insider trading or the disclosure of privileged information.

DISCLOSURE OF TRANSACTIONS CARRIED OUT BY PERSONS WITH MANAGEMENT RESPONSIBILITIES

Managers and closely related persons must inform the Compliance Officer and the FSMA of any transaction¹ carried out on their behalf and relating to the Company’s financial instruments not later than three business days after the date of the transaction, by means of an online notification using the application available on the FSMA’s website (www.fsma.be).

These transactions will then be published on the FSMA’s above-mentioned website.

CLOSED AND PROHIBITED PERIODS

In addition to the prohibitions set out above, managers may not carry out transactions with financial instruments, whether on their own behalf or that of third parties, directly or indirectly, during a closed period, namely:

- the thirty calendar days preceding the date of publication of the annual results;
- the thirty calendar days preceding the date of publication of the half-yearly results;

It being understood that to each period is added the stock exchange day during which publication of the results takes place.

Furthermore, managers may not carry out transactions with financial instruments, whether on their own behalf or that of third parties, directly or indirectly, during a period in which the Company and/or certain managers are in possession of privileged information.

— RISK MANAGER

Stéphanie Vanden Broecke, an effective manager, assumes the function of Risk Manager in Ascencio.

The risk management policy forms an integral part of Ascencio’s strategy and corporate governance. It is an ongoing process whereby the Company deals methodically with the risks inherent in or external to its activities as part of its pursuit of sustainable performance.

The risk management policy and the method developed consist in identifying, analysing and dealing with the risks in accordance with an annual process carried out by the Risk Manager in collaboration with Ascencio’s key executives and as a function of the competences and responsibilities of each one in the organisation. If necessary the Risk Manager calls on an external consultant to assist.

The method applied consists of:

- a critical review of the risk universe by discussion with the management of Ascencio. The main focus areas are:
 - the Company’s general environment (“The Market”);
 - its core business (“Transactions”);
 - management of its financial resources;
 - changes in laws and regulations applicable to the Company and its activities.
- an evaluation of the possible impact of each risk by reference to four criteria (financial, operational, legal and reputational) in accordance with a four-level scale of severity by the management of Ascencio assisted by key persons of the organisation;
- an assessment of the appetite for each risk by the Board of Directors;
- an evaluation in terms of risk management (maturity of control procedures, existence of history of damage).

The risk management process must allow the risks and opportunities presented by factors affecting the Company’s activities or strategy to be identified and assessed.

A structured approach to risk management requires correct interpretation of the guidelines, standards and reference framework of risk management and implementation of various tools such as risk mapping and the risk register.

The risks are evaluated annually and the conclusions of the analysis are presented to the Audit Committee, which reports on them to the Board of Directors.

For further information on risk management we refer you to the section headed “Risk factors” in this report.

— INDEPENDENT INTERNAL AUDIT

The internal audit function was entrusted for a term of three years, until 30 September 2021, to BDO.

Michèle Delvaux, executive manager, has been designated as internally responsible for the internal audit function.

The internal auditor performs a controlling and advisory role and makes sure that the business is properly managed in terms of adherence to its procedures.

¹ I.e. all subsequent transactions once the total amount of €5,000 has been reached during a calendar year.

— FACTORS LIKELY TO HAVE AN EFFECT IN THE EVENT OF A TAKEOVER BID

Ascencio sets out hereunder the factors which, by virtue of Article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market, could have an effect in the event of a takeover bid.

1. *the capital structure, with an indication of the different categories of shares if applicable and, for each category of shares, the rights and obligations attaching to it and the percentage of the total share capital that it represents;*

2. *any legal or statutory restrictions on the transfer of shares;*

3. *the holders of any securities conferring special rights of control, and a description of these rights;*

4. *the control mechanism provided for in any employee shareholding scheme if the rights of control are not exercised directly by employees;*

5. *any legal or statutory restrictions on the exercise of voting rights.*

The share capital of Ascencio SCA amounted to €39,575,910 and was represented by 6,595,985 shares at 30 September 2020. The shares are registered or paperless, all fully paid up and without specified nominal value. There is only one category of shares.

There are no legal or statutory restrictions on the transfer of shares.

There are no holders of securities conferring special rights.

There is no employee shareholding scheme.

There are no legal or statutory restrictions on voting rights.

6. *agreements among shareholders known to the issuer and which might entail restrictions on the transfer of securities and/or the exercise of voting rights;*

There is no restriction concerning the sale of their holding in the Company's share capital.

7. *the rules applicable to the appointment and replacement of members of the governing body and to amendments of the issuer's Articles of Association;*

As regards the rules applicable to the nomination and replacement of members of the governing body, please refer to the section on the composition of the Board of Directors in this report.

As regards the rules applying to amendments of the Articles of Association, in accordance with B-REITs legislation any proposed amendment to the Articles of Association must first be submitted to the FSMA for approval. For the rest, the rules set out in the Code of Companies and Associations also apply.

8. *powers of the governing body, in particular concerning the power to issue or buy back shares;*

9. On 17 October 2019 the Extraordinary General Meeting of Shareholders of Ascencio SCA resolved to replace the authorisation granted to the statutory manager on 18 December 2014 to increase the share capital with a new authorisation to increase the share capital subscribed in application of Articles 7:198 et seq. of the Code of Companies and Associations.

Thus in accordance with Article 8 of the Articles of Association of Ascencio SCA, the Statutory Manager is authorised to increase the share capital on such dates and conditions as it may establish in one or more times, in accordance with Article 7:198 of the Code of Companies and Associations and the B-REIT legislation, subject to a maximum of €39,575,910.

This authorisation is valid for five years from the date of publication in the *Moniteur Belge* (official state gazette) of the authorisation granted (publication in process). This authorisation is renewable.

The Extraordinary General Meeting of Shareholders of 17 October 2019 also renewed the general authorisation to the statutory manager, valid for three years from the publication of the minutes recording the adoption of the relevant resolution, to acquire on behalf of Ascencio shares in the Company itself without the need for a prior resolution of the general meeting of shareholders when such acquisition is necessary in order to avoid serious and imminent harm to the Company, in accordance with Article 7:218 paragraph 3 of the Code of Companies and Associations.

For further information, we refer you to the section headed "Corporate Governance Declaration" in this annual report.

10. *All the important agreements to which the issuer is party and which come into effect, are amended or come to an end in the event of a change of control of the issuer following a takeover bid, and their effects, except when their nature is such that their disclosure would seriously harm the issuer; this exception is not applicable when the issuer is specifically obliged to disclose this information by virtue of legal requirements;*

In accordance with common practice, the Company has included change of control clauses in its financing agreements allowing the bank to demand early repayment of loans in the event of a change of control of the Company. Activation of these clauses could have a negative impact on the Company. These clauses are approved by the General Meeting of Shareholders in accordance with Article 7:151 of the Code of Companies and Associations.

11. *All agreements between the issuer and members of its governing body or personnel which provide for indemnities if members of the governing body resign or have to leave their positions without good reason or if the employment of members of the personnel is terminated as a result of a takeover bid.*

There is an agreement between Vincent H. Querton and Ascencio SCA in respect of the event in which the Company were unilaterally to early-terminate the management agreement between them. For an assessment of this potential indemnification, we refer you to the section headed "Remuneration report" in this report.

Financial report



FINANCIAL REPORT

128 — CONSOLIDATED FINANCIAL STATEMENTS

128 — CONSOLIDATED BALANCE SHEET

130 — CONSOLIDATED INCOME STATEMENT

131 — CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

132 — CONSOLIDATED STATEMENT OF CASH FLOWS

133 — CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

135 — NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

135	Note 1: general information and accounting methods
143	Note 2: main sources of uncertainty regarding estimates and significant accounting judgements
144	Note 3: management of financial risks
147	Note 4: sector information
150	Note 5: intangible assets
150	Note 6: investment properties
155	Note 7: other tangible assets
156	Note 8: current and non-current financial assets
156	Note 9: assets held for sale
157	Note 10: categories and designation of financial instruments
158	Note 11: current trade receivables
160	Note 12: tax receivables and other current assets
160	Note 13: deferred charges and accrued income
160	Note 14: share capital, share premium and reserves
161	Note 15: provisions
162	Note 16: current and non-current financial debt
165	Note 17: derivative financial instruments
167	Note 18: other non-current financial liabilities
168	Note 19: deferred tax liabilities
168	Note 20: trade payables and other current liabilities
168	Note 21: accrued charges and deferred income

169	Note 22: rental income
169	Note 23: rental related charges
170	Note 24: recovery of rental charges and taxes normally assumed by the tenant on let properties
170	Note 25: rental charges and taxes normally assumed by the tenant on let properties
170	Note 26: technical costs
170	Note 27: commercial costs
171	Note 28: property management costs
171	Note 29: other property charges
171	Note 30: corporate overheads
171	Note 31: other operating income and charges
172	Note 32: net gains and losses on disposals of investment properties
172	Note 33: changes in the fair value of investment properties
172	Note 34: financial income
172	Note 35: net interest charges
173	Note 36: other financial charges
173	Note 37: changes in fair value of financial assets and liabilities
173	Note 38: corporate tax
174	Note 39: earnings per share
174	Note 40: information on related parties
175	Note 41: managers' remuneration
175	Note 42: subsidiaries
176	Note 43: fees of the statutory auditor
176	Note 44: events after the reporting period

178 — REPORT OF THE STATUTORY AUDITOR TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30/09/2020

184 — STATUTORY ACCOUNTS

190 — GLOSSARY OF ALTERNATIVE PERFORMANCE MEASURES (APMS)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS (€000s)	Note	30/09/2020	30/09/2019
ASSETS			
I NON-CURRENT ASSETS			
A Goodwill		0	0
B Intangible assets	5	0	0
C Investment properties	6	697,639	622,894
D Other tangible assets	7	1,034	1,264
E Non-current financial assets	8	471	472
F Finance lease receivables		0	0
G Trade receivables and other non-current assets		0	0
H Deferred tax assets		0	0
TOTAL NON-CURRENT ASSETS		699,145	624,631
II CURRENT ASSETS			
A Assets held for sale	9	0	847
B Current financial assets		0	0
C Finance lease receivables		0	0
D Trade receivables	11	7,441	4,107
E Tax receivables and other current assets	12	2,016	1,241
F Cash and cash equivalents		4,710	4,650
G Deferred charges and accrued income	13	404	332
TOTAL CURRENT ASSETS		14,571	11,176
TOTAL ASSETS		713,716	635,806

EQUITY AND LIABILITIES (€000s)	Note	30/09/2020	30/09/2019
EQUITY			
I EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY			
A Capital	14	38,659	38,659
B Share premium account	14	253,353	253,353
C Reserves		47,872	49,764
b. Reserve for changes in fair value of properties		47,765	48,460
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties		-10,031	-10,049
e. Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied		-12,964	-4,451
m. Other reserves		23,101	15,803
D Net result for the financial year		9,246	21,348
II NON-CONTROLLING INTERESTS		0	0
TOTAL EQUITY		349,130	363,125
LIABILITIES			
I NON-CURRENT LIABILITIES			
A Provisions	15	0	0
B Non-current financial debts		293,738	165,742
a. Credit institutions	16	266,359	165,317
b. Finance leases	16	290	424
c. Others	16	27,089	0
C Other non-current financial liabilities	17-18	14,656	14,689
D Trade debts and other non-current debts		0	0
F Deferred tax liabilities	19	832	903
a. Exit tax		0	0
b. Other		832	903
II CURRENT LIABILITIES		55,360	91,348
B Current financial debts		42,494	81,430
a. Credit institutions	16	1,258	31,310
b. Finance leases	16	120	120
c. Others	16	41,116	50,000
C Other current financial liabilities		0	0
D Trade debts and other current debts		9,428	8,345
a. Exit tax		0	0
b. Other	20	9,428	8,345
F Accrued charges and deferred income	21	3,438	1,573
TOTAL LIABILITIES		364,586	272,681
TOTAL EQUITY AND LIABILITIES		713,716	635,806

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED NET RESULT (€000s)		Note	30/09/2020	30/09/2019
I	Rental income	22	44,555	41,585
III	Rental related charges	23	-2,224	-225
NET RENTAL RESULT			42,331	41,359
IV	Recovery of property charges		0	0
V	Recovery of rental charges and taxes normally paid by tenants on let properties	24	6,835	6,239
VII	Rental charges and taxes normally paid by tenants on let properties	25	-7,027	-6,420
VIII	Other revenue and rental related charges		8	18
PROPERTY RESULT			42,148	41,198
IX	Technical costs	26	-497	-1,164
X	Commercial costs	27	-182	-103
XI	Rental charges and taxes on unlet properties		-327	-354
XII	Property management costs	28	-1,566	-1,432
XIII	Other property charges	29	-140	-531
PROPERTY CHARGES			-2,711	-3,585
PROPERTY OPERATING RESULT			39,436	37,613
XIV	Corporate overheads	30	-3,881	-3,807
XV	Other operating income and charges	31	-4	73
OPERATING RESULT BEFORE RESULT ON PORTFOLIO			35,551	33,879
XVI	Net gains and losses on disposals of investment properties	32	-41	963
XVIII	Changes in the fair value of investment properties	33	-20,520	-399
XIX	Other result on the portfolio		0	0
OPERATING RESULT			14,990	34,443
XX	Financial income	34	0	0
XXI	Net interest charges	35	-5,308	-4,376
XXII	Other financial charges	36	-334	-388
XXIII	Changes in fair value of financial assets and liabilities	37	316	-8,570
FINANCIAL RESULT			-5,326	-13,333
RESULT BEFORE TAX			9,663	21,109
XXV	Corporate tax	38	-418	-730
XXVI	Exit Tax		0	969
TAXES			-418	239
NET RESULT			9,246	21,348
- Net result - group share			9,246	21,348
- Net result - Non-controlling interests			0	0
BASIC NET RESULT AND DILUTED (€/SHARE, GROUP SHARE)		39	1.40	3.24

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME (€000s)		Note	30/09/2020	30/09/2019
I	NET RESULT		9,246	21,348
II	OTHER COMPREHENSIVE INCOME RECYCLABLE UNDER THE INCOME STATEMENT		-154	176
A	Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties		19	171
H	Other comprehensive income for the year, net of tax (*)	7	-172	5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			9,092	21,524
Attributable to - Group share			9,092	21,524
- Non-controlling interests			0	0

(*) Revaluation at fair value of the property occupied by Ascencio.

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOW (€000s)	30/09/2020	30/09/2019
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	4,650	4,027
Result for the financial year	9,246	21,348
Financial result	5,326	13,333
Net capital gains or losses realised on disposal of assets	41	-963
Income tax expense (- tax income)	418	-239
Income statement items without treasury impact	21,182	688
+/- Change in the fair value of investment properties	20,520	399
+ Depreciation	79	64
+ Reductions in value	584	225
Change in working capital requirement	-1,968	285
+/- Change in trade receivables	-3,918	-25
+/- Change in tax receivables and other current assets	-775	151
+/- Change in deferred charges and accrued income	-72	-22
+/- Change in trade debts and other current debts	932	280
+/- Change in accrued charges and deferred income	1,865	-99
Change in non-current operating assets and liabilities	1	-2
+/- Change in non-current financial assets	1	-2
+/- Change in trade debts and other non-current debts	0	0
+/- Change in non-current deferred tax liabilities	0	0
Change in provisions and other non-monetary items	0	-21
Taxes paid	-497	-2,018
NET CASH FLOW FROM OPERATING ACTIVITIES	33,749	32,411
- Acquisition of investment properties	-88,106	-10,427
- Projects in course of development	0	0
- Acquisition of real estate companies	0	0
- Acquisition of intangible assets	0	0
- Acquisition of tangible assets	-21	-155
+ Disposals of investment properties	854	6,450
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-87,273	-4,132
Costs of capital increase	0	0
Net change in financial liabilities	81,856	-298
Reimbursement of financial debts and working capital of acquired companies	0	0
Other changes in financial assets and liabilities	312	-201
Gross dividends paid	-23,086	-22,426
Finance charges paid	-5,498	-4,731
NET CASH FLOW FROM FINANCING ACTIVITIES	53,583	-27,656
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4,710	4,650

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€000s)	Capital		Reserves*				Result for the financial year	Total equity
	Capital	Share premium account	C.b.	C.c.	C.e.	C.m.		
BALANCE AT 30/09/2018	38,659	253,353	39,770	-10,221	-7,743	16,182	34,024	364,026
Distribution of dividends							-22,426	-22,426
Appropriation to reserves			4,141		3,292	4,165	-11,598	0
Capital increase								0
Net result							21,348	21,348
Other elements recognised in the global result			5	171				176
Reclassification of re-serves			4,544			-4,544		0
Adjustment to reserves								0
BALANCE AT 30/09/2019	38,659	253,353	48,460	-10,049	-4,451	15,803	21,348	363,125

(€000s)	Capital		Reserves*				Result for the financial year	Total equity
	Capital	Share premium account	C.b.	C.c.	C.e.	C.m.		
BALANCE AT 30/09/2019	38,659	253,353	48,460	-10,049	-4,451	15,803	21,348	363,125
Distribution of dividends							-23,086	-23,086
Appropriation to reserves			-399		-8,570	7,231	1,738	0
Capital increase								0
Net result							9,246	9,246
Other elements recognised in the global result			-172	19				-154
Reclassification of re-serves			-123		56	67		0
Adjustment to reserves								0
BALANCE AT 30/09/2020	38,659	253,353	47,765	-10,031	-12,964	23,101	9,246	349,130

* Reserves:

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

C.c.: Reserve for estimated transaction costs resulting from 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.

Reclassification of reserves for changes in fair value of properties sold:

- During the financial year 2018/2019, Ascencio reclassified a negative amount of €4,544,000 from “Reserves for changes in Fair Value of Properties” to “Other reserves”. This amount includes
 - the change in value during the financial year 2017/2018 on the Overijse property sold on 09/03/2018;
 - the balance of cumulative changes in value at 30/09/2018 in respect of the properties sold during the financial year 2018/2019 (Deurne property in Belgium and the retail park Le Pontet in France).
- During the financial year 2019/2020, Ascencio reclassified a positive amount of €123,000 from “Reserve for changes in Fair Value of Properties” to “Other Reserves”. This amount concerns the change in value during the financial year 2018/2019 on the Pontet property sold on 26/02/2019.

