

2021



ANNUAL REPORT

• 15 years of strategic investments

03

THIS YEAR MARKED THE 15TH ANNIVERSARY OF OUR ESTABLISHMENT.

Although Ascencio is now a well-known B-REIT managing a property portfolio of over €700 million in 3 European countries, its origins are in Gosselies, a small town in Wallonia.

Gosselies is still the headquarters of the B-REIT. It is strategically located close to Brussels and practically next door to Charleroi airport. This location facilitates its team's agile management of the property portfolio. But more than ever, the B-REIT has become international, investing both in the Brussels, Wallonia and Flanders regions and in other European countries.

Over the years Ascencio has fine-tuned its strategy, while remaining faithful to its main calling - food supermarkets.

Since its beginning however, Ascencio's ambitions have been to seize strategic investment opportunities, strengthen the skills of its dynamic and positive team and stay in close touch with its markets and retailer clients.

We have some fine achievements to show for these past 15 years and we look forward to continuing our development over the years to come.



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Letter to the shareholders



↑ **Vincent H. Querton**
Chief Executive Officer

← **Carl Mestdagh**
Chairman of
the Board of Directors

n

Dear Shareholders,

Ascencio's financial year 2020/2021 was inevitably affected by the COVID-19 pandemic.

For many months now the pandemic has been sorely testing the whole world, not least the healthcare system. It has also tested our equilibrium, and our tenants have of course not been spared.

Throughout this past financial year our teams have valiantly held a steady course in optimally managing the property portfolio, while at the same time keeping in close touch with our clients and continuing to prepare for the future development of the business.

More particularly, we have taken a number of initiatives aimed at helping our clients to get through this crisis period and adapt their business model accordingly (rental relief where absolutely necessary, temporary assistance with cash flow, adaptations to retail unit sizes, strengthening the social networks of the retail parks, etc.).

It is widely agreed that out-of-town is the best performing retail segment. The reasons for this include accessibility, flexible dimensioning of retail units, reasonable rentals and the commercial mix based essentially on consumer staples.

Ascencio has turned in a quality performance.

The value of its portfolio is up by 1.4%.

Rental activity has been significant, with leases signed for more than 52,000 m², for values 2% in excess of the market average.

The average occupancy rate for the year was 96%.

The financial structure remains well balanced, with both cost of debt and hedging of interest rates well under control. We also took care to see that our sources of financing were appropriately diversified.

During this past financial year we remained faithful to our selective investment strategy based on food and retail parks.

With a debt ratio of 47.6%, the trust we have earned from our bankers and the opportunities presented by the market, we have real growth prospects before us.

Ascencio is an agile business, and is well placed to seize opportunities in France, Spain and Belgium and probably in due course in a fourth country.

We must be sure to continue to develop the digital profile of our business and to give due attention to the ESG (environmental, social and governance) challenges.

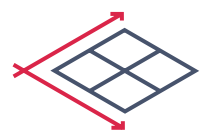
We are pleased to close this financial year with EPRA earnings up by 3.9% and a bigger dividend than the previous year for the seventh year running.

We thank you for the trust you have placed in us,

About Ascencio



KEY FIGURES



448,330 M²
PORTFOLIO
SURFACE AREA



96%
EPRA OCCUPANCY RATE



€709.7 MILLION
VALUE OF THE
PORTFOLIO²



€324 MILLION
MARKET
CAPITALISATION

ASCENCIO, A SOCIÉTÉ IMMOBILIÈRE RÉGLEMENTÉE (REGULATED PROPERTY COMPANY, OR “BELGIAN REIT”)¹, IS A REAL ESTATE INVESTOR SPECIALISING IN SUPERMARKETS AND RETAIL PARKS.

More particularly, 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 omni-channel nature of retail and offering easy access and parking.

The Company is active in Belgium, France and Spain.

Its portfolio, valued at €709.7 million, consists of approximately one hundred properties, with a total surface area of 448,330 m².

Ascencio stock has been listed on Euronext Brussels since 2007. Its stock market capitalisation amounted to €324 million at 30/09/2021.

In France, Ascencio has opted for the SIIC³ regime, while in Spain Ascencio S.C.A. 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”⁴.