Reclassification of reserves for changes in fair value of authorized hedging instruments:

During the financial year 2019/2020, Ascencio reclassified a negative amount of €56,000 from “Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied “ to “Other reserves”. This amount concerns the cumulative change in value in respect of expired CAP options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

— NOTE 1 GENERAL INFORMATION AND ACCOUNTING METHODS

GENERAL INFORMATION

Ascencio SCA (hereinafter referred to as "Ascencio SCA " or the "Company") is an SIR (Société Immobilière Réglementée or Regulated Property Company, hereinafter referred to in the English translation as a "B-REIT" (Belgian real estate investment trust) incorporated under Belgian law. The consolidated financial statements of the Company at 30/09/2020 covering the period from 01/10/2019 to 30/09/2020 were approved by the Board of Directors of the Statutory Manager in its meeting of 26/11/2020.

The figures presented for the previous financial year cover the period from 01/10/2018 to 30/09/2019.

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

BASIS OF PREPARATION AND ACCOUNTING METHODS

A. BASIS OF PREPARATION

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 30/09/2020 and adopted by the European Union.

The consolidated financial statements have also been prepared in accordance with the provisions of the Royal Decree of 13/07/2014, as amended by the Royal Decree of 23/04/2018, on regulated property companies.

Standards and interpretations applicable for the annual period beginning on 01/10/2019

- Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”
- Amendments to IFRS 9 “Prepayment Features with Negative Compensation”
- Annual improvements to IFRS Standards 2015-2017 Cycle
- IFRIC 23 “Uncertainty over Income Tax Treatments”
- Amendments to IAS 1 and IAS 8 “Definition of Material”
- Amendments to IFRS 3 “Business Combinations: Definition of a business”
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform
- Amendments to references to the Conceptual Framework in IFRS standards

These news standards and interpretations have not had any impact on these consolidated financial statements.

- IFRS 16 “Leases” (applied from 01/10/2019)

IFRS 16 - Leases (applied from 01/10/2019) provides a comprehensive model for identifying lease contracts and their treatment in the financial statements of lessee and lessor. It replaced IAS 17 “Leases” and the associated interpretations when it came into force. IFRS 16 introduces significant changes in lessee accounting,

with the removal of the distinction between operating and finance leases, with assets and liabilities for all leases now recognised in the balance sheet (with some exceptions limited to short-term leases and leases of low-value assets). In contrast with lessee accounting, IFRS 16 maintains in essence the provisions of IAS 17 as regards lessor accounting and maintains the lessor's obligation to classify leases as operating or finance.

Since Ascencio acts almost exclusively as lessor, IFRS 16 does not have a material impact on its statutory or consolidated financial statements. In the few cases where Ascencio is the lessee in contracts classed as operating leases as per IAS 17 and not subject to exemptions from IFRS 16, an asset in respect of the right-of-use and an associated liability are recognised in the statutory and consolidated balance sheets.

The total amount capitalised as a result of the application of IFRS 16 corresponds to the net present value of properties of which Ascencio is the emphyteutic (lessee under long leases conferring rights in rem). The impact on the consolidated balance sheet at 01/10/2019 was €7.3 million. This value is then amortised on a straight line basis over the life of the contracts. A liability corresponding to the net present value is recognised as the balancing item. This debt is amortised in accordance with the "marginal borrowing rate".

— Amendments to IAS 28 "Long term interests in Associates and Joint Ventures"

Until 30/09/2019, the results of the holdings of subsidiaries were recognised under the following sections:

- the automatic allocation of the results of the French subsidiaries incorporated as tax transparent SCI, as well as the dividend paid out from the subsidiary Les Portes du Sud (not tax transparent), were recognised under the section XX – Financial income, ie an amount of €7,527,000 in 2018/2019;
- the change in the fair value of investment properties owned by the subsidiaries was recognised under the section XXIII Changes in fair value of financial assets and liabilities, ie an amount of €1,595,000 in 2018/2019.

Since 01/10/2019, the holdings of subsidiaries are valued using the equity method as per IAS 28.

This change in the valuation rules has the following impact:

- the results of the holdings of the subsidiaries are now fully recognised under the section "Share in the result of holdings incorporated using the equity method";
- in the assets, the holdings of the subsidiaries are now recognised under the section J "Proportionate share in participations incorporated using the equity accounting method".

Standards and interpretations published, but not yet applicable for the annual period beginning on 01/10/2019

- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 01/10/2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 01/10/2023, but not yet endorsed in the EU)

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 01/10/2022, but not yet endorsed in the EU)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 01/10/2022, but not yet endorsed in the EU)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 01/10/2022, but not yet endorsed in the EU)
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 01/10/2022, but not yet endorsed in the EU)

The Group is in the process of assessing the consequences of the changes listed above.

B. BASIS OF PRESENTATION

The financial information is presented in thousands of euros. The financial statements have been prepared on the historical cost basis with the exception of the following assets and liabilities which have been measured at their fair value: investment property¹, the property occupied by Ascencio (recognised in Other property, plant & equipment), held-for-sale investment property and financial assets and liabilities held for hedging or transaction purposes.

The basic principles applied in preparing the consolidated financial statements are as follows.

C. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and those of the entities over which it has control and its subsidiaries. The Company has control when:

- it holds power over the issuing entity;
- it is exposed to, or has rights to, variable returns from its involvement with the entity;
- it has the ability to affect those returns through its power over the entity.

Companies controlled by the Company are fully consolidated. Full consolidation involves incorporating all the assets and liabilities of the consolidated entities as well as their revenue and expenditure, after elimination of the necessary items. Control constitutes the power to direct the financial and operating policies of an entity so as to obtain benefits from its activities. Consolidation of subsidiaries starts on the date on which Ascencio SCA acquires control of the entity and ends on the date on which that control ceases.

D. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments in order to hedge its exposure to the interest rate risk arising from the financing of its activities.

The accounting treatment of derivative financial instruments depends on whether or not they are classed as hedging instruments and on the type of hedge. Derivatives are initially recognised at cost on the date on which the derivative contract is entered into. Subsequently, they are measured at fair value at closing date. Gains or

¹ Investment properties include the fair value of projects in the course of development.

losses arising from the application of fair value are recognised immediately in the income statement, unless the derivative is classed as a hedging instrument and meets the eligibility criteria for hedge accounting as per IFRS 9.

If a derivative financial instrument meets the hedge accounting criteria as per IFRS 9 (cash-flow hedge), the portion of the gain or loss on the hedging instrument that is defined as being effective is recognised directly in equity. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the income statement.

The fair value of derivative financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Derivative financial instruments are recognised as financial assets if their value is positive, and as financial liabilities if their value is negative. Derivatives maturing at over twelve months are generally shown as non-current in the balance sheet, whereas remaining derivatives are shown as current.

E. GOODWILL

When the Company acquires control of a business as defined by IFRS 3 – Business combinations, the identifiable assets, liabilities and contingent liabilities of the business acquired are recognised at their fair value on acquisition date.

The positive difference between the cost of acquisition and the proportional part of the fair value of the net assets acquired is recognised as goodwill on the asset side of the balance sheet.

If this difference is negative, the surplus (often referred to as "negative goodwill" or "badwill") is recognised directly in the income statement after confirmation of the values.

Goodwill is subjected to an impairment test at least once a year in accordance with IAS 36 – Impairment of assets.

F. IMPAIRMENT OF ASSETS (NON FINANCIAL)

At each closing date, the Company reviews the carrying amounts of its assets (with the exception of investment properties) in order to assess whether there are any indications that an asset may have suffered a loss in value, in which case an impairment test is carried out.

An asset is impaired when its carrying amount is higher than its recoverable amount. The recoverable amount of an asset or of a cash generating unit (CGU) is the higher of its fair value less selling costs and its value in use.

If the carrying amount of an asset or a CGU exceeds its recoverable amount, the excess constitutes a loss in value, which is recognised directly as an expense and applied first in reduction of the goodwill allocated to the [asset or] CGU.

At each closing date the Company assesses whether there is any indication that a loss recognised in any previous period(s) on an asset other than goodwill is likely no longer to exist or to have diminished. If there is such an indication, the Company estimates the recoverable amount of the asset. The new carrying amount of this asset,

as increased by the reversal of a loss of value, may not exceed the carrying amount that would have applied, net of depreciation or amortisation, if no loss of value had been recognised in respect of this asset in previous financial years. Losses of value on goodwill are never reversed.

G. INVESTMENT PROPERTIES AND DEVELOPMENT PROJECTS

Measurement on initial recognition

Investment properties are initially valued at acquisition cost including associated expenses. For properties acquired by merger, split or contribution, taxes due on the capital gains of the absorbed companies are included in the cost of acquisition.

Measurement subsequent to initial recognition

After initial recognition, properties are measured at their fair value.

At the end of each quarter, an independent real estate expert carries out a precise valuation of the following items:

- property assets, other assets attached to them and rights in rem to property assets held by Ascencio SCA and the real estate companies controlled by it;
- options on property assets held by Ascencio SCA and the real estate companies controlled by it, as well as the property assets to which these options refer;
- the rights deriving from the agreements whereby one or more property assets are leased to Ascencio SCA and the real estate companies controlled by it as well as the underlying property.

The experts carry out their valuation in accordance with national and international standards. The fair value, which is calculated by deducting an estimated amount for transfer expenses from the investment value, is defined as the most likely value that can reasonably be obtained between informed parties acting in good faith in normal selling conditions.

The amount estimated for transfer expenses is

- 2.5% for properties located in Belgium with a value of more than €2.5 million (being the average rate for transaction costs defined by BEAMA, the Belgian Asset Managers Association) and between 10% and 12.5% for properties valued at less than this, depending on their location. Ascencio considers its real estate portfolio as a whole, which can be sold in whole or in part, and applies a deduction of 2.5% for all its properties.
- from 1.8% to 6.9% for properties located in France, i.e. the rate of transfer expenses applicable locally depending on whether the property is more or less than five years old.
- at 2.5% for properties located in Spain, which is the average rate of transfer expenses applicable in Spain.

Method applied until 30/09/2016:

Upon acquisition, the stamp duty that would be payable on a hypothetical subsequent sale is recognised directly in equity through the consolidated statement of comprehensive income (heading "II.A. Effect on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties"). Any subsequent adjustment to fair value is recognised in the income statement in the period in which it arises and applied to non-distributable reserves when appropriating profits. Subsequent adjustments to fair value do not affect the reserve for transfer expenses and stamp duty in equity.

Method applied since 01/10/2016:

Since 01/10/2016 stamp duty on acquisition, as well as any change in the fair value of the properties during the financial year, has been recognised in the income statement.

The purpose of this change is to (i) simplify accounting recognition of stamp duty and (ii) bring accounting practices into line with those of other Belgian REITs and other comparable companies abroad.

Expenses incurred on works carried out on investment properties

Expenses incurred on works carried out on investment properties are charged to the property operating result if they do not add to the economic benefits. They are capitalised if they add to the expected economic benefits.

Accounting upon sale of a property

Upon sale of a property, realised gains or losses are recognised in the income statement under the heading "XVI Net gains and losses on disposals of investment properties". The amount initially recognised in equity in the reserves for estimated transaction costs resulting from hypothetical disposal of investment properties is reversed out.

Commissions paid for the sale of properties, transaction costs and obligations assumed form an integral part of the gain or loss realised on the sale.

Development projects

Properties being built or developed with a view to future use as investment properties are classified as development projects and measured at their fair value until construction or development is completed.

At that time they are reclassified and recognised as properties available for lease, still at fair value.

H. OTHER PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment other than property assets, the use of which is limited in time, are measured at their acquisition cost less straight-line depreciation over their estimated useful lives and any impairment.

The property occupied by the Company is measured at its fair value as per IAS 16.

During the financial year in which the investment is made, depreciation is recognised in proportion to the number of months during which the asset is in use.

Annual depreciation rates:

- Installations, machines and tooling: 20%
- Fixtures and fittings: 10%
- Computer equipment: 33%
- Standard software applications: 33%

If there are indications that an asset may have suffered a loss of value, its carrying amount is compared with its recoverable amount. If the carrying amount is more than the recoverable amount, a loss of value is recognised.

At the time of disposal or derecognition of property, plant and equipment, the acquisition values and associated depreciation or, for properties, their fair values, are removed from the balance sheet and the realised capital gains or losses are recognised in the income statement.

I. CURRENT ASSETS

Trade receivables are measured at amortised cost less any impairments for bad and doubtful debts. Cash investments are measured at the lower of acquisition or market value. Associated expenses are charged directly to the income statement.

J. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise accounts at sight, cash and short-term investments. Since they are subject to only negligible changes in value, they are measured at nominal value.

K. EQUITY

Equity instruments issued by the Company are recognised at the value of the consideration received, net of issuance expenses.

Dividends are not recognised until they have been approved by the General Meeting of Shareholders.

L. PROVISIONS

A provision is recognised in the balance sheet when:

- Ascencio SCA or one of its subsidiaries has to fulfil an obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources will be required to settle the obligation;
- the amount can be reliably estimated.

Provisions are measured by discounting the expected future cash flows to their present value at market rate and reflecting any risks specific to the obligation.

M. TRADE PAYABLES

Trade payables are measured at amortised cost at balance sheet date.

N. INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are measured at the amount of proceeds received less directly attributable costs. They are subsequently recognised at amortised cost, the difference between the cost and the redemption value being charged to the income statement over the life of the borrowing in accordance with the effective interest rate method.

O. REVENUES

Revenues include gross rental income and revenue from services and property management, and are measured at the fair value of the consideration received. Rent-free periods and incentives granted to clients are recognised as deductions from rental revenue over the duration of the lease agreement (which is defined as the period between the date on which it comes into force and the first termination date of the agreement).

P. CHARGES

Costs incurred for services, including those borne on behalf of tenants, are included in direct rental charges. Their recovery from tenants is presented separately.

Q. COMMISSIONS PAID TO REAL-ESTATE AGENTS AND OTHER TRANSACTION COSTS

Commissions relating to property leases are expensed as incurred.

Commissions paid in respect of the acquisition of properties, registration fees, notaries' fees and other associated costs are considered as transaction costs and included in the acquisition cost of the properties acquired.

R. TAXES

Tax on income for the financial year comprises current tax and deferred tax. Taxes are recognised in the income statement except where they relate to items recognised directly in equity, in which case they too are recognised

in equity. Current tax is the estimated tax on taxable income for the past year, using the tax rate in force at balance sheet, and any adjustment to tax liabilities in respect of previous years.

Exit tax is a tax on the capital gain resulting from the merger of a company that does not have the same tax status as the Company.

— NOTE 2 MAIN SOURCES OF UNCERTAINTY REGARDING ESTIMATES AND SIGNIFICANT ACCOUNTING JUDGEMENTS

Investment properties, which constitute almost the entire assets of the Company, are measured at their fair value as determined by an independent expert (see note 6).

The fair value of interest rate swaps is the estimated amount that Ascencio would receive or pay to close the position at balance sheet date, based on the spot and forward interest rates in force at that date, the value of the option and the solvency of the counterparties. The fair value of interest rate hedging instruments is calculated on each accounting closing date by the financial institutions from which these instruments were acquired (see note 17).

Any provisions recognised are estimated on the basis of the Company's experience, assistance from third parties (experts and lawyers) and any other source that the Company deems relevant.

In preparing its consolidated financial statements, the Company is required to make a number of significant judgements in applying accounting principles (for example when identifying business combinations or calculating deferred taxation) and to make a number of estimates. In arriving at these assumptions, management can rely on its experience, on the assistance of third parties (notably property experts) and on other factors judged to be pertinent. The actual results may differ from these estimates. These estimates are regularly reviewed, and modified if necessary.

Following the closure of shops imposed because of the COVID-19 health crisis, Ascencio granted total or partial forgiveness of rentals to tenants whose activity has been badly hit by the crisis, by way of transactional agreements negotiated between lessor and lessee. At 30/09/2020 Ascencio had reached agreement with all its Belgian and Spanish tenants. In France, agreements had been signed with a large number of tenants. Concerning the tenants with whom negotiations were still ongoing at 30/09/2020, Ascencio has estimated the amount of the rental cancellations remaining to be agreed on the basis of the discussions under way and has recognised in the accounts credit notes to be issued on the basis of this estimated amount.

To the extent that the terms of the lease contracts have not been amended, these rental cancellations (effective or estimated) have been recognised immediately in the results for the period, which is also the only accounting treatment consistent with the approach of the independent expert in assessing the fair value of the properties concerned.

— NOTE 3 MANAGEMENT OF FINANCIAL RISKS

The financial risks to which the Company is exposed are also described in the section headed "Risk factors" in the annual report.

DEBT STRUCTURE AND DEBT RATIO

The debt structure as at 30/09/2020 is described in Note 16.

The Company's debt ratio must be held below the maximum authorised for B-REITs (65%) in accordance with Article 23 of the Royal Decree of 13/07/2014 as amended by the Royal Decree of 23/04/2018. Moreover, Article 24 of the Royal Decree of 13/07/2014 requires B-REITs to submit a financial plan to the FSMA (Financial Services and Markets Authority) in the event that the consolidated debt ratio should exceed 50%.

As at 30/09/2020, Ascencio's debt ratio as defined by the Royal Decree of 13/07/2014 stood at 48.7% on a consolidated basis and 48.1% for the company alone.

After distribution of the dividend proposed to the General Meeting of Shareholders of 29/01/2021, the consolidated debt ratio will, ceteris paribus, come to 52.1%.

INTEREST RATE RISK

As at 30/09/2020, 73.5% of financial liabilities were at floating rates and as such exposed to changes in interest rates. In order to hedge this risk of an increase in interest rates, Ascencio pursues a policy aimed at securing the interest rates on a minimum of 70% of its financial borrowings on a horizon of several years.

The financial instruments that Ascencio has available to hedge the interest rate risk are described in Note 17.

Based on total financial indebtedness at 30/09/2020 excluding IFRS 16 (€329.0 million) and the hedges in place at that date, a portion of the debt equal to €267.5 million, representing 81.3% of total debt, was financed at fixed rates (agreed fixed rates or rates fixed by means of IRS (interest rate swaps)). The remainder of the indebtedness, €61.5 million, was at variable rates. At 30/09/2020, there is no CAP option ongoing.

With a view to benefiting from the particularly low level of interest rates, since October 2015 Ascencio entered into interest rate hedging contracts (IRS and CAPs) with deferred start dates for periods up to 2029. Details of the contracts entered into are shown in Note 17.

Based on the hedging in place (IRS and CAPs), the structure and level of financial debt at 30/09/2020, a rise in interest rates of 100 basis points would lead to an increase in financial charges estimated at €0.61 million in the financial year 2020/2021.