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 Excluding assets recognised in application of IFRS 16 and assets held for sale.

³ Société d'Investissements Immobiliers Cotées

⁴ Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario.

OUR TEAM



11
WOMEN

18 TEAM
MEMBERS

7
MEN

OUR VALUES

“Ambition”

To grow, while at the same time respecting market cycles

“Positive Mind”

Since our projects and adventures are constantly enhanced by the positive energy brought to them by our talented team

“Connected”

With our customers, our employees, our partners and our markets

MAIN ASSETS RETAIL PARKS



Open air shopping



Good retail conversion rate



Good rental to revenue ratio for retailers



Retail mix



Accessibility and ample free parking



Size and therefore flexibility of retail spaces

FOOD SECTOR



Strategic locations



Meeting consumers' primary needs



Limited impact of e-commerce

OUR PRESENCE



- **Management report**

A closer look at 2020/2021



ACQUISITION OF A SUPERMARKET

Acquisition of a retail complex consisting of a food supermarket and four small adjacent units in Couillet, Belgium, allowing Ascencio to strengthen its position in its Bellefleur retail park.



NEW STORE AND WORKSHOP FOR AUTO5

Extension of an Auto5 store in Jemappes, Belgium.

CONSTRUCTION OF A NEW STORE FOR MAISONS DU MONDE



Construction of a new 1,500 m² unit for Maisons du Monde in the Les Portes du Sud retail park in Chalon-sur-Saône, France.



MAKEOVER OF THE RETAIL PARK IN MESSANCY

Start of the makeover of the front facade of the retail park in Messancy (Belgium).

REDUCTION OF UNIT FOR DÉCATHLON AND WELCOME TO CULTURA

Division of the retail unit occupied by Décathlon in Châtelineau, Belgium, in order to accommodate a Cultura store.



History and highlights

2021

Acquisition of a supermarket and four adjacent units in the Bellefleur retail park at Couillet, Belgium.

2020

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

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.

2017

Acquisition of an urban commercial property in Anderlecht, Belgium. A Carrefour Market was officially opened there in October 2018.

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.

2016

Acquisition of the "Papeteries de Genvall" shopping centre, Genvall, Belgium, with 30 brands as tenants

First investment in Spain with the acquisition of three stores operated by the "Worten" brand (located in the best retail parks of Madrid, Barcelona and Valencia).

2015

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

2013

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

Acquisition of the "Les Portes du Sud" retail park in Chalon-sur-Saône, France.

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.

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

Adoption of the SIIC (B-REIT) status in Belgium.

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) in Belgium.

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

Highlights of the year

INVESTMENT

In March 2021, Ascencio acquired a retail complex consisting of a supermarket and four small adjacent retail units, allowing it to complete its Bellefleur retail park in Couillet (Belgium), for a total investment amount of €6.382 million.

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

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

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

DIVESTMENT

On 23 June 2021, Ascencio signed a promise to sell its downtown property in Sint-Niklaas, Belgium, for an amount of €1.5 million, in line with its latest fair value. This asset no longer fitted with the strategy pursued by the Company, which wishes to continue its development by acquiring out-of-town properties, where possible with a food component.

ASCENCIO AND COVID-19

Ascencio's results for the 2020/2021 financial year demonstrate the quality of the portfolio and the pertinence of the strategy pursued by the Company, with rental income and property portfolio values growing and good control of its costs, both in terms of the aid granted to Ascencio's retailers under the COVID agreements and in terms of its overheads and financial charges. This sound and prudent management of the Company allows it to maintain a solid balance sheet structure, with a debt ratio down to 47.6% at 30 September 2021, generating sufficient margins to propose to the general meeting of shareholders scheduled for 31 January 2022 the distribution of a dividend for the financial year of €3.70 per share, up by 1.4% on the previous year.

During the 2020/2021 financial year, the economic context continued to be marked by the COVID-19 crisis but it also served to further highlight the resilience and good performance of retail parks and the food sector, which make up the bulk of Ascencio's portfolio.