The Group's hedging ratio¹ is 81.3% at 30/09/2020 and based on the current level of debt at 30/09/2020, it will be above 70% until June 2025.

Since the hedging instruments in place do not meet the criteria for hedge accounting as laid down by IFRS 9, changes in the fair value of financial hedging instruments are recognised in the income statement.

¹ Alternative Performance Measure (APM). See glossary at the end of the financial report.

Shifts in the interest rate curve during the financial year 2019/2020 translated into a positive change of €0.32 million in the fair value of Ascencio's financial hedging instruments. At 30/09/2020, these contracts had a negative value of - €12.48 million representing the amount that the Company would have to pay if it decided to unwind these contracts.

A simulation indicates that a fall of 25 basis points in long-term (ten-year) interest rates would translate into a new (non-monetary) charge of €3.71 million, corresponding to the negative change in the fair value of the hedging instruments.

RISK ASSOCIATED WITH CHANGES IN CREDIT MARGINS

The Company's average cost of debt also depends on the credit margins required by banks and in the financial markets. These margins evolve as a function of the global economic situation, but also of regulations applicable to the banking sector. The risk of an increase in the average cost of debt as a result of an increase in bank margins arises notably upon renewal or establishment of credit lines.

An increase in credit margins would lead to an increase in financial charges.

In order to limit this risk, the Company spreads the maturities of its financing over time and diversifies its sources of financing.

FINANCIAL LIQUIDITY RISK

Ascencio is exposed to a liquidity risk associated with the renewal of its borrowings at due date or any additional borrowings that might be needed to meet its commitments. The Company could also be faced with this risk in the event of the termination of any of its borrowing agreements.

If any of these situations were to arise, the Company might also be obliged to put in place new financing arrangements at a higher cost, or to dispose of certain assets on less than ideal terms.

In order to limit this risk, Ascencio diversifies its sources of financing. The Company currently finances itself by means of bank borrowing from about ten Belgian and French banks which form a diversified pool, and by means of commercial paper:

- At 30/09/2020, Ascencio had €338.5 million in credit lines with four Belgian financial institutions and three French banks, available in the form of fixed term advances with due dates ranging from 2022 to 2027. At 30/09/2020, Ascencio had available to it €75.9 million in undrawn balances under these credit lines.
- Ascencio has investment credits available with French banks on certain assets held in France and finance leases on certain Belgian properties.
- In order to reduce the cost of its financing, Ascencio has a commercial paper program for up to €100,00 million. At 30/09/2020 this program was used for short-term issues amounting to €41,00 million (a commercial paper) and up to €20.0 million for long-term issues (medium term notes). In order to hedge the risk of non-renewal of (short-term) commercial paper issued, Ascencio makes sure that, under its credit lines available by way of fixed term loans, it always has undrawn balances at least equal to its outstanding commercial paper.

At 30/09/2020, total financial liabilities (excluding IFRS 16) amounted to €329.0 million. The principal repayment schedule of these borrowings is as follows:

- 2020/2021: €42.38 million
- 2021/2022: €33.18 million
- 2022/2023: €60.54 million
- 2023/2024: €25.88 million
- 2024/2025: €85.56 million
- 2025/2026: €58.08 million
- >2025/2026: €23.40 million

FINANCIAL COUNTERPARTY RISK

Entering into a financing agreement or hedging contract with a financial institution creates a counterparty risk of the institution's defaulting. The Company could find itself in a situation in which it is unable to use the financing put in place or to receive the cash flows to which it is entitled by virtue of hedging instruments.

In order to limit this risk, Ascencio takes care to diversify its banking relationships. As at 30/09/2020, the Company had business relations with various banks:

- As at 30/09/2020, the banks that were counterparties in bank financing arrangements were, in alphabetical order, Banque Populaire Loire et Lyonnais, BECM, Belfius, BNP Paribas Fortis, Caisse d'Épargne Nord Europe, CBC, CIC, Crédit Agricole, ING and Société Générale.
- As at 30/09/2020, the banks that were counterparties for interest rate hedging instruments were, in alphabetical order, Belfius, BNP Paribas Fortis, CBC, ING and Natixis.

RISK ASSOCIATED WITH OBLIGATIONS CONTAINED IN FINANCING AGREEMENTS

The Company is exposed to the risk of its financing agreements being cancelled, renegotiated or terminated early in the event that it were to fail to comply with the undertakings given upon signing these agreements, particularly as regards certain financial ratios (covenants). These undertakings are in line with market practice for similar financing agreements.

The Company is also exposed to the risk of having to repay its financing contracts early in the event of a change of control or if it were to fail to comply with its obligations and more generally in the event of a situation of default as referred to by these contracts. A situation of default on one contract may lead to a situation of default on all contracts (cross-default clauses). Although based on the information in its possession and such forecasts that can reasonably be made on this basis the Company is not currently aware of anything that would lead it to conclude that one or more of these commitments might not be met in the foreseeable future, the risk of non-compliance with commitments cannot be ruled out. Furthermore, the Company has no control over compliance with certain commitments that might lead to the early termination of loan agreements, such as a change of control.

In order to limit this risk, Ascencio negotiates with its counterparties levels of covenants compatible with its forecast estimates and regularly monitors trends in the relevant ratios.

Moreover, some financing agreements provide for the payment of a penalty in the event that early termination should be necessary.

If a financing agreement were to be called into question, the Company would have to put in place alternative financing, possibly at a higher cost.

EXCHANGE RISK

Ascencio obtains all its revenues and incurs all its expenses in the euro zone. Its financing is all provided in euros. Ascencio is therefore not exposed to any exchange risk.

— NOTE 4 SECTOR INFORMATION

Ascencio specialises in investment in out-of-town commercial property.

Ascencio is active in Belgium, France and Spain.

As at 30/09/2020, commercial properties represented 99.4% of the fair value of the portfolio of investment properties. The remainder consists of a mixed-use offices and warehouses property (6,899 m²) and two apartments.

As at 30/09/2020, properties located in Belgium accounted for 53.3% of the fair value of the total holdings, those located in France for 42.4% and those in Spain 4.3%.

As per IFRS 8, the following operating segments have been identified:

- Belgium: properties located in Belgium;
- France: properties located in France;
- Spain: properties located in Spain.

This segmentation is consistent with the group's organisation and the Company's internal reporting provided to the general management (see the Section Declaration of corporate governance, Management). The accounting methods described in Note 1 to the financial statements are used for internal reporting and this also for reporting operating segments as presented hereunder.

All revenues come from external clients.

All assets held in France and Spain are properties for commercial use.

For the year ended 30/09/2020, three tenants represent between 8 et 10% of consolidated rental income:

- Casino: 9,9 %
- Group Mestdagh: 9,2 %
- Grand Frais: 8,7 %

(€000s)		Belgium		France		Spain		Unallocated		Total	
		30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019
I	Rental income	25,567	25,435	17,033	14,224	1,955	1,926	0	0	44,555	41,585
III	Rental related charges	-952	-80	-1,096	-145	-176	0	0	0	-2,224	-225
	NET RENTAL RESULT	24,615	25,355	15,937	14,079	1,779	1,926	0	0	42,331	41,359
V	Recovery of rental charges and taxes normally paid by tenants on let properties	3,661	3,579	2,978	2,473	197	188	0	0	6,835	6,239
VII	Recovery of rental charges and taxes normally paid by tenants on let properties	-3,861	-3,726	-2,966	-2,505	-200	-188	0	0	-7,027	-6,420
VIII	Other revenue and rental related charges	5	16	0	0	3	3	0	0	8	18
	PROPERTY RESULT	24,420	25,223	15,949	14,046	1,779	1,928	0	0	42,148	41,198
IX	Technical costs	-422	-1,080	-39	-85	-36	0	0	0	-497	-1,164
X	Commercial costs	-162	-75	-20	-28	0	0	0	0	-182	-103
XI	Rental charges and taxes on unlet properties	-280	-336	-47	-17	0	0	0	0	-327	-354
XII	Property management costs	-1,111	-1,100	-455	-332	0	0	0	0	-1,566	-1,432
XIII	Other property charges	47	-352	-187	-179	0	0	0	0	-140	-531
	PROPERTY CHARGES	-1,927	-2,944	-748	-641	-36	0	0	0	-2,711	-3,585
	PROPERTY OPERATING RESULT	22,493	22,280	15,201	13,405	1,743	1,928	0	0	39,436	37,613
XIV	Corporate overheads	0	0	0	0	0	0	-3,881	-3,807	-3,881	-3,807
XV	Other operating income and charges	0	101	10	-1	-14	-27	0	0	-4	73
	OPERATING RE-SULT BEFORE RESULT ON PORTFOLIO	22,493	22,381	15,211	13,404	1,729	1,901	-3,881	-3,807	35,551	33,879
XVI	Net gains and losses on disposals of investment properties	-41	1,096	0	-133	0	0	0	0	-41	963
XVIII	Change in the fair value of investment properties	-9,146	-2,715	-8,148	2,883	-3,225	-568	0	0	-20,520	-399
XIX	Other result on the portfolio	0	0	0	0	0	0	0	0	0	0
	OPERATING RESULT	13,305	20,762	7,062	16,154	-1,496	1,333	-3,881	-3,807	14,990	34,443

(€000s)		Belgium		France		Spain		Unallocated		Total	
		30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019
XX	Financial in-come	0	0	0	0	0	0	0	0	0	0
XXI	Interest charges	0	0	0	0	0	0	-5,308	-4,376	-5,308	-4,376
XXII	Other financial charges	0	0	0	0	0	0	-334	-388	-334	-388
XXIII	Change in fair value of financial assets and liabilities	0	0	0	0	0	0	316	-8,570	316	-8,570
	FINANCIAL RESULT	0	0	0	0	0	0	-5,326	-13,333	-5,326	-13,333
	RESULT BEFORE TAX	13,305	20,762	7,062	16,154	-1,496	1,333	-9,207	-17,140	9,663	21,109
XXV	Corporate tax	-2	-7	-140	-411	-275	-312	0	0	-418	-730
XXVI	Exit Tax	0	969	0	0	0	0	0	0	0	969
	TAXES	-2	962	-140	-411	-275	-312	0	0	-418	239
	NET RESULT	13,303	21,724	6,922	15,743	-1,771	1,022	-9,207	-17,140	9,246	21,348

(€000s)		Belgium		France		Spain		Unallocated		Total	
		30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	Intangible assets	0	0	0	0	0	0	0	0	0	0
	Investment properties	375,479	375,664	292,635	214,480	29,525	32,750	0	0	697,639	622,894
	Other tangible assets	1,034	1,264	0	0	0	0	0	0	1,034	1,264
	Other non-current assets	67	68	9	9	396	396	0	0	471	472
	Current assets	4,804	5,110	9,359	5,552	408	514	0	0	14,571	11,176
	TOTAL ASSETS	381,385	382,107	302,003	220,041	30,328	33,659	0	0	713,716	635,806

— NOTE 5 INTANGIBLE ASSETS

(€000s)	30/09/2020	30/09/2019
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	0	0
Transfer from tangible assets	0	0
Acquisitions	0	0
Depreciation	0	0
BALANCE AT THE END OF THE FINANCIAL YEAR	0	0

— NOTE 6 INVESTMENT PROPERTIES

(€000s)	30/09/2020	30/09/2019
Properties available for rental	690,066	622,894
Development projects	415	0
Assets held for own use	0	0
IFRS 16 - Right-of-use of land	7,159	0
Other	0	0
BALANCE AT THE END OF THE FINANCIAL YEAR	697,639	622,894

A. INVESTMENT PROPERTIES AVAILABLE TO LET

(€000s)	30/09/2020	30/09/2019
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	622,894	619,029
Acquisitions	87,760	10,427
Transfer from development projects	0	0
Disposals	0	-5,316
Transfer from assets held for sale	0	-847
Change in fair value	-20,589	-399
BALANCE AT THE END OF THE FINANCIAL YEAR	690,066	622,894

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

Investments during the financial year:

During the 2019/2020 financial year, Ascencio made €88.1 million of investments. In the main, these concerned the acquisition, on 06/03/2020 of 5 Casino supermarkets in south-east France (Aix-en-Provence, Antibes, Marseille, Le Rouret, and Mouans-Sartoux).

Ascencio also built a new 2,139 m² unit for Aldi at its Hannut site (Belgium), and enlarged the Grand Frais site in Nîmes (France).

Divestments during the financial year:

There were no divestments during the 2019/2020 financial year.

Change in value:

Overall, investment properties available for rent saw a decrease in value of €20.5 million:

- On a like-for-like basis, the fair value of the property portfolio fell 2.38% (a decrease of €14.8 million) compared with 30/09/2019. This fall was primarily due to the reduction in value of a few non-food sites subject to repositioning.
- Furthermore, the recognition at fair value of the 5 Casino supermarkets acquired in March generated a short-fall of €5.7 million on the acquisition price deed-in-hands, which includes expenses and stamp duty paid.

Properties held under leases:

As at 30/09/2020, Ascencio held one property under finance leases for which a purchase option has to be exercised at the end of the lease in order to acquire freehold of the properties. This purchase option amount to a total of €200,000 and is recognised as liabilities in the annual accounts at 30/09/2020.

B. DEVELOPMENT PROJECTS

(€000s)	30/09/2020	30/09/2019
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	0	0
Investments	346	0
Acquisitions	0	0
Transfer to investment properties	0	0
Disposals	0	0
Change in fair value	70	0
BALANCE AT THE END OF THE FINANCIAL YEAR	415	0

Projects in course of development are works in progress by way of investments in various properties. Projects in course of development do not form part of the calculation of the occupancy rate.

As at 30/09/2020, there is one project in course of development. It concerns the building of a new commercial surface of 1.504 m² in Chalon-sur-Saône (France) for Maisons du Monde.

FAIR VALUE MEASUREMENT

Investment properties and projects in course of development were appraised at 30/09/2020 by independent experts (CBRE, Jones Lang LaSalle and Cushman & Wakefield) at their fair value. The fair value of a property corresponds to its investment value, i.e. its value including registration fees and other transaction costs, from which is deducted a provision for transfer expenses (see Note 1.G).

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 financial year 2019/2020 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 square metre.

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, void periods, 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.).

However, 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 was 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 are not concerned by this uncertainty clause.

QUANTITATIVE INFORMATION CONCERNING FAIR VALUE MEASUREMENTS USING UNOBSERVABLE INPUTS

The main quantitative information relating to the establishment of the fair value of investment properties based on unobservable inputs (level 3) presented below have been extracted from the reports drawn up by the independent property experts:

COUNTRY	FAIR VALUE 30/09/2020 (€000s)	EVALUATION METHOD	UNOBSERVABLE DATA	MIN	MAX	WEIGHTED AVERAGE
Belgium	368,321	Capitalisation	Estimated rental value	41 €/m ²	181 €/m ²	95 €/m ²
			Capitalisation rate	5.00%	8.52%	6.48%
France	292,635	Capitalisation	Estimated rental value	67 €/m ²	271 €/m ²	151 €/m ²
			Capitalisation rate	4.60%	8.20%	6.04%
Spain	29,525	Capitalisation	Estimated rental value	85 €/m ²	202 €/m ²	162 €/m ²
			Capitalisation rate	6.14%	7.19%	6.43%
TOTAL	690,481					

COUNTRY	FAIR VALUE 30/09/2019 (€000s)	EVALUATION METHOD	UNOBSERVABLE DATA	MIN	MAX	WEIGHTED AVERAGE
Belgium	375,664	Capitalisation	Estimated rental value	46 €/m ²	175 €/m ²	96 €/m ²
			Capitalisation rate	5.00%	8.57%	6.46%
France	214,480	Capitalisation	Estimated rental value	65 €/m ²	304 €/m ²	137 €/m ²
			Capitalisation rate	5.48%	7.30%	6.16%
Spain	32,750	Capitalisation	Estimated rental value	98 €/m ²	216 €/m ²	173 €/m ²
			Capitalisation rate	5.76%	6.66%	6.00%
TOTAL	622,894					

The estimated rental value (ERV) of a property depends on several factors, mainly its location (major cities, secondary provincial cities), the quality of the property, the nature of the areas (sales, storage, etc.) and the size of the areas let. These factors explain the gap between the lowest and highest ERVs.

The residual duration of agreements and the areas let can be found in the foregoing management report – property report.

SENSITIVITY OF FAIR VALUE OF PROPERTIES TO CHANGES IN UNOBSERVABLE INPUTS

- An increase of 5% in the estimated rental values (ERVs) of the properties would lead to an increase of €23,057,000 in the fair value of the portfolio.
- A decrease of 5% in the estimated rental values (ERVs) of the properties would lead to a decrease of €23,980,000 in the fair value of the portfolio.
- An increase of 0.5% in the capitalisation rate would lead to a decrease of €49,446,000 in the fair value of the portfolio.
- A decrease of 0.5% in the capitalisation rate would lead to an increase of €58,118,000 in the fair value of the portfolio.

There may also be correlations among unobservable inputs, since they are partly determined by market conditions. This correlation was not taken into account however in the aforementioned sensitivity test, which refers to changes that are independent of the rise and fall of these two parameters.

VALUATION PROCESS

The property valuation process is carried out quarterly in the following manner:

- At the end of each quarter the Company sends detailed information on the rental situation of the portfolio to the experts (areas let, leases in progress, break dates and expiries of contracts, investments to be made, etc.). These data are extracted from the property management systems. Rental contracts for new acquisitions and addenda to existing ones are also sent to the experts.
- The experts then incorporate this information into their valuation model. Based on their market experience, they maintain or modify the valuation parameters used in their model, mainly in terms of estimated rental value (ERV), capitalisation rate and assumptions on rental vacancies.
- The experts then inform the Company of the individual valuations of the real estate portfolio as produced by their model.
- The valuations are reviewed by the finance and property departments to ensure that the Company has a good understanding of the assumptions used by the experts.
- The summary tables of the individual property valuations are sent to the accounting department for them to pass the necessary entries for the quarterly re-evaluation of the portfolio.
- The portfolio values thus recognised are submitted to the audit committee before the financial statements are submitted to the board of directors for approval.

USE OF PROPERTIES

The Company considers that the current use of the investment properties shown at fair value in the balance sheet is optimal, bearing in mind their technical characteristics and the possibilities offered by the rental market.

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)	30/09/2020	30/09/2019
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	0	0
Recognition of the right-of-use as at 01/10/2019	7,285	0
Depreciation	-126	0
BALANCE AT THE END OF THE FINANCIAL YEAR	7,159	0

— NOTE 7 OTHER TANGIBLE ASSETS

(€000s)	Assets held for own use		Others		Total	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	1,101	1,096	164	72	1,264	1,168
Acquisitions	0	0	21	155	21	155
Disposals	0	0	0	0	0	0
Depreciation	0	0	-79	-63	-79	-63
Change in value	-172	5	0	0	-172	5
BALANCE AT THE END OF THE FINANCIAL YEAR	928	1,101	106	164	1,034	1,264

The item "Assets held for own use" includes the part of the property located at Avenue Jean-Mermoz, Gosselies (Belgium), used by the Company as its head office, for an amount of €928,000. The carrying amount of this part-property was revalued by -€172,000 in order to bring it into line with its fair value at 30/09/2020. The fair value of the part used by Ascencio was determined in proportion to the fair value determined by the expert for the part occupied not by Ascencio but by a third party.

None of these assets is encumbered.

— NOTE 8 CURRENT AND NON-CURRENT FINANCIAL ASSETS

(€000s)	30/09/2020	30/09/2019
Held-to-maturity assets	0	0
Available-for-sale assets	0	0
Assets at fair value through the income statement	0	1
Loans and receivables	0	0
Other	471	472
NON-CURRENT FINANCIAL ASSETS	471	472
CURRENT FINANCIAL ASSETS	0	0

The heading “Assets at fair value with changes through the income statement” reflects the measurement of the fair value of derivative financial instruments in accordance with IFRS 9 “Financial Instruments”, which have a positive value. If they do not have a positive value, their value is shown in the equivalent heading of liabilities (see Note 18).

— NOTE 9 ASSETS HELD FOR SALE

(€000s)	30/09/2020	30/09/2019
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	847	0
Investments	0	0
Acquisitions	0	0
Transfer to investment properties	0	847
Disposals	-847	0
Change in fair value	0	0
BALANCE AT THE END OF THE FINANCIAL YEAR	0	847

At 30/09/2019, the item “Assets held for sale” related to the site of Gosselies occupied by a Carrefour Market (Group Mestdagh) for which a commitment to sell was signed on 25/09/2019. The act of sale was signed on 23/12/2019.

— NOTE 10 CATEGORIES AND DESIGNATION OF FINANCIAL INSTRUMENTS

(€000s)	30/09/2020		30/09/2019		Category	Level
	Carrying amount	Fair value	Carrying amount	Fair value		
NON-CURRENT ASSETS	471	471	472	472		
Deposits in guarantee received	471	471	472	472	A	2
Derivative instruments (IRS-CAP)	0	0	1	1	C	2
CURRENT ASSETS	13,623	12,150	9,769	8,756		
Trade receivables	7,441	7,441	4,107	4,107	A	2
Receivables and other current assets	1,473	0	1,013	0	A	2
Cash and cash equivalents	4,710	4,710	4,650	4,650	A	2
TOTAL	14,095	12,622	10,241	9,229		

(€000s)	30/09/2020		30/09/2019		Category	Level
	Carrying amount	Fair value	Carrying amount	Fair value		
NON-CURRENT LIABILITIES	308,394	309,867	180,430	182,349		
Bank borrowings	266,649	268,122	165,742	167,660	A	2
Other non-current financial debts	20,000	20,000	0	0	A	2
Non-current financial debts IFRS 16	7,089	7,089	0	0	A	2
Derivative instruments (IRS)	12,483	12,483	12,800	12,800	C	2
Guarantees received	2,173	2,173	1,889	1,889	A	2
CURRENT LIABILITIES	51,922	51,922	89,775	89,775		
Bank borrowings	1,378	1,378	31,430	31,430	A	2
Current financial debts IFRS 16	116	116	0	0	A	2
Others current financial debts	41,000	41,000	50,000	50,000	A	2
Trade debts	6,448	6,448	5,986	5,986	A	2
Other current debts	2,980	2,980	2,359	2,359	A	2
TOTAL	360,316	361,789	270,206	272,124		

These categories follow the classification specified by IFRS 9:

- category A: Financial assets or liabilities (including accounts receivable and loans) carried at amortised cost;
- category B: Assets or liabilities recognized at fair value through the net income;
- category C: Assets or liabilities that must be measured at fair value through the net income.

The fair value of financial instruments can be ranked in a hierarchy of three levels (1, 2 and 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).

There were no transfers between levels during the financial year.

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 (based on the IRS rate relating to the remaining duration of the loan and the margin applicable to the last bank financing agreements signed by Ascencio);
- 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 11 CURRENT TRADE RECEIVABLES

(€000s)	More than 90 d	From 30 to 90 d	From 0 to 30 d	Total
Non-doubtful receivables	1,056	153	5,823	7,033
Doubtful debtors	1,316	0	0	1,316
Write-downs on doubtful debtors	-908	0	0	-908
BALANCE AT 30/09/2020	1,465	153	5,823	7,441
Non-doubtful receivables	162	46	3,790	3,998
Doubtful debtors	440	0	0	440
Write-downs on doubtful debtors	-332	0	0	-332
BALANCE AT 30/09/2019	271	46	3,790	4,107

The carrying amount of trade receivables should be recovered in twelve months. This carrying amount constitutes an approximation to the fair value of the assets, which do not bear interest.

At 30/09/2020, performing loans and receivables at more than 90 days amounted to €1,056,000. This amount includes the credit notes remaining to be issued in respect of cancellations of rentals linked to the closure of non-essential shops in the spring of 2020, estimated at €562,000 at 30/09/2020 on the basis of discussions still under way with certain tenants. Of the amount of performing loans and receivables at 30/09/2020, €442,000 has since been paid

The credit risk associated with trade receivables is limited thanks to the diversity of the customer base and the rental guarantees established by tenants to cover their commitments. The amounts shown in the balance sheet are net of value reductions for doubtful debts. As a result, the exposure to credit risk is reflected by the carrying amount of the receivables in the balance sheet.

At 30/09/2020, doubtful accounts amounted to €1,316,000 (compared with €440,000 at 30/09/2019). The increase in doubtful accounts at 30/09/2020 stems from the failure of several brands in 2020 (most notably Orchestra, Brantano and Wibra), as well as from the difficulties encountered by other brands that are currently in administration. Doubtful accounts were been reduced in value by €908,000 (compared with €332,000 at 30/09/2019). This amount represents the risk of default estimated at 30/09/2020 on the basis of the analysis of trade receivables at that date. The non-impaired portion of these doubtful accounts (€408,000) is either covered by guarantees established by tenants or corresponds to French VAT due only in the event of actual payment of the receivable.

Historical information shows that the accounting treatment of doubtful accounts as referred to in IFRS 9 has no material impact on the financial statements.

The risk associated with trade receivables (risk of tenants' insolvency) is described in the section headed "Clients - Risk of tenants' insolvency" in the Annual Report.

The breakdown of tenants (by rents received) is shown in the section headed "Real estate report" of the Annual Report.

Reductions in value have evolved as follows:

(€000s)	30/09/2020	30/09/2019
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	332	195
Additions	674	235
Charged to provisions	-14	-89
Reversals	-90	-9
VAT to be reclaimed on doubtful receivables	7	0
Acquisitions of subsidiaries	0	0
BALANCE AT THE END OF THE FINANCIAL YEAR	908	332

— NOTE 12 TAX RECEIVABLES AND OTHER CURRENT ASSETS

(€000s)	30/09/2020	30/09/2019
Taxes	543	228
Salaries and social charges	0	0
Other	1,473	1,013
TOTAL	2,016	1,241

The heading “Taxes” comprises amounts of VAT to be recovered.

The heading “Other” consists mainly of French property managers’ calls for provisions in respect of charges invoiced to tenants.

— NOTE 13 DEFERRED CHARGES AND ACCRUED INCOME

(€000s)	30/09/2020	30/09/2019
Accrued rental income	0	0
Rent-free periods and incentives granted to tenants to be spread	0	0
Prepaid property charges	0	0
Prepaid interest and other financial charges	177	99
Other	227	232
TOTAL	404	332

— NOTE 14 SHARE CAPITAL, SHARE PREMIUM AND RESERVES

(€000s)	30/09/2020	30/09/2019
Subscribed capital	39,576	39,576
Costs of capital increase	-917	-917
TOTAL	38,659	38,659

At 30/09/2020 the share capital stands at €39,576,000 represented by 6.595.985 shares with no nominal value. Issue premiums amounts to €256,252,000.

After deduction of capital increase expenses (on creation of the Company and on the occasion of subsequent capital increases), the capital and share premium as shown in the consolidated financial statements at 30/09/2020 amounts to €38,659,000 and €253,353,000 respectively.

Changes in the number of shares since the Company's establishment can be summarised as follows:

Number of shares at the time of establishment of the Company	2,500
Stock split (by 4) dated 23 October 2006	10,000
Shares created when constituting the Company's assets in 2006	2,968,125
New shares issued on the occasion of the capital increase of 3 November 2010	1,192,250
New shares issued on the occasion of the capital increase of 17 December 2012	53,186
New shares issued on the occasion of the capital increase of 31 March 2014	1,811,169
New shares issued on the occasion of the capital increase of 26 February 2015	145,538
New shares issued on the occasion of the capital increase of 26 February 2016	181,918
New shares issued on the occasion of the capital increase of 19 December 2016	132,908
New shares issued on the occasion of the capital increase of 27 February 2018	98,391
NUMBER OF SHARES AT 30/09/2020	6,595,985

The Statutory Manager declares that there are no different voting rights attaching to shares in the Company.

— NOTE 15 PROVISIONS

(€000s)	30/09/2020	30/09/2019
Pensions	0	0
Other	0	0
TOTAL	0	0

(€000s)	30/09/2020	30/09/2019
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	0	21
Additions	0	0
Charged to provisions	0	-21
Reversals	0	0
BALANCE AT THE END OF THE FINANCIAL YEAR	0	0

— NOTE 16 CURRENT AND NON-CURRENT FINANCIAL DEBT

(€000s)	30/09/2020	30/09/2019
Non-current financial debts	293,738	165,742
a. Credit institutions	266,359	165,317
b. Finance leases	290	424
c. Other - Medium Term Note	20,000	0
c. Other - Financial debts IFRS 16	7,089	0
Current financial debts	42,494	81,430
a. Credit institutions	1,258	31,310
b. Finance leases	120	120
c. Other - Commercial paper	41,000	50,000
c. Other - Financial debts IFRS 16	116	0
TOTAL	336,232	247,172

At 30/09/2020, financial liabilities totalled €336,232,000. They are divided into six types of financing:

- credit lines available in the form of fixed term advances: €262,600,000
- liabilities under finance leases: €410,000
- investment loans: €5,017,000
- commercial paper: €41,000,000
- Medium Term Notes: €20,000,000
- Financial debts IFRS 16: €7,205,000

The increase in financial debt at 30/09/2020 (up €89 million year-on-year) is primarily the result of debt financing to enable the acquisition of 5 Casino supermarkets in France in March 2020. As part of this acquisition

- €73 million in new bank loans were put in place, both with long-standing partner banks and through new French bank lines.
- Ascencio increased the size of its commercial paper programme from €50 to €100 million in January 2020 with a view to increasing its short-term issues (maturities of one year or less), and developing its long-term borrowings (more than one year). An initial issue with a four-year maturity was thus placed on 5 March with an institutional investor.

Credit lines available in the form of fixed term advances

At 30/09/2020, Ascencio has €338.5 million in credit lines with seven banks (BNP Paribas Fortis, ING, CBC, Belfius, Banque Européenne du Crédit Mutuel, Caisse d'Epargne Nord Europe and Société Générale) available in the form of fixed term advances with due dates ranging from 2020 to 2027.

At 30/09/2020, the unutilised portion of these lines amounts to €75.9 million.

Investment loans

At 30/09/2020, Ascencio had €5 million in investment loans from French banks, with maturities ranging from 2019 to 2027. The majority of these investment loans are at fixed rate of interest.

Commercial paper and Medium Term Notes

In order to reduce the cost of its financing, Ascencio has a commercial paper program for up to €100,00 million. At 30/09/2020 this program was used for short-term issues amounting to €41,00 million (a commercial paper) and up to €20.0 million for long-term issues (medium term notes). In order to hedge the risk of non-renewal of (short-term) commercial paper issued, Ascencio makes sure that, under its credit lines available by way of fixed term loans, it always has undrawn balances at least equal to its outstanding commercial paper (less than a year).

Fixed rate borrowings – Variable rate borrowings

As at 30/09/2020, financial liabilities (excluding IFRS 16) consisted of:

- €241,998,000 of floating rate debt (before taking account of IRS (interest rate swaps)).
- €87,029,000 of fixed-rate debt.

The carrying amount of the variable rate financial liabilities is an approximation to their fair value. Based on Ascencio's financing conditions and market rates as at 30/09/2020, the fair value of fixed rate financial liabilities is estimated at €58,502,000. This estimate is mentioned for information purposes.

The carrying amount of fixed-rate liabilities corresponds to their amortised cost.

Average cost of financial debts

During financial year 2019/2020, the average cost of debt¹ (including margins, non-utilisation commissions and up front opening fees) amounted to:

- 1.84% after the impact of interest rate hedging instruments (i.e. including interest charges paid in respect of IRS).
- 1.12% before the impact of interest rate hedging instruments (i.e. before interest charges paid in respect of IRS).

The liquidity and counterparty risks and the risk associated with the cost of financing are described in Note 3 – Management of financial risks.

The principal maturities of these financial liabilities are as follows:

(€000s)	Date	Total	Falling due within 1 year	Falling due from 1 to 5 years	Falling due over 5 years
Fixed term advances	30/09/2019	190,300	30,000	76,700	83,600
	30/09/2020	262,600	0	182,100	80,500
Liabilities under finance leases	30/09/2019	544	120	424	0
	30/09/2020	410	120	290	0
Investment credits	30/09/2019	6,327	1,310	3,475	1,542
	30/09/2020	5,017	1,258	2,773	986
Commercial paper	30/09/2019	50,000	50,000	0	0
	30/09/2020	41,000	41,000	0	0
Medium Term Note	30/09/2019	0	0	0	0
	30/09/2020	20,000	0	20,000	0
Financial debts IFRS 16	30/09/2019	0	0	0	0
	30/09/2020	7,204	116	462	6,627
TOTAL	30/09/2019	247,172	81,430	80,600	85,142
	30/09/2020	336,232	42,494	205,625	88,113

The following table shows, for information purposes, the future cash flows of principal and interest relating to these financial liabilities, not discounted to present value, based on market rates and the conditions of the credit lines as at 30/09/2020.

(€000s)	Falling due within 1 year	Falling due from 1 to 5 years	Falling due over 5 years	Total
At 30/09/2019	83,958	87,144	86,152	257,254
At 30/09/2020	46,482	216,267	94,354	357,104

¹ Alternative Performance Measure (APM). See glossary at the end of the financial report.

— NOTE 17 DERIVATIVE FINANCIAL INSTRUMENTS

At 30/09/2020, 73.5% of the Company's borrowings were at variable rate. With a view to limiting the interest rate risk associated with this type of financing, the Company has put in place an interest rate risk hedging policy which aims to lock in interest rates on at least 70% of its financial debt at a horizon of several years.

At 30/09/2020, interest rate hedging was composed of:

- 39 IRS (interest rate swap) contracts on a total notional amount of €540,500 million, of which €180,500 million was effective at 30/09/2020 and €360,000 million will be effective at a later date.
- 1 CAP option contract with delayed start on a notional amount of €10,000 million.

Based on financial indebtedness at 30/09/2020 and the interest rate hedging instruments active at that date, the hedging ratio¹⁺² was 81.3%.

Type	Notional amount (€000s)	Start date	End date	Interest rate	Floating reference rate	Fair value (€000s)	
						30/09/2020	30/09/2019
IRS	10,000	30/06/2013	30/06/2020	1.50%	3-month Euribor	0	-150
IRS	10,000	03/07/2013	30/06/2020	1.50%	3-month Euribor	0	-150
IRS	7,500	12/08/2011	12/08/2021	2.76%	3-month Euribor	-249	-501
IRS	20,000	28/09/2007	30/09/2022	3.70%	3-month Euribor	-1,722	-2,591
IRS	20,000	29/06/2018	30/06/2020	0.38%	3-month Euribor	0	-128
IRS	10,000	29/06/2018	30/06/2020	0.29%	3-month Euribor	0	-57
IRS	30,000	30/06/2019	30/06/2020	0.28%	3-month Euribor	0	-170
IRS	15,000	31/12/2019	31/12/2022	0.34%	3-month Euribor	-295	-396
IRS	10,000	30/09/2019	31/12/2023	0.39%	3-month Euribor	-301	-388
IRS	10,000	30/09/2019	31/12/2023	0.40%	3-month Euribor	-304	-391
IRS	10,000	30/06/2020	30/06/2023	0.35%	3-month Euribor	-243	-267
IRS	15,000	30/06/2020	30/06/2023	0.15%	3-month Euribor	-280	-308
IRS	30,000	30/06/2020	31/12/2021	0.18%	3-month Euribor	-268	-336
IRS	20,000	30/06/2020	30/06/2021	0.26%	3-month Euribor	-117	-165
IRS	20,000	30/06/2020	30/06/2023	0.62%	3-month Euribor	-641	-705
IRS	23,000	30/04/2020	28/02/2027	0.12%	3-month Euribor	-827	0
IRS	10,000	30/06/2021	31/12/2022	0.83%	3-month Euribor	-209	-209
IRS	10,000	30/06/2021	31/12/2022	0.63%	3-month Euribor	-177	-177
IRS	15,000	31/12/2021	30/06/2023	0.72%	3-month Euribor	-285	-281

¹ Alternative Performance Measure (APM). See glossary at the end of the financial report.

² This is not the indicator referred to in Article 8 of the B-REITs Act.

Type	Notional amount (€000s)	Start date	End date	Interest rate	Floating reference rate	Fair value (€000s)	
						30/09/2020	30/09/2019
IRS	15,000	31/12/2021	31/03/2023	0.67%	3-month Euribor	-230	-226
IRS	10,000	30/06/2022	30/06/2023	0.80%	3-month Euribor	-135	-132
IRS	10,000	30/09/2021	30/09/2023	0.65%	3-month Euribor	-238	-235
IRS	10,000	30/09/2022	30/09/2023	0.73%	3-month Euribor	-126	-123
IRS	10,000	31/12/2022	31/12/2023	0.49%	3-month Euribor	-100	-97
IRS	10,000	31/12/2022	31/12/2024	0.61%	3-month Euribor	-221	-207
IRS	10,000	31/12/2022	31/12/2023	0.53%	3-month Euribor	-104	-99
IRS	20,000	31/03/2023	31/03/2025	0.62%	3-month Euribor	-438	-405
IRS	20,000	30/06/2023	30/06/2024	0.50%	3-month Euribor	-197	-185
IRS	15,000	30/06/2023	30/06/2025	0.46%	3-month Euribor	-274	-247
IRS	15,000	30/06/2023	30/06/2025	0.46%	3-month Euribor	-273	-245
IRS	10,000	30/09/2022	30/09/2023	0.12%	3-month Euribor	-64	-60
IRS	10,000	30/09/2022	30/09/2027	0.57%	3-month Euribor	-480	-414
IRS	10,000	30/06/2023	30/06/2025	0.38%	3-month Euribor	-165	-148
IRS	20,000	30/06/2023	30/06/2027	0.58%	3-month Euribor	-760	-649
IRS	10,000	31/12/2023	31/12/2025	0.47%	3-month Euribor	-177	-155
IRS	20,000	31/12/2023	31/12/2027	0.68%	3-month Euribor	-810	-680
IRS	20,000	31/12/2022	31/12/2025	-0.04%	3-month Euribor	-234	-181
IRS	20,000	30/09/2023	30/09/2029	0.34%	3-month Euribor	-697	-471
IRS	10,000	31/12/2023	31/12/2028	0.31%	3-month Euribor	-288	-195
IRS	10,000	30/06/2024	30/06/2029	0.22%	3-month Euribor	-217	-115
IRS	10,000	30/06/2024	30/06/2029	0.22%	3-month Euribor	-216	-114
IRS	10,000	31/12/2024	31/12/2026	0.08%	3-month Euribor	-79	-46
IRS	10,000	31/03/2025	30/09/2029	-0.12%	3-month Euribor	-13	0
IRS	10,000	30/06/2025	31/12/2029	-0.06%	3-month Euribor	-29	0
CAP purchased	20,000	30/06/2017	30/06/2020	0.15%	3-month Euribor	0	0
CAP purchased	15,000	30/06/2018	31/12/2019	0.45%	3-month Euribor	0	0
CAP purchased	10,000	31/12/2018	31/12/2019	0.25%	3-month Euribor	0	0
CAP purchased	10,000	31/12/2020	31/12/2021	0.25%	3-month Euribor	0	1

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

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 the income statement.

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

For the financial year ended 30/09/2020, the financial result was income of €0.32 million (as against income of €8.57 million for the year ended 30/09/2019), representing the change in fair value of financial instruments to which hedge accounting in the meaning of IFRS 9 is not applied. This income item does not affect the Company's cash flow.

At the final expiry date of each financial instrument, its value will be zero and the changes in value recognised from one financial year to another will have been entirely reversed out of the income statement.

A simulation carried out indicates that an additional fall of 25 basis points in long-term (10-year) interest rates would lead to a (non-monetary) charge of €3,71 million.

The risk associated with hedging instruments is described in Note 3 – Management of financial risks.

These financial instruments are all "level 2" derivative products in the meaning of IFRS 13.

The net cash flows, not discounted to present value, of the financial hedging instruments at balance sheet date were as follows:

— Falling due within one year:	€2,283,000
— Falling due at between one and five years:	€8,261,000
— Falling due at more than five years:	€3,260,000

— NOTE 18 OTHER NON-CURRENT FINANCIAL LIABILITIES

(€000s)	30/09/2020	30/09/2019
Authorised hedging instruments	12,483	12,800
Other	2,173	1,889
TOTAL	14,656	14,689

— NOTE 19 DEFERRED TAX LIABILITIES

This heading comprises the deferred tax relating to the deferred taxation (5% withheld at source) of unrealised capital gains on the French assets:

- 30/09/2019: €903,000
- 30/09/2020: €832,000

— NOTE 20 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

(€000s)	30/09/2020	30/09/2019
Suppliers	5,220	5,087
Tenants	1,228	899
Taxes, salaries and social charges	2,980	2,359
TOTAL	9,428	8,345

The heading “Taxes, salaries and social charges” basically consists of

- VAT payable, mainly in respect of rental of properties in France. In France, unlike Belgium, rentals for commercial properties are subject to VAT.
- tax due by the French branch (5% withholding on the statutory result established on the basis of French accounting standards).
- tax due by the Spanish subsidiary which is subject to ordinary local rates of corporation tax.
- provisions for holiday allowances and end-of-year bonuses.

— NOTE 21 ACCRUED CHARGES AND DEFERRED INCOME

(€000s)	30/09/2020	30/09/2019
Property income received in advance	1,320	27
Accrued interest and other charges not yet dues	2,118	1,547
Other	0	0
TOTAL	3,438	1,574

The heading “Accrued interest and other charges not yet dues” mainly concerns the Statutory Manager's remuneration, the Statutory Manager's directors' remuneration and pro-rata of interest, on financial debt.

— NOTE 22 RENTAL INCOME

(€000s)	30/09/2020	30/09/2019
Rents	45,034	41,937
Guaranteed income	0	0
Cost of rent-free periods	-479	-352
Concessions granted to tenants (incentives)	0	0
Indemnification for early termination of rental contracts	0	0
Finance lease fees and similar	0	0
TOTAL	44,555	41,585

— NOTE 23 RENTAL RELATED CHARGES

(€000s)	30/09/2020	30/09/2019
Rents payable on rented premises	0	0
Write-downs on trade receivables	632	235
Write-back of write-downs on trade receivables	-48	-9
Cancellation of COVID 19 rents	1,640	0
TOTAL	2,224	225

Following the closure of shops imposed because of the COVID-19 health crisis, Ascencio granted total or partial forgiveness of rentals to tenants whose activity has been badly hit by the crisis, by way of transactional agreements negotiated between lessor and lessee.

At 30/09/2020 Ascencio had reached agreement with practically all its Belgian and Spanish tenants. In France, agreements had been signed with 40% of tenants. Concerning the tenants with whom negotiations were still ongoing at 30/09/2020, Ascencio has estimated the amount of the rental cancellations remaining to be agreed on the basis of the discussions under way and has recognised in the accounts credit notes to be issued on the basis of this estimated amount. To the extent that the terms of the lease contracts have not been amended, these rental cancellations (effective or estimated) have been recognised immediately in the results for the period, which is also the only accounting treatment consistent with the approach of the independent expert in assessing the fair value of the properties concerned.

— NOTE 24 RECOVERY OF RENTAL CHARGES AND TAXES
NORMALLY ASSUMED BY THE TENANT
ON LET PROPERTIES

(€000s)	30/09/2020	30/09/2019
Rebiling of rental charges invoiced to the landlord	2,457	2,280
Rebiling of property taxes and other taxes on let properties	4,378	3,960
TOTAL	6,835	6,239

For certain tenants, rental charges are periodically invoiced in the form of provisions and are thus recovered from the tenants before being effectively incurred by the Company. There may be a slight timing mismatch between charges actually billed to tenants and those effectively incurred by the Company, since the regularisation is performed annually.

— NOTE 25 RENTAL CHARGES AND TAXES NORMALLY ASSUMED
BY THE TENANT ON LET PROPERTIES

(€000s)	30/09/2020	30/09/2019
Rental charges invoiced to the landlord	-2,437	-2,280
Property taxes and other taxes on let properties	-4,590	-4,140
TOTAL	-7,027	-6,420

— NOTE 26 TECHNICAL COSTS

(€000s)	30/09/2020	30/09/2019
Recurring technical costs		
- Repairs	-227	-614
- Total-guarantee charge	0	0
- Insurance premiums	0	0
Non-recurring technical costs		
- Major repairs	-254	-484
- Damage expenses	-16	-66
TOTAL	-497	-1,164

Technical costs represent expenses incurred for works on investment properties. They are charged to the property operating result if they do not bring about economic benefits.

— NOTE 27 COMMERCIAL COSTS

(€000s)	30/09/2020	30/09/2019
Letting fees paid to real estate brokers	-99	-5
Advertising and marketing costs relating to the properties	-17	-12
Fees paid to lawyers and other legal costs	-65	-86
TOTAL	-182	-103

— NOTE 28 PROPERTY MANAGEMENT COSTS

(€000s)	30/09/2020	30/09/2019
Fees paid to external managers	-122	-126
Internal property management charges	-1,444	-1,307
TOTAL	-1,566	-1,432

— NOTE 29 OTHER PROPERTY CHARGES

(€000s)	30/09/2020	30/09/2019
Insurance	-23	-31
Taxes and duties for landlord's account	39	-281
Property renting, emphyteuses, rental charges	-31	-220
Depreciation of right-of-use of land (IFRS16)	-126	0
Other	2	1
TOTAL	-140	-531

— NOTE 30 CORPORATE OVERHEADS

(€000s)	30/09/2020	30/09/2019
Employee benefits	-1,112	-1,055
Remuneration of the statutory manager	-923	-923
Remuneration of directors	-222	-183
Operating costs	-690	-750
Fees	-528	-509
Tax on UCIs	-326	-323
Depreciation	-79	-64
TOTAL	-3,881	-3,807

— NOTE 31 OTHER OPERATING INCOME AND CHARGES

(€000s)	30/09/2020	30/09/2019
Other operating income	10	117
Other operating charges	-14	-44
TOTAL	-4	73

— NOTE 32 NET GAINS AND LOSSES ON DISPOSALS OF INVESTMENT PROPERTIES

(€000s)	30/09/2020	30/09/2019
Losses on disposals of investment properties	-41	-133
Gains on disposals of investment properties	0	1,096
TOTAL	-41	963

(€000s)	30/09/2020	30/09/2019
Net sales of properties (selling price - transaction costs)	890	6,327
Carrying amount of properties sold	-931	-5,364
TOTAL	-41	963

— NOTE 33 CHANGES IN THE FAIR VALUE OF INVESTMENT PROPERTIES

(€000s)	30/09/2020	30/09/2019
Positive changes in the fair value of investment properties	5,160	7,012
Negative changes in the fair value of investment properties	-25,679	-7,411
TOTAL	-20,520	-399

— NOTE 34 FINANCIAL INCOME

(€000s)	30/09/2020	30/09/2019
Interest and dividends received	0	0
TOTAL	0	0

— NOTE 35 NET INTEREST CHARGES

(€000s)	30/09/2020	30/09/2019
(-) Nominal interest on borrowings	-3,055	-2,498
(-) Reconstitution of the face value of financial debts	0	0
(-) Charges arising from authorised hedging instruments	-2,138	-1,878
Authorised hedging instruments to which IFRS hedge accounting is not applied	-2,138	-1,878
(+) Income arising from authorised hedging instruments	0	0
(-) Other interest expense	-116	0
TOTAL	-5,308	-4,376

— NOTE 36 OTHER FINANCIAL CHARGES

(€000s)	30/09/2020	30/09/2019
Bank charges and other commissions	-334	-388
TOTAL	-334	-388

— NOTE 37 CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(€000s)	30/09/2020	30/09/2019
Authorised hedging instruments		
Authorised hedging instruments to which IFRS hedge accounting is not applied	316	-8,570
TOTAL	316	-8,570

— NOTE 38 CORPORATE TAX

	30/09/2020	30/09/2019
PARENT COMPANY		
Pre-tax result	9,388	20,637
Result exempted from income tax due to the RREC regime	-9,388	-20,637
Taxable result	0	0
Tax at standard rate	0	0
Other taxes	-213	-176
Deferred tax	71	-242
SUBSIDIARIES		
Current tax	-275	-312
TOTAL	-418	-730

Ascencio has the status of a public B-REIT. This status provides for the application of Belgian corporation tax at the standard rate of 25% to a reduced tax base, i.e. mainly on its non-allowable expenses.

The heading "Parent company - Other taxes" comprises the 5% withholding tax at source on the statutory profit of the French branch established on the basis of French accounting standards.

Subsidiaries' tax payable consists of corporation tax of subsidiaries not operating under the same tax regime as the Company:

- the Spanish subsidiary Ascencio Iberia S.A. is also subject to the ordinary income tax regime in Spain (25%).

Deferred taxation represents the change relative to the previous year in the estimated amount of deferred taxation (5% withholding at source) on unrealised capital gains on French assets.

— NOTE 39 EARNINGS PER SHARE

The basic EPS is obtained by dividing the net result for the financial year (numerator) by the weighted average number of shares in circulation during the financial year (denominator).

The diluted EPS is identical, since the Company has no diluting instruments.

	30/09/2020	30/09/2019
Net result for the financial year (€000s)	9,246	21,348
Weighted average number of shares in circulation	6,595,985	6,595,985
Basic and diluted EPS (euros)	1.40	3.24

The weighted average number of shares during the financial year ended 30/09/2020 consisted of

- the 6,595,958 shares in existence at the beginning of the financial year.

— NOTE 40 INFORMATION ON RELATED PARTIES

We report hereunder the amounts of transactions carried out with co-promoters Carl Mestdagh, Eric Mestdagh and John Mestdagh on the one hand and AG Real Estate on the other, as well as with parties related to the co-promoters.

(€000s)	30/09/2020	30/09/2019
Rental income		
Mestdagh SA	4,335	4,242
Equilis SA	18	73
Purchase of services		
Equilis SA	0	0
Remuneration of the manager	923	923
Remuneration of manager's directors	222	183
Assets		
Trade receivables Mestdagh SA	438	310
Trade receivables Equilis SA	4	19

The remuneration granted to executives of the Statutory Manager is referred to in Note 41 hereunder.

— NOTE 41 MANAGERS' REMUNERATION

The remuneration of Ascencio S.A., the statutory manager, is set at 4% of the amount of the gross dividend distributed. Based on the gross dividend of €3.65 proposed to the General Meeting of Shareholders to be held on 29/01/2021, the remuneration of the statutory manager will amount to €963,000 for the past financial year (€923,000 for the previous financial year). This amount will not be paid until after the Ordinary General Meeting of Shareholders of Ascencio SCA. It has been provisioned in the accounts at 30/09/2020, based on the dividend of the previous financial year.

Additionally, basic remuneration and attendance fees paid by Ascencio S.A. to its directors for their attending board, audit committee and nomination and remuneration committee and investment committee meetings amounted to €222,000 for the financial year last ended (€183,000 for 2018/2019). These amounts are passed on by Ascencio S.A. to the Company. The breakdown of these amounts is shown in the report on remuneration above. This remuneration will not be paid until after the Ordinary General Meeting of Shareholders of Ascencio SCA.

Lastly, remuneration of the Company's *dirigeants effectifs* (executive managers), Vincent H. Querton, Stéphanie Vanden Broecke and Michèle Delvaux, amounted to €1,277,000 for the financial year last ended.

— NOTE 42 SUBSIDIARIES

SUBSIDIARIES	Held directly	Held indirectly
SCI CANDICE BRIVES Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI ECHIROLLES GRUGLIASCO Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI HARFLEUR 2005 Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI KEVIN Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI LA PIERRE DE L'ISLE Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI MAS DES ABEILLES Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI ZTF ESSEY LES NANCY Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI CANNET JOURDAN Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI DE LA COTE Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI DU ROND POINT Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI SEYNOD BARRAL Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI CLERMONT SAINT JEAN Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant

SUBSIDIARIES	Held directly	Held indirectly
SCI SAINT AUNES RETAIL PARK Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI LES HALLES DE CRECHES Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI LES HALLES DE LOZANNE Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI LES PORTES DU SUD Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI GUYANCOURT Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI TESTE DE BUCH Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SCI VIRIAT Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Néant
SAU ASCENCIO IBERIA Calle Hermosilla 11 Planta 3A - 28001 Madrid - Spain	100%	Néant

— NOTE 43 FEES OF THE STATUTORY AUDITOR

(€000s)	30/09/2020	30/09/2019
Audit of the financial statements	48	46
Other assignments carried out by the Statutory Auditor	6	14
TOTAL	54	60

— NOTE 44 EVENTS AFTER THE REPORTING PERIOD

The coronavirus has unsettled the retail trade with a second wave of contaminations worldwide.

The Belgian government has imposed the closure of a large number of non-food businesses for a six-week period from 02/11/2020 to 13/12/2020.

The French government has imposed the closure of non-food businesses until the end of November 2020.

In Spain, measures are being taken by regional and local authorities. Ascencio retailers have been able to remain partially open.

However, this new lockdown affects fewer retailers in Ascencio's portfolio than the previous lockdown in April and May. In fact, along with supermarkets, more shops considered as essential have been allowed to open (DIY stores, garden centres, stores for hygiene and care products, and so on). 60% of Ascencio's portfolio has not been impacted by these closures (compared with 40% in March).

Ascencio continues to pursue a responsible dialogue with its tenants.

The outlook for the financial year 2020/2021 will primarily be influenced by the following:

Les perspectives de l'exercice 2020/2021 seront principalement influencées par les éléments suivants:

— The financial and operational agility of Ascencio retailers to speed up changes to their business model due to the pandemic, and sector-wide digitisation towards a strategy where the emphasis is on being omnichannel;

The first wave showed clearly that out-of-town retail and food units are undeniably the most conducive retail segment as regards this agility compared with high streets stores and shopping centers.

— Development and duration of the pandemic;

— The sound performance of Ascencio's robust, resilient property portfolio, which is set to fully benefit thanks to the rental income from the investment made in March 2020;

— Macroeconomic uncertainties that may influence the fair value of the Ascencio portfolio.

Nonetheless, it is currently still too early to assess the impact of the second wave of Covid-19 on the Company's financial year 2020/2021, which began on 01/10/2020.

STATUTORY AUDITOR'S REPORT

STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING OF ASCENCIO SCA FOR THE YEAR ENDED 30 SEPTEMBER 2020 - CONSOLIDATED FINANCIAL STATEMENTS

In the context of the statutory audit of the consolidated financial statements of Ascencio SCA ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 31 January 2020 in accordance with the proposal of the board of directors issued upon recommendation of the Audit Committee. Our mandate will expire on the date of the shareholders' meeting approving the consolidated financial statements for the year ending 30 September 2022. We have performed the statutory audit of the consolidated financial statements of Ascencio SCA for 13 subsequent years.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

— UNQUALIFIED OPINION

We have audited the consolidated financial statements of the Group, which comprise the consolidated balance sheet as at 30 September 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows for the year then ended and the consolidated statement of changes in equity, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 713 716 (000) EUR and the consolidated income statement a consolidated net profit for the year then ended of 9 246 (000) EUR.

In our opinion, the consolidated financial statements of Ascencio SCA give a true and fair view of the Group's net equity and financial position as of 30 September 2020 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

— BASIS FOR THE UNQUALIFIED OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements"

section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

— KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS

Valuation of investment properties

- Ascencio owns and manages a portfolio of investment properties valued at EUR 698 million as at 30 September 2020 representing 98% of the total consolidated balance sheet. Changes in the value of the real estate portfolio have a significant impact on consolidated net income and shareholders' equity.
- The Group uses independent real estate experts each quarter to value its investment property portfolio at fair value. These experts are appointed by the Group Management. They have a confirmed knowledge of the real estate markets in which the Group operates.
- The portfolio (excluding development projects) is valued at fair value. Development projects are valued according to the same methodology but taking into account all the costs necessary for the finalization of the development project as well as a risk premium related to the risks of project realization. The key data of the valuation exercise are the capitalization rates as well as current market rents, which are influenced by market trends, comparable transactions and the specific characteristics of each building in the portfolio.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTERS?

- We considered the internal control implemented by management and we tested the design and implementation of controls over investment properties.
- We assessed the competence, independence and integrity of the real estate experts.
- We also reviewed the key assumptions by comparing them with market data or comparable real estate transactions provided by real estate experts, particularly with respect to the capitalization rate and market rents.
- We compared the amounts included in the valuation reports of real estate experts to the accounting data and then reconciled them to the financial statements.
- We reviewed and challenged the valuation process, portfolio performance, significant assumptions and judgments especially for capitalization rates.

KEY AUDIT MATTERS

Valuation of investment properties

- The valuation of the portfolio is subject to significant judgments and is based on a number of assumptions. The uncertainties related to estimates and judgments, combined with the fact that a small percentage difference in individual property valuations could have, in aggregate, a significant impact on the income statement and on the balance sheet, require a particular attention in the context of our audit work.
- As required by legislation applicable to regulated real estate companies, the investment properties are valued by external appraisers. In their report as of 30 September 2020, the experts draw attention to a material uncertainty clause with regard to the effects of the Covid 19 pandemic on the valuation of the investment property portfolio. The pandemic and the measures taken to tackle Covid 19 continue to affect the economy and real estate markets around the world causing experts to face an unprecedented set of circumstances and an absence of relevant / sufficient evidence market on which to base their judgment.

— RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

HOW OUR AUDIT ADRESSED THE KEY AUDIT MATTERS?

- As part of our audit procedures performed on acquisitions and disposals of investment properties, we reviewed significant contracts and documentation of the accounting treatment applied to these transactions.
- We conducted audit procedures to assess the integrity and completeness of the information provided to the independent experts on rental income, key characteristics of leases and tenancies.
- We refer to the financial statements, including the notes to the financial statements: Note 1, General Information and Accounting Policies and Note 6, Investment Property.
- We assessed whether the material uncertainty clause adopted by the experts was included in an appropriate manner in the annual report and the notes to the financial statements.
- We have verified that the notes to the financial statements are in line with IFRS standards.

— RESPONSIBILITIES OF THE STATUTORY AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;

— evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From the matters communicated the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes any public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

— RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

— RESPONSIBILITIES OF THE STATUTORY AUDITOR

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements, as well as to report on these matters.

— ASPECTS REGARDING THE DIRECTORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INFORMATION DISCLOSED IN THE ANNUAL REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

— STATEMENTS REGARDING INDEPENDENCE

— Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.

— The fees for the non-audit services compatible with the statutory audit of the consolidated financial statements as defined in article 3:65 of the Companies Code have been properly disclosed and disaggregated in the disclosures to the consolidated financial statements.

— OTHER STATEMENTS

This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Zaventem,

THE STATUTORY AUDITOR

Kathleen De Brabander

Deloitte Réviseurs d'Entreprises SCRL

Represented by Kathleen De Brabander

STATUTORY ACCOUNTS

ASSETS (€000s)	30/09/2020	30/09/2019
ASSETS		
I NON-CURRENT ASSETS		
A Goodwill	0	0
B Intangible assets	0	0
C Investment properties	548,299	470,471
D Other tangible assets	1,034	1,264
E Non-current financial assets	11,257	12,638
F Finance lease receivables	0	0
G Trade receivables and other non-current assets	0	0
H Deferred tax assets	0	0
J Proportionate share in participations incorporated using the equity accounting method ^(*)	85,449	85,841
TOTAL NON-CURRENT ASSETS	646,039	570,214
II CURRENT ASSETS		
A Assets held for sale	0	847
B Current financial assets	0	0
C Finance lease receivables	0	0
D Trade receivables	6,428	3,169
E Tax receivables and other current assets	48,636	47,672
F Cash and cash equivalents	2,909	3,215
G Deferred charges and accrued income	310	297
TOTAL CURRENT ASSETS	58,283	55,199
TOTAL ASSETS	704,322	625,413

* From 01/10/2019, the holdings of the subsidiaries are valued using the equity method as per IAS 28.

EQUITY AND LIABILITIES (€000s)	30/09/2020	30/09/2019
EQUITY		
A Capital	38,659	38,659
B Share premium account	253,353	253,353
C Reserves	47,707	49,599
a. Legal reserve	0	0
b. Reserve for changes in fair value of properties	50,940	51,635
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-10,031	-10,049
e. Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied	-12,964	-4,451
m. Other reserves	19,762	12,464
D Net result for the financial year	9,246	21,348
TOTAL EQUITY	348,965	362,959
LIABILITIES		
I NON-CURRENT LIABILITIES	303,399	174,563
A Provisions	0	0
B Non-current financial debts	289,931	160,724
a. Credit institutions	262,552	160,300
b. Finance leases	290	424
c. Other	27,089	0
C Other non-current financial liabilities	12,636	12,935
D Trade debts and other non-current debts	0	0
E Other non-current liabilities	0	0
F Deferred tax liabilities	832	903
II CURRENT LIABILITIES	51,958	87,891
A Provisions	0	0
B Current financial debts	41,236	80,120
a. Credit institutions	0	30,000
b. Finance leases	120	120
c. Other	41,116	50,000
C Other current financial liabilities	0	0
D Trade debts and other current debts	7,293	6,241
a. Exit tax	0	0
b. Other	7,293	6,241
E Other current liabilities	0	0
F Accrued charges and deferred income	3,429	1,531
TOTAL LIABILITIES	355,357	262,454
TOTAL EQUITY AND LIABILITIES	704,322	625,413

(€000s)	30/09/2020	30/09/2019
I Rental income	34,334	31,472
III Rental related charges	-1,635	-138
NET RENTAL RESULT	32,700	31,334
V Recovery of rental charges and taxes normally paid by tenants on let properties	5,382	4,786
VII Rental charges and taxes normally paid by tenants on let properties	-5,580	-4,967
VIII Other revenue and rental related charges	5	16
PROPERTY RESULT	32,507	31,170
IX Technical costs	-425	-1,088
X Commercial costs	-174	-81
XI Rental charges and taxes on unlet properties	-327	-348
XII Property management costs	-1,538	-1,419
XIII Other property charges	-27	-394
PROPERTY CHARGES	-2,491	-3,330
PROPERTY OPERATING RESULT	30,016	27,840
XIV Corporate overheads	-3,754	-3,634
XV Other operating income and charges	514	522
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	26,776	24,728
XVI Net gains and losses on disposals of investment properties	-41	963
XVIII Change in the fair value of investment properties	-16,667	-1,995
OPERATING RESULT	10,068	23,697
XX Financial income ^(*)	796	860
XXI Net interest charges	-5,076	-4,098
XXII Other financial charges	-319	-374
XXIII Change in fair value of financial assets and liabilities ^(*)	316	-8,570
FINANCIAL RESULT	-4,283	-12,182
SHARE IN THE RESULT OF HOLDINGS INCORPORATED USING THE EQUITY METH-OD^(*)	3,603	9,122
PRE-TAX RESULT	9,389	20,637
XXV Corporate tax	-143	-418
XXVI Exit Tax	0	1,129
TAXES	-143	711
NET RESULT	9,246	21,348
BASIC NET RESULT AND DILUTED (€/SHARE)	1.40	3.24

* Until 30/09/2019, the results of the holdings of subsidiaries were recognised under the following sections:

- the automatic allocation of the results of the French subsidiaries incorporated as tax transparent SCI, as well as the dividend paid out from the subsidiary Les Portes du Sud (not tax transparent), were recognised under the section XX – Financial income, ie an amount of €7,527,000 in 2018/2019;

- the change in the fair value of investment properties owned by the subsidiaries was recognised under the section XXIII Changes in fair value of financial assets and liabilities, ie an amount of €1,595,000 in 2018/2019.

Since 01/10/2019, the holdings of subsidiaries are valued using the equity method as per IAS 28.

This change in the valuation rules has the following impact: the results of the holdings of the subsidiaries are now fully recognised under the section "Share in the result of holdings incorporated using the equity method".

STATEMENT OF COMPREHENSIVE INCOME (€000s)	30/09/2020	30/09/2019
I NET RESULT	9,246	21,348
II OTHER COMPREHENSIVE INCOME RECYCLABLE UNDER THE INCOME STATEMENT		
A Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	19	171
H Other comprehensive income ^(*)	-172	5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	9,092	21,524

^(*) Revaluation at fair value of the property occupied by Ascencio.

PROPOSED APPROPRIATION (€000s)	30/09/2020	30/09/2019
A NET RESULT	9,246	21,348
B TRANSFERS TO/FROM RESERVES	-14,829	-1,738
1. Transfer to/from reserves of net change in fair value of property assets (-/+)	-20,520	-399
- accounting financial year	-20,520	-399
- previous financial years	0	0
- realisation of property assets	0	0
2. Transfer to/from reserves of transaction costs resulting from hypothetical disposal of investment properties (-/+)	0	0
3. Transfer to reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is applied (-)	0	0
4. Transfer from reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is applied (+)	0	0
5. Transfer to reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (-)	0	-8,570
- accounting financial year	0	-8,570
- previous financial years	0	0
6. Transfer from reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (+)	316	0
- accounting financial year	316	0
- previous financial years	0	0
7. Transfers to/from reserves of net differences on conversion of monetary assets and liabilities (-/+)	0	0
8. Transfers to/from reserves of fiscal latencies related to investment properties abroad (-/+)	0	0
9. Transfers to/from reserves of the received dividends aimed at the reimbursement of financial debts (-/+)	0	0
10. Transfers to/from reserves	5,374	7,230
11. Transfer to/from the result carried forward of the previous years	0	0
C REMUNERATION OF CAPITAL (ART. 13, SECTION 1, PARA. 1)	23,940	20,048
D REMUNERATION OF CAPITAL - OTHER THAN C	135	3,038

OBLIGATION TO DISTRIBUTE AS PER ROYAL DECREE OF 13/07/2014, as amended by the Royal Decree of 23/04/2018, on B-REITs	30/09/2020 (€000s)	30/09/2019 (€000s)
STATUTORY NET RESULT	9,246	21,348
(+) Depreciation	79	64
(+) Reductions in value	356	138
(+/-) Other non-monetary items (Change in value of financial interests)	3,853	-1,595
(+/-) Other non-monetary items (Change in value of financial instruments)	-316	8,570
(+/-) Other non-monetary items	0	0
(+/-) Net gains/(losses) on disposals of property assets	41	-963
(+/-) Change in fair value of property assets	16,667	1,995
= CORRECTED RESULT (A)	29,925	29,557
(+/-) Capital gains and losses realised ^(*) on property assets during the financial year	100	-4,496
(-) Capital gains realised ^(*) on property assets during the financial year, exonerated from the distribution obligation, subject to reinvestment within 4 years	-100	0
(+) Capital gains realised on property assets earlier, exonerated from the distribution obligation and not reinvested within 4 years	0	0
= NET CAPITAL GAINS ON THE REALISATION OF PROPERTY ASSETS NON-EXONERATED FROM THE DISTRIBUTION OBLIGATION (B)	0	-4,496
TOTAL ((A + B) x 80%)	23,940	20,048
(-) REDUCTION IN BORROWINGS	0	0
OBLIGATION DE DISTRIBUTION	23,940	20,048
AMOUNT DISTRIBUTED	24,075	23,086
% DISTRIBUTED OF CORRECTED RESULT (A)	80.45%	78.11%

(*) Relative to the acquisition value plus capitalised renovation costs.

(€000s)			Reserves*					
	Capital	Share premium account	C.b.	C.c.	C.e.	C.m.	Result for the finan- cial year	Total equity
BALANCE AT 30/09/2018	38,659	253,353	42,945	-10,221	-7,743	12,843	34,024	363,861
Distribution of dividends							-22,426	-22,426
Appropriation to reserves			4,141		3,292	4,165	-11,598	0
Capital increase								0
Net result							21,348	21,348
Other elements recognised in the global result			5	171				176
Reclassification of reserves			4,544			-4,544		0
Adjustment to reserves								0
BALANCE AT 30/09/2019	38,659	253,353	51,635	-10,049	-4,451	12,464	21,348	362,959

(€000s)			Reserves*					
	Capital	Share premium account	C.b.	C.c.	C.e.	C.m.	Result for the finan- cial year	Total equity
BALANCE AT 30/09/2019	38,659	253,353	51,635	-10,049	-4,451	12,464	21,348	362,959
Distribution of dividends							-23,086	-23,086
Appropriation to reserves			-399		-8,570	7,231	1,738	0
Capital increase								0
Net result							9,246	9,246
Other elements recognised in the global result			-172	19				-154
Reclassification of reserves			-123		56	67		0
Adjustment to reserves								0
BALANCE AT 30/09/2020	38,659	253,353	50,940	-10,031	-12,964	19,762	9,246	348,965

* Reserves:

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

C.c.: Reserve for estimated transaction costs resulting from 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.

GLOSSARY OF ALTERNATIVE PERFORMANCE MEASURES (APMS)

An APM is a financial indicator, historical or forward-looking, of the performance, financial situation or cash flows other than a financial indicator defined or described by the applicable accounting standards.

In its financial reporting Ascencio has for many years used APMs (Alternative Performance Measures) within the meaning of the guidelines recently laid down by the KEURocean Securities and Markets Authority, ESMA. These APMs have been defined by Ascencio with a view to offering the reader a better understanding of its results and performances. Performance indicators defined by IFRS or by law are not considered to be APMs. Nor are indicators that are not based on balance sheet or income statement account headings.

CONTRACTUAL RENTS

— DEFINITION

The sum of the rents on an annual basis at the balance sheet closing date, as defined contractually in the lease agreements, after deduction of any rental discounts granted to tenants.

— USE

This APM

- allows us to estimate the rents to be generated by the property portfolio over the coming 12 months from the closing date based on the rental situation at that date;
- allows us to calculate the gross yield on the portfolio at a given date (Contractual rents / Investment value).

AVERAGE COST OF DEBT

— DEFINITION

This is the average cost of the financial debts, obtained by dividing the annual charges on these debts by the weighted average debt outstanding during the period.

The numerator is the sum

- net interest charges shown under the heading XXI in the income statement, annualised
- plus commissions on undrawn balances of credit facilities and opening commissions and charges on credit facilities, annualised.

The denominator is the average level of financial debts by reference to daily drawings of the various facilities (bank loans, finance leases and commercial paper).

The components of this APM relate to the last period ended on the closing date of the financial year.

— USE

The Company finances itself partly by means of financial debt. This APM allows us to measure the cost of this source of financing and its effect on the results. It also allows an analysis of how it evolves over time.

— RECONCILIATION

Details of the calculation of this APM are provided hereunder.

		30/09/2020	30/09/2019
Net interest charges (heading XXI) (€000S)		5,193	4,376
Commissions on undrawn balances under credit facilities		251	313
Opening commission and charges for credit facilities		31	33
Change in fair value of caps		0	17
TOTAL COST OF FINANCIAL DEBTS	= A	5,474	4,739
WEIGHTED AVERAGE DEBT FOR THE PERIOD	= B	297,793	252,755
AVERAGE COST OF DEBT	= A / B	1.84%	1.87%

HEDGING RATIO

— DEFINITION

This is the percentage of financial debts the interest rate of which is fixed or capped relative to total financial debts.

The numerator is the sum

- of fixed-rate financial debts,
- variable-rate financial debts converted into fixed-rate debts by means of IRS,
- and variable-rate financial debts converted into fixed-rate debts by means of CAPs.

The denominator is the total amount of financial debts.

The components of this APM relate to the debts and hedging instruments as at the closing date of the financial year.

— USE

A significant portion of the Company's financial debts is at variable rates. This APM measures the risk associated with interest rate fluctuations and its potential effect on the results.

— RECONCILIATION

Details of the calculation of this APM are provided hereunder

(€000s)	30/09/2020	30/09/2019
Fixed-rate financial debts	87,029	53,035
Financial debts converted into fixed-rate debts by means of IRS	180,500	107,500
Financial debts converted into capped-rate debts by means of caps	0	55,000
TOTAL FIXED RATE OR CAPPED FINANCIAL DEBTS	= A	215,535
TOTAL VARIABLE RATE FINANCIAL DEBTS	61,498	31,636
TOTAL FINANCIAL DEBTS	= B	247,172
HEDGING RATIO	= A / B	81.3%

OPERATING MARGIN

— DEFINITION

This is the operating result before result on portfolio divided by rental income.

The components of this APM relate to the last period ended on the closing date of the financial year.

— USE

This APM allows us to measure the operating profitability of the Company as a percentage of rental income.

— RECONCILIATION

Details of the calculation of this APM are provided hereunder

		30/09/2020	30/09/2019
Operating result before result on portfolio (€000S)	= A	35,551	33,879
Rental income (€000S)	= B	44,555	41,585
OPERATING MARGIN	= A / B	79.8%	81.5%

Risk factors



RISK FACTORS

HAVING REGARD TO THE COMING INTO FORCE OF THE PROSPECTUS REGULATION OF 21 JULY 2019, ONLY THE RISK FACTORS LISTED HEREUNDER ARE CONSIDERED BY ASCENCIO TO BE SPECIFIC AND SIGNIFICANT FOR THE COMPANY. NON-SPECIFIC RISKS ARE NOT COVERED IN THIS CHAPTER.

LEVEL OF RISK

- HIGH
- MEDIUM
- LOW

In this chapter, for each risk to which Ascencio is exposed, the potential impact of the risk identified is described. The level of risk referred to (high, moderate or low, as illustrated opposite), takes account of the assessment of its potential impact and the probability of its materialising. It does not take account of the measures taken to offset the risk. It does not take account of the measures taken to offset and/or mitigate the risk.

If some of these risks were to materialise, it is likely that Ascencio's results would be negatively affected.

The list of risks is based on the information available at the time of writing this Report. There may be other risks that are unknown, improbable, non-specific or the materialisation of which is unlikely to have a significant adverse effect on the Company, its activities and its financial situation.

1. RISK OF PANDEMIC OR NATURAL DISASTER

DESCRIPTION OF THE RISK

Risk of pandemic or natural disaster

Risk to employees' health and to business continuity.

Risk of lockdown, closure of shops considered "non-essential", suspension of construction activities.

POTENTIAL IMPACT

1. Interruption of operations.
2. Potential loss of rental income.
3. Pressure on rentals.
4. Tenants' or suppliers' insolvency and/or bankruptcy.
5. Fall in the fair value of the properties and consequently in the net asset value per share ("NAV") with the corresponding increase in leverage.

At the time of drawing up this report, this risk has not been classified since although it has been identified, the Company does not yet know its definitive impact and its occurrence.

2. RISKS LINKED TO ASCENCIO'S SECTOR OF ACTIVITY

— MARKETS

Although the commercial property market is relatively healthy, quality supply from competitors is constantly increasing, while consumer trends are evolving rapidly. For example, the growth in online sales might lead major retailing chains to question the need to open (or retain) physical stores in the same format and/or with the same concept. In order to respond to these trends, Ascencio pays close attention to the quality of the sites made available to its tenants, promoting the profile of its major retail parks, particularly through online marketing.

DESCRIPTION OF THE RISK

The commercial property rental market

Weakening of demand for retail property, oversupply and deterioration of clients' financial situation.



POTENTIAL IMPACT

1. Fall in demand for renting and increased rental vacancy.
2. Fall in rentals: pressure on rentals when negotiating new leases or (re)-negotiation downwards of rentals before expiry of contracts.
3. Freeze on rental indexation.
4. Tenants' insolvency and/or bankruptcy.
5. Potentially negative impact on the fair value of the properties and therefore on NAV, with the corresponding increase in leverage.

DESCRIPTION OF THE RISK

The commercial property market

Fall in demand for retail property, rental vacancy, pressure on rental conditions



E-commerce



Interest rate risk

Fluctuation of interest rates and increase in lending margins.

The risk of fluctuations in interest rates concerns only borrowings at variable interest rates.



POTENTIAL IMPACT

1. Fall in occupancy rate.
2. Fall in rental income.
3. Increase in direct costs associated with rental vacancy (charges and taxes on unlet properties) and marketing expenses.
4. Potentially negative impact on the fair value of the properties and therefore on NAV, with the corresponding increase in leverage.

1. Fall in demand for renting and increased rental vacancy.
2. Fall in rentals: pressure on rentals when negotiating new leases or (re)-negotiation downwards of rentals before expiry of contracts.

1. Increased cost of borrowing.
2. Deterioration of the Company's earnings.
3. Deterioration of distributable profit.



— REAL ESTATE PORTFOLIO

Implementation of the Company's investment strategy leads to a property portfolio that is diversified geographically and across sectors. Ascencio's portfolio is mainly managed in-house in Belgium and Spain, at both rental and technical level, while in France it is partly managed externally.

DESCRIPTION OF THE RISK

Risk of sector or geographical concentration

Concentration in one sector increases the risk in the event of adverse trends in the market associated with this sector.



Risk of negative change in fair value of real estate assets



Risk of obsolescence and impairment of the properties

The cyclical deterioration of the buildings at the technical and conceptual level may lead to a temporary loss of value and the need to incur substantial expenses for renovation or repair.

However the commercial sector is less affected by obsolescence, since the owner is responsible only for the outer shell and not for the interior fit-out.



POTENTIAL IMPACT

1. Fall in demand for renting and increased rental vacancy.
2. Fall in rentals: pressure on rentals when negotiating new leases or (re)-negotiation downwards of rentals before expiry of contracts.

1. Negative impact on net profit, NAV and leverage.
2. Impact on dividend distribution capacity if cumulative changes exceed distributable reserves.

1. Carrying out of major works and associated risks (planning and budget overruns, failings of subcontractors, rental vacancy of the building, etc.)
2. Damage to the commercial attractiveness of the buildings, possibly resulting in rental vacancy.
3. Fall in fair value of the properties.



— CLIENTS

Ascencio conducts responsible dialogues with its retailers with a view to supporting them in their projects and helping them where necessary and possible from a perspective of a solid and long-term relationship.

DESCRIPTION OF THE RISK

Risk of tenants' insolvency

Risk of non-payment of rentals and bankruptcy of tenants.



Risk of rental vacancy

Unforeseen circumstances such as bankruptcies, moves, etc.

Non-renewal at maturity.

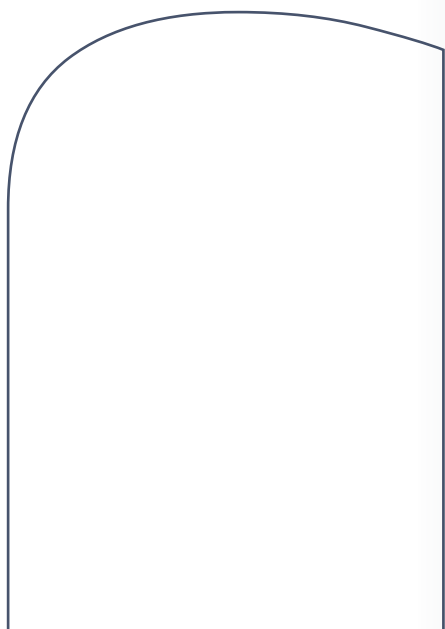
High risk resulting from the imperative right to terminate commercial leases at each three-year maturity.



POTENTIAL IMPACT

1. Fall in rental income.
2. Unexpected rental vacancy.
3. Legal expenses.
4. Marketing costs to be incurred.
5. Risk of re-renting at a lower rate.

1. Fall in rental income.
2. Fall in the fair value of the portfolio.
3. Increase in direct costs associated with rental vacancy (charges and taxes on unlet properties) and marketing expenses.



3. RISKS LINKED TO ASCENCIO'S FINANCIAL SITUATION

Ascencio pursues a policy aimed at ensuring broad access to the capital markets. It takes care to cover its short-, medium- and long-term financing needs while at the same time minimising its cost of borrowing.

DESCRIPTION OF THE RISK

Liquidity risk

Non-availability of financing or of financing at the desired term.

This risk must be assessed together with the risk of early termination of credit lines in the event of non-compliance with covenants, notably the debt ratio of 65% set for B-REITs.



Risk associated with obligations contained in financing agreements and legal parameters

The Company is exposed to the risk of its financing agreements being cancelled, renegotiated, or having to be repaid early if it were to fail to comply with the undertakings given upon signing these agreements, particularly as regards certain financial ratios (covenants).



POTENTIAL IMPACT

1. Non-renewal or cancellation of existing credit lines leading to additional restructuring costs and possibly higher costs associated with the new facilities.
2. Acquisitions not being financeable at all, or only at higher costs, leading to a fall in profitability relative to estimates.
3. Need to sell assets on less than ideal terms.

1. Possible termination of credit agreements in the event of non-compliance with covenants, involving additional costs for refinancing.

4. LEGAL AND REGULATORY RISKS

Ascencio is a regulated real estate company (B-REIT), which must maintain its approval as such in order to benefit from the favourable tax status. Furthermore, the Company must comply with the mandatory provisions of the Belgian Code of Companies and Associations and with the specific regulations concerning town planning and the environment in Belgium, France and Spain. Since neither France nor Spain is Ascencio's home country, it enlists the assistance of local professionals in the context of its activities and applicable legislation.

DESCRIPTION OF THE RISK

Risk associated with non-compliance with the legal regime

Non-compliance with the legal SIR/SIIC (B-REIT) regime.



Changes in retail licensing, town planning or environmental legislation



POTENTIAL IMPACT

1. Loss of approval and hence of tax transparency regime.
2. Non-compliance with covenants and obligation to repay borrowings early.
3. Potentially negative impact on results and/or NAV.

1. Restrictions on possible uses of properties, with potentially negative effects on rental income and vacancies affecting the Company's profitability.
2. Additional costs to be incurred, notably for decontamination.
3. Potentially negative impact on the fair value of the properties and therefore on NAV.

5. RISK RELATING TO INTERNAL CONTROL

DESCRIPTION OF THE RISK

An inappropriate internal control system might prevent the parties concerned (Internal Auditor, Compliance Officer, Risk Officer, Executive Committee, Audit Committee, Board of Directors) from performing their functions, which would jeopardise the effectiveness of the internal control

(see section "Internal Control and Risk Management" in the chapter headed "Corporate Governance Declaration").



POTENTIAL IMPACT

1. The business would not be managed in an orderly and prudent manner.
2. Gaps in risk management could lead to the Company's assets being poorly protected.
3. Lack of integrity and reliability of the financial and management data.



General information



GENERAL INFORMATION

IDENTIFICATION

— NAME

The name of the Company is “Ascencio”, preceded or followed by the words “Société Immobilière Réglementée publique de droit belge” (Public Regulated Real Estate Company (REIT) under Belgian Law) or “SIR publique de droit belge” (Public REIT under Belgian Law).

— INCORPORATION, LEGAL FORM AND PUBLICATION

The Company was incorporated as a société en commandite par actions (corporate partnership limited by shares) on 10 May 2006 by deed drawn up by notary Olivier Vandenbroucke, in Lambusart, Fleurus, and executed before notary Louis-Philippe Marcelis, published in extract in the Appendices to the Moniteur Belge (Belgian State Gazette) of 24 May 2006 under number 06087799.

The Coordinated Articles of Association are available on Ascencio's website (www.ascencio.be).

— REGISTERED OFFICE

The registered office is established at Avenue Jean Mermoz, 1, Box 4, B-6041 Gosselies, Charleroi, Belgium.

Ascencio's French branch is established at Cours Valmy 11/13, Tour Pacific, 92977 Paris La Défense.

— CORPORATE OBJECT – ARTICLE 4 OF THE ARTICLES OF ASSOCIATION

The Company's exclusive corporate object is:

(a) to make properties available to users, either directly or through a company in which it holds an interest in accordance with the provisions of the B-REIT regulations and;

(b) within the limits set by the B-REIT regulations, to hold the real estate assets referred to in Article 2, section 5, vi to x of the B-REIT Act.

Property (or real estate) assets are understood to mean:

i. properties as defined in Articles 517 et seq. of the Belgian Civil Code, and rights in rem to properties, excluding properties of a forestry, agricultural or mining nature;

ii. shares or units with voting rights issued by real estate companies under the exclusive or joint control of the Company;

iii. option rights on property assets;

iv. shares of public regulated real estate companies or institutional regulated real estate companies, provided in the latter case that joint or exclusive control over these companies is exercised by the Company;

v. the rights deriving from contracts making one or more assets available to the Company under a finance lease or conferring other analogous rights of use;

vi. shares in public “SICAFIs” (sociétés d'investissement à capital fixe en immobilier, or “fixed capital real estate investment companies”);

vii. units in foreign collective real estate funds included in the list referred to in Article 260 of the Law of 19 April 2014 on alternative investment funds and their managers;

viii. units in collective real estate funds established in another Member State of the European Economic Area and not included in the list referred to in Article 260 of the Law of 19 April 2014 on alternative investment funds and their managers, providing they are subject to supervision equivalent to that applying to public SICAFIs (fixed capital real-estate investment companies);

ix. shares or units issued by companies (i) with legal personality; (ii) under the law of another Member State of the European Economic Area; (iii) whose shares are admitted to trading on a regulated market and/or are subject to prudential supervision; (iv) whose main activity consists in acquiring or building properties in order to make them available to users, or directly or indirectly holding equity interests in certain types of entities with a similar corporate object; and (v) that are exempt from income tax as regards profits deriving from the activity referred to in (iv) above, subject to compliance with constraints pertaining at least to the legal obligation to distribute part of their income to their shareholders (real estate investment trusts, or REITs);

x. real estate certificates as referred to in Article 5, section 4 of the Law of 16 June 2006.

In the context of the making available of properties, the company can, in particular, perform all activities relating to the construction, rebuilding, renovation, development, acquisition, disposal, management and operation of properties.

On an ancillary or temporary basis, the Company may make investments in negotiable securities which are not property assets in the meaning of the B-REIT regulations. These investments must be made in compliance with the risk management policy adopted by the Company and diversified so as to ensure an appropriate spread of risks. The Company may also hold unallocated liquid assets, in any currency, in the form of sight or term deposits or any monetary market instruments that can easily be realised.

It may also carry out transactions with hedging instruments, with the exclusive aim of hedging the interest rate and exchange risk in the context of the financing and management of the Company's property assets, and excluding any transaction of a speculative nature.

The Company may lease (as lessee) or lease out (as lessor) one or more properties. The activity of leasing out under a finance lease properties with a purchase option may be carried out only as an incidental activity, unless these properties are intended for purposes of public interest, including social housing and education (in which case the activity may be carried on as a main activity).

The Company may, by way of merger or otherwise, take an interest in any businesses, undertakings or companies having a similar or related object and which are of a nature such as to favour the development of its business, and, in general, carry out any transactions directly or indirectly linked to its corporate object as well as performing any acts that are conducive or necessary to the fulfilment of its corporate object.

The Company is obliged to carry out all its activities and transactions in accordance with the rules and within the limits provided by the B-REIT regulations and all other applicable legislation.

— DURATION

The Company was incorporated for an indefinite period.

— SHARE CAPITAL

Ascencio's share capital is €39,575,910. It is represented by 6,595,985 shares without nominal value, each representing a six million five hundred and ninety-five thousand nine hundred and eighty-fifth of the share capital and fully paid up.

There are no shares that do not represent capital.

The Company does not hold any of its own shares, either in its own name or through the intermediary of its subsidiaries.

There are no convertible or exchangeable securities or securities with subscription warrants.

There are no rights, privileges or restrictions attaching to any different category of share.

— AUTHORISED CAPITAL

The Statutory Manager is authorised to increase the share capital in one or more stages on such dates and terms as it may determine, by a maximum amount of €39,575,910, in accordance with Article 7:198 of the Code of Companies and Associations and the B-REIT regulations.

This authorisation is valid for five years from the date of publication in the Moniteur Belge (official state gazette) of the authorisation granted by the Extraordinary General Meeting of Shareholders held on 17 October 2019, i.e. 25 November 2019.

It is renewable.

The nominal value per share is €6.00.

— GENERAL MEETINGS OF SHAREHOLDERS

The Annual General Meeting of Shareholders shall be held on 31 January each year at 2.30 p.m., or if that day is not a business day, on the immediately preceding business day.

An extraordinary general meeting may be called whenever the Company's interests so require.

The threshold from which one or more shareholders may, in accordance with Article 7:126 of the Code of Companies and Associations, require a general meeting of shareholders to be called in order to submit one or more proposals is 10% of all the shares with voting rights.

One or more shareholders, together holding at least 3% of the Company's share capital may, in accordance with the provisions of the Code of Companies and Associations, request the addition of items to be dealt with on the agenda of any general meeting of shareholders, as well as presenting proposed resolutions regarding the items included or to be included in the agenda. The additional items or proposed resolutions to be dealt with must reach the Company no later than the twenty-second (22nd) day preceding the date of the general meeting of shareholders.

Ordinary or extraordinary general meetings of shareholders will be held at the registered office or at any other place indicated in the meeting notice.

— ADMISSION TO THE MEETING

The registration procedure is as follows:

— holders of registered shares must be registered in the register of nominative shares of Ascencio on the fourteenth (14th) day preceding the General Meeting of Shareholders, at midnight, Belgian time (the "registration date") for the number of shares for which they wish to participate in the General Meeting of Shareholders.

— owners of paperless shares must notify their financial intermediary or approved account holder not later than the fourteenth (14th) day preceding the General Meeting of Shareholders, at midnight, Belgian time (the "registration date") of the number of shares for which they wish to be registered and for which they wish to participate in the General Meeting of Shareholders.

Only persons who are shareholders on the registration date shall be entitled to attend and vote in the General Meeting of Shareholders, irrespective of the number of shares held by the shareholder on the day of the General Meeting of Shareholders.

Confirmation of participation is as follows:

— shareholders intending to attend the General Meeting of Shareholders must give notice of such intention not later than the sixth (6th) day before the date of the meeting. In addition to the registration procedure described above, shareholders must inform Ascencio by ordinary letter, fax or e-mail of their intention to attend the meeting not later than the sixth (6th) day prior to the date of the meeting.

In accordance with Article 7:146 of the Code of Companies and Associations, any shareholder may vote by correspondence, using the form established by the Company. This form can be obtained from the Company's website (www.ascencio.be) or from the Company on request.

In accordance with Articles 7:129, 7:142 and 7:143 of the Code of Companies and Associations, shareholders may also have themselves represented by a proxy, using the form of proxy established by the Company. This form can be obtained from the Company's website (www.ascencio.be) or from the Company on request.

Shareholders wishing to have themselves represented must comply with the registration and confirmation procedure described above, and the original form signed on paper must be sent to the registered office of Ascencio not later than the sixth (6th) day prior to the date of the meeting.

The general partner(s) is/are admitted ipso jure to any General Meeting of Shareholders without having to complete any admission formalities.

— ACTIONS NECESSARY TO ALTER THE RIGHTS OF SHAREHOLDERS

Any change to shareholders' rights can be made only by an Extraordinary General Meeting of Shareholders, in accordance with Articles 7:153 and 7:155 of the Code of Companies and Associations.



— CHANGE IN THE SHAREHOLDING OF ASCENCIO S.A.- CHANGE OF CONTROL

The shareholders of Ascencio S.A. have not mutually granted one another pre-emptive rights to shares.

— PROVISION CONCERNING MEMBERS OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The provisions concerning this point are contained in Title IV of the Articles of Association of Ascencio SCA.

The Articles of Association of the Statutory Manager, Ascencio S.A., stipulate that the Company is administered by a board composed of at least three directors, shareholders or not, at least three of whom must be independent in the meaning of Article 7:87 § 1 of the Code of Companies and Associations and Article 3.5 of the 2020 Belgian Code on Corporate Governance. Directors are appointed for a maximum of four years by the Ordinary General Meeting of Shareholders and their appointment may be revoked at will.

The Board of Directors of the Statutory Manager shall elect a Chairman from among its members, at the proposal of Carl, Eric and John Mestdagh, and shall meet when called by the Chairman or by two Directors with at least 24 hours prior notice.

The Board of Directors of the Statutory Manager is empowered to perform all such acts as may be necessary or conducive to the fulfilment of the Company's corporate object, with the exception of those reserved by Law or by the Articles of Association to the Ordinary General Meeting of Shareholders. For as long as Ascencio S.A. is the Statutory Manager of the Company, it shall be represented in accordance with its own rules as regards general representation and day-to-day management.

— ARTICLES OF ASSOCIATION OF ASCENCIO SCA

The Articles of Association of Ascencio SCA were last amended on 17 October 2019. The Articles of Association are available from the Clerk of the Court of the Charleroi Trade Tribunal, from Ascencio at its registered office, and on its website www.ascencio.be.

— THE STATUTORY AUDITOR

The statutory auditor is appointed subject to prior agreement of the FSMA (Financial Services and Markets Authority). It also performs a dual control.

Firstly, in accordance with the Code of Companies and Associations, it checks and certifies the accounting information in the financial statements.

Secondly, in accordance with the law, it cooperates with the FSMA's controls. The FSMA may also ask it to confirm the accuracy of information requested by it.

The ordinary general meeting of the Company of 31 January 2020 resolved to renew for a term of three years, i.e. until the adjournment of the Ordinary General Meeting of Shareholders of 2023, the mandate of SCRL Deloitte, Réviseurs d'Entreprises, with its registered office at Luchthaven Nationaal 1J, B-1930 Zaventem, represented for the purposes of the performance of its mandate by Ms. Kathleen De Brabander, auditor.

— THE PROPERTY EXPERTS

In accordance with applicable legislation, Ascencio SCA calls on several independent experts for regular or ad hoc valuations of its assets.

The experts are not tied, have no equity connections with major shareholders, do not perform any management function in the Company and have no other ties or relations with it of a nature such as might affect their independence.

The experts have the professional integrity required and the appropriate experience to carry out property valuations, and their organisation is appropriate to the exercise of the activity of expert.

The experts are appointed for a maximum term of three years, renewable. An expert may not be entrusted with the valuation of a particular property asset for more than three years. In order to ensure compliance with this rule, the Company has put in place a system of rotation of its experts and of the portion of the portfolio that they value.

At the end of each financial year, the experts value the property assets in detail, and this valuation binds the company for the preparation of the financial statements. Additionally, at the end of each of the first three quarters of the financial year, the experts update the overall valuation of the property assets in the light of their characteristics and of market developments. The experts also value the Company's property assets whenever the Company issues shares, registers shares with a stock exchange or buys shares other than on the stock exchange.

The experts also value each property asset to be acquired or sold by the Company before the transaction

takes place. If the acquisition or sale price of the property asset differs by more than 5% from this valuation to the Company's disadvantage, the transaction concerned must be justified in the Annual Report and, if applicable, the interim (half-yearly) report.

The value of the portfolio is estimated on a quarterly and annual basis.

The remuneration of the property experts, excluding VAT, is set on a flat basis per property valued.

In accordance with Article 24 of the B-REIT act, Ascencio rotates its experts every three years.

Until 30 September 2021 the Company's real estate experts are:

BELGIUM	Jones Lang LaSalle S.P.R.L.	Greet Hex	Avenue Marnix 23 1000 Brussels
	Cushman & Wakefield S.P.R.L.	Emeric Inghels	Avenue des Arts 58 1000 Brussels
	CBRE S.A.	Kevin Van de Velde	Boulevard de Waterloo 16 1000 Brussels
FRANCE	Cushman & Wakefield (ex DTZ)	Patrice Roux	Rue de l'Hôtel de Ville 8 92522 Neuilly-Sur-Seine
	Jones Lang LaSalle Expertises SAS	Nicolas Cadoux	Rue de la Boétie 40-42 75008 Paris
	CBRE Valuation	Béatrice Rousseau	Avenue Wagram 131 75017 Paris
SPAIN	Cushman & Wakefield	James Bird	José Ortega 4 Gasset 29, 6° Planta 28006 Madrid



— FINANCIAL SERVICES

For its financial services the Company relies on BNP Paribas Fortis Banque S.A.

— HISTORICAL INFORMATION INCLUDED BY REFERENCE

The annual financial reports, interim announcements and half-yearly financial reports of the past three financial years are included by reference in this document and may be consulted at the Company's registered office or downloaded from Ascencio's website (www.ascencio.be).

The conclusions of the property experts updated at the end of the first three quarters in accordance with applicable legislation are also included by reference (Article 47 section 2 of the B-REIT Act).

— PLACE WHERE DOCUMENTS ACCESSIBLE TO THE PUBLIC CAN BE CONSULTED

The following documents can be consulted in physical form at the Company's registered office or electronically on its website: www.ascencio.be.

- latest Articles of Association of the Company;
- historical financial information on the Company;
- annual reports including the reports of the Statutory Auditor and the property experts;
- press releases.

The Deed of Incorporation and Articles of Association are available on the website of Moniteur Belge, the official Belgian State Gazette: www.ejustice.just.fgov.be.

LEGAL FRAMEWORK

STATUS OF PUBLIC REGULATED REAL ESTATE COMPANY (SIRP)

From its establishment in 2006, Ascencio held the status of a "SICAFI" (société d'investissement à capital fixe en immobilier, literally "fixed capital real estate investment company", also known as "Belgian REIT").

On 18 December 2014, Ascencio adopted the status of "SIRP" (Société Immobilière Réglementée Publique or Public Regulated Real Estate Company, hereinafter referred to in the English translation as a "public B-REIT").

In this capacity, the Company is subject to the provisions of the Law of 12 May 2014 as amended by the law of 22 October 2017, and the Royal Decree of 13 July 2014 as amended by the Royal Decree of 23 April 2018 ("the Law").

Ascencio is incorporated in the form of an "S.C.A." (société en commandite par actions or corporate partnership limited by shares), whose Statutory Manager, the general partner, is the société anonyme (public limited company) Ascencio S.A. The functions and powers of the Manager of the public B-REIT are performed by the Board of Directors of Ascencio S.A. or under its responsibility.

As a public B-REIT, the Company benefits from a transparent tax regime. Its results (rental income) are exempt from corporate tax at public B-REIT level but not at the level of its subsidiaries.

In order to preserve its status, the public B-REIT complies with the constraints imposed by the Law, the authorised activities consisting notably of:

- (i) making properties available to users, (ii) within the limits of the legal framework, holding other types of property assets (shares in public SICAFs (closed-ended investment companies), units in mutual funds, shares issued by other REITs and title deeds), and (iii) in the context of making properties available, carrying out all activities relating to the construction, rebuilding, renovation, development (for its own portfolio), acquisition, disposal, management and operation of property assets. The public B-REIT may not act either directly or indirectly as a real estate promoter (except on an occasional basis);
- pursuing a strategy aimed at holding its property assets in the long term;
- giving preference to active management in the exercise of its activities;
- being listed on the stock exchange and maintaining a free float of at least 30% of its shares;
- complying with strict rules concerning conflicts of interest and internal control structures.

The public B-REIT may have subsidiaries controlled exclusively or jointly, with or without the status of institutional B-REIT; the public B-REIT is subject to the prudential control of the FSMA.

SPECIAL REGULATIONS APPLICABLE TO PUBLIC B-REITS

— REAL ESTATE ASSETS

The B-REIT's assets must be diversified so as to ensure an appropriate spread of risks in terms of property assets, by geographical region and by category of user or tenant; no transaction may lead to more than 20% of its consolidated assets being invested in assets forming "a single property complex".

— ACCOUNTING

EU legislation stipulates that public B-REITs, like all other listed companies, must prepare their consolidated annual accounts in accordance with IAS/IFRS. Moreover a public B-REIT (like an institutional B-REIT) must also, in application of the Law, prepare its statutory annual accounts in accordance with IAS/IFRS.

Since investment properties represent the greater part of the assets of a B-REIT, B-REITs must measure these investments at their fair value pursuant to IAS 40.

— VALUATION OF PROPERTIES

The fair value of a given property asset is estimated at the end of each financial year by a property expert. This fair value is updated by the expert at the end of each of the first three quarters of the financial year in line with market developments and the characteristics of the property asset concerned. These valuations are binding on public B-REITs as regards the preparation of the financial statements (both statutory and consolidated).

The property expert also sometimes has to value specific property assets. Such is the case, inter alia, on the occasion of an issue of shares or a merger, split or similar transaction.

Property assets held by a public B-REIT are not depreciated.

— PAY-OUT RATIO

The REIT must distribute by way of remuneration of capital an amount equal to at least the positive difference between

— 80% of the sum of adjusted earnings and net capital gains on the realisation of property assets not exempt from the obligation to distribute and

— the net reduction in the Company's borrowings during the financial year.

This obligation applies only if the net result is positive and the Company therefore has a distributable margin in accordance with company law.

— DEBTS AND GUARANTEES

Total statutory and consolidated borrowings of a public REIT may not exceed 65% of total statutory or consolidated assets as the case may be (after deduction of authorised hedging instruments). If the consolidated debt ratio of the REIT and its subsidiaries exceeds 50% (after deduction of authorised hedging instruments), a financial plan has to be drawn up, accompanied by an execution schedule, describing the measures designed to avoid the consolidated debt ratio's exceeding 65% of consolidated assets.

TAX REGIME

A public B-REIT or its subsidiaries may not grant mortgages or create pledges or issue guarantees other than in the framework of the financing of the Group's real estate activities. The total amount covered by mortgages, pledges or guarantees may not exceed 50% of the total fair value of the property assets held by the public B-REIT and its subsidiaries. Also, no mortgage, pledge or guarantee on a given asset may exceed 75% of its value.

REITs (both public and institutional) are subject to corporate tax at the standard rate but on a reduced tax base consisting of the sum of (1) abnormal or gratuitous benefits received and (2) expenses and costs that are non-deductible as professional expense other than reductions in value and capital losses realised on shares.

Withholding tax on dividends paid by a public REIT is in principle equal to 30%. This withholding tax is in full discharge for private individuals domiciled in Belgium.

Companies seeking approval as REITs that merge with a REIT or split off part of their property assets and transfer it to a REIT are subject to a specific tax on the capital gain (exit tax) of 15%. The exit tax is the percentage of tax that these companies must pay in order to leave the standard tax regime under ordinary law.



STATUS OF FRENCH “SIIC” (SOCIÉTÉ D’INVESTISSEMENT IMMOBILIER COTÉE OR LISTED REAL ESTATE INVESTMENT COMPANY)

The tax regime for “SIICs” (Sociétés d’investissement immobilier cotées or Listed Real Estate Investment Companies), introduced by the French Finance Act for 2003 No. 2002-1575 of 30 December 2002, allows the creation in France of real estate companies with a favourable tax regime similar to the Belgian regime applicable to the Company.

This regime allows Ascencio’s French branch and subsidiaries to benefit from a corporate tax exemption on their rental income and realised capital gains in return for the obligation to distribute 95% of their profits from the leasing out of their real estate assets.

The main characteristics of the SIIC regime are as follows:

- the parent company must be an SA (société anonyme, or public limited company) or another form of company limited by shares admissible for trading on an EU stock market;
- the main activity of the SIIC must be the letting of properties;
- a majority shareholder or a group of shareholders acting in concert may not hold more than 60% of the shares of Ascencio;
- the Company benefits from a corporate tax exemption on the portion of the profits deriving from (i) real estate leases, (ii) capital gains on the disposal of properties, (iii) capital gains on the disposal of securities of subsidiaries opting for the SIIC regime or partnerships with an identical object, (iv) income distributed



by their subsidiaries opting for the SIIC regime and (v) the proportional part of the profits of partnerships carrying on a real estate activity;

- the Company must comply with a pay-out ratio of 95% of the exempted profit from rental income, 60% of the exempted gains from the disposal of properties, securities of partnerships and subsidiaries coming under the SIIC system and 100% of the dividends distributed to them by their subsidiaries liable for corporate tax on companies opting for the SIIC regime;

- when the Company opts for the SIIC system, this option gives rise to payment over four years of an exit tax at the reduced rate of 19% on unrealised capital gains relating to properties held by the SIIC or its subsidiaries opting for the SIIC system, and to the securities of partnerships not liable for corporation tax.

DECLARATIONS

— PERSON RESPONSIBLE

The Statutory Manager of Ascencio SCA, Ascencio SA, whose registered office is at Avenue Jean Mermoz 1, box 4, 6041 Gosselies, Belgium:

- declares that it assumes responsibility for the information contained in this report except for the information provided by third parties, among which the reports of the statutory auditor and the property experts;
- declares that to the best of its knowledge the financial statements were prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results and of the companies included in the consolidation; the financial statements are true and accurate and are free of omission;
- declares that to the best of its knowledge the Management Report contains a true statement of the development of the business, the results and situation of Ascencio SA and the entities included in the consolidation, as well as a description of the main risks to which they are exposed;
- confirms, after taking all reasonable steps to this end, that the information contained in the registration document is, to the best of its knowledge, in accordance with reality and free of any material omission;
- subject to the press releases published by the Company since the preparation of this Annual Report, there have been no significant changes in the Company’s financial or commercial position since 30 September 2020.

— DECLARATION RELATING TO THE DIRECTORS AND EFFECTIVE MANAGERS

The Statutory Manager of Ascencio SCA declares that based on the information provided to it, during the past five years none of its Directors or of the dirigeants effectifs (“effective managers”) of the Company:

- has been convicted of fraud;
- has been convicted or declared bankrupt or placed in administration or liquidation;
- has been the subject of any accusation or official public sanction on the part of statutory or regulatory authorities or has been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from being involved in the management or conduct of business.

The Statutory Manager of Ascencio SCA declares on the basis of the information provided to it:

- that the directors do not hold shares in the company except as specified in the section “Declaration of Governance - The Statutory Manager and its governing body: The Board of Directors - The directors” in this report;
- that to date no options on the company’s shares have been granted;
- that there are no family ties among the directors.

— JUDICIAL AND ARBITRATION PROCEEDINGS

During the financial year covered by this report there were no governmental, judicial or arbitration proceedings that might have a significant effect on the Company's financial position or profitability.

— INFORMATION FROM THIRD PARTIES, EXPERTS' DECLARATIONS

Ascencio confirms that the information provided by property experts and the approved statutory auditor have been faithfully reproduced with their agreement and that to the best of Ascencio's knowledge and as far as it can ascertain in light of the data published by these third parties, nothing has been omitted that would make the information reproduced inaccurate or misleading.

NAME	ASCENCIO SCA
STATUS	Société Immobilière Réglementée (Regulated Property Company or "Belgian REIT")
HEAD OFFICE	Avenue Jean Mermoz, 1 Building H Box 4 6041 Gosselies, Belgium
BRANCH ADDRESS	Tour Pacific, Cours Valmy 11/13 92977 Paris La Défense - Cedex
TELEPHONE	+32 (71) 91 95 00
FAX	+32 (71) 34 48 96
E-MAIL	info@ascencio.be
WEBSITE	www.ascencio.be
COMPANIES REGISTRY	Charleroi
COMPANY NUMBER	0881.334.476
DATE ESTABLISHED	10 May 2006
APPROVAL AS A PUBLIC B-REIT	28 October 2014
DURATION	Indefinite
STATUTORY AUDITOR	Deloitte - Kathleen De Brabander
PROPERTY EXPERTS	JLL - Cushman & Wakefield - CBRE
FINANCIAL SERVICE	BNP Paribas Fortis Banque S.A.
FINANCIAL YEAR-END	30 September
SHARE CAPITAL	€39,575,910
NUMBER OF SHARES	6,595,985
LISTING	Euronext Brussels
FAIR VALUE OF THE PROPERTY PORTFOLIO	€690,480,831
NUMBER OF PROPERTIES	105
TYPES OF PROPERTIES	Out-of-town commercial properties and others

The annual financial report is also available in Dutch and English, but only the French version of the document is official.

The English and Dutch versions are free translations.

GLOSSARY

— CORE ASSETS

Term used to refer to properties in the best locations - where there is a shortage of property, occupied by quality tenants under long-term firm leases and with no significant works expected. Out-of-town, these are certified, restructured assets associated with much longer leases. Acquisitions in this context are made with a long-term view and reflect the quest for secured yield.

— CORE + ASSETS

Term used to refer to properties in good locations and of good quality but that may be subject to minor works. With this in mind investors accept a slightly less secured yield in return for a potential capital gain.

— VALUE ADDED ASSETS

Term used to refer to assets with which it is possible to create or recreate value by means of dynamic management. These generally tend to be properties with rental vacancies or with some technical obsolescence requiring works. Once renovated, these assets, riskier and less onerous than the Core assets, allow an attractive overall return to be obtained, consisting of distribution of revenue and revaluation of assets. In the medium term, the works undertaken will allow these properties to enter the Core + or even Core category.

— GLA (GROSS LEASABLE AREA)

Gross Leasable Area, as its name suggests, is the sum of sales, internal circulation and storage surface areas.

— HIGH STREET

The most important shopping streets of a town or country by number and quality of shops and where the pedestrian traffic is the highest in the zone in question.

— PRIME RENTAL

The highest face value open-market rent, for a standard-sized product relative to the demand in the market sector, of excellent quality and offering the best performances, in the best location for a given market.

— RETAIL

In real estate, activities linked to retail sale and therefore shops.

— RETAIL PARK

A structured shopping space meeting precise criteria such as comprising at least five rental units and with an overall built surface area of at least 3,000m². The operation and management of parks of this type are conducted on a global basis. Thus a retail park is managed as a common whole, particularly as regards the management of charges and fit-outs.

— SALE-AND-LEASE-BACK

Transaction whereby a company sells part of the fixed assets that it possesses to a leasing company, which immediately leases the same assets to the company. In a construction of this type, the valuation of the asset is essential, since ownership of the asset constitutes the main means of recovery for the lessor, apart from any other security that may have been taken.

— SHOPPING CENTRE

A structured property complex bringing together at least 20 shopping units on a minimum surface area of 5,000 m². All the points of sale on the same space must be developed, held and promoted as a single entity. A shopping centre is generally covered. Lastly, visitors are made to feel very welcome thanks to a range of facilities designed for their comfort and convenience, such as ambient music, escalators between floors and games and amusements for children.



BELGIUM

SPAIN

SUPERMARKETS & RETAIL PARKS

FRANCE

— FOR ANY
ADDITIONAL
INFORMATION

VINCENT H. QUERTON

Chief Executive Officer
vincent.querton@ascencio.be

MICHÈLE DELVAUX

Chief Financial Officer
michele.delvaux@ascencio.be

STÉPHANIE VANDEN BROECKE

Secretary General & General Counsel
stephanie.vandenbroecke@ascencio.be

Av. Jean Mermoz 1
Building H box 4
B-6041 Gosselies
Tel. 0032 (71) 91 95 00
Fax: 0032 (71) 34 48 96
E-mail: info@ascencio.be
WWW.ASCENCIO.BE