In this context of health crisis, governments have imposed new mandatory closing periods for non-essential businesses in Belgium, France and Spain over the past year. However, the impact of these closures was more limited than in the 2019/2020 financial year as more stores were deemed essential and were therefore able to remain open, but also due to the agility of Ascencio's retail customers in developing their omnichannel offer. The food distribution sector was even able to benefit from the absence of compulsory closing periods and in particular from the generalisation of teleworking, which was first imposed and then implemented structurally in many companies, thus improving their profitability.

Retail parks have proven to be the most resilient type of retail asset during this health crisis, compared to high street stores or shopping centres. Their 'open-air shopping' aspect and their accessibility among other things have encouraged customers to favour these shopping venues, which also have a commercial mix composed more of shops offering items meeting consumers' primary needs, making them less sensitive to the impacts of the health crisis. Finally, the more affordable rents and very low maintenance charges in retail parks, as well as the flexibility of the retail units, also make this type of asset attractive to retailers wishing to develop their omnichannel offer.

For each closure period, Ascencio undertook targeted dialogues with its retailers, taking into account the specific situations of each one, leading to the conclusion of partial rent rebate agreements for tenants demonstrating that their activity had been negatively and significantly impacted during the periods concerned, in order to help them get through the health crisis.

At 30 September 2021, Ascencio had reached agreements for almost all discussions with its Belgian and Spanish tenants, while the conclusion of these agreements takes longer with its French tenants as these agreements are also dependent on the position of the French state as to its involvement in these discussions.

In the financial statements at 30 September 2021, based on the finalised negotiations and a conservative estimate of the potential impact of the discussions still in progress, the partial cancellations of rent resulting from the closure of the shops amount to a total of €1.2 million, of which €0.6 million relates to credit notes actually issued (and taking into account tax credit compensations granted by the French state) and €0.6 million of provisions for estimated credit notes to be issued relating to discussions still in progress. This impact is relatively limited as it represents less than 3% of the Company's annual rental income.

In addition to these elements related to the management of the current health context, the Company has performed well over the past year, both in terms of:

rentals —

by the conclusion or renewal in Belgium and France of a total of 52 lease contracts, representing approximately 10% of the Company's annual rental income. These contracts were concluded on average at rent levels 2% higher than the market values given by the property experts and on average 3.5% lower than the previous rents obtained for these surface areas. As several contracts have been concluded with start dates after 30 September 2021, they are not included in the EPRA occupancy rates reported in this annual report and will only be included in the calculation of these rates when these leases have actually come into force. Despite the surrounding health context, the past financial year has shown that the rental market has remained dynamic and that take-up has remained strong, especially in sectors that have performed well during the crisis and in the type of commercial space offered by Ascencio.

investment —

- by the acquisition of a number of additional units in the Couillet Bellefleur retail park (Belgium) for €6.4 million, enabling Ascencio to further strengthen its position in this successful retail complex;
- by the development of additional rental space in the Les Portes du Sud retail park in Chalon-sur-Saône (France) to accommodate the tenant Maisons du Monde on a surface area of over 1,500 m²;
- by the renovation of the facades of its Messancy retail park (Belgium), for an amount of approximately €1 million, with delivery expected in the last quarter of 2021;
- by the signing of a sale agreement for its city centre building in Sint-Niklaas (Belgium), which no longer fits in with the strategy pursued by the Company, for an amount of €1.5 million.

This disposal was effectively completed during October 2021 and the result will therefore be recognised in the financial statements for the year 2021/2022.

financial —

- by strengthening the Company's financing structure, in particular through the renewal of two credit lines nearing maturity for an amount of €25 million;
- by a new issue of MTNs (Medium-Term Notes) for an amount of €10.5 million;
- by acquiring derivative hedging instruments with deferred start dates in order to secure a hedging ratio of over 80% for a period of more than 4 years.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 19 October 2021, the sale of the Sint-Niklaas property was concluded and will therefore be recognised in the financial statements for the 2021-2022 financial year.

Also on 19 October 2021, the European Commission validated the French government's scheme for reimbursing rentals in connection with the third wave of shop closings. The enabling decree is still awaited at this stage.

During October 2021, governments of most European countries warned of a resurgence of COVID-19. At this stage it is not possible for Ascencio to estimate the possible impact on its 2021/2022 financial year.

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 instrumentss —

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

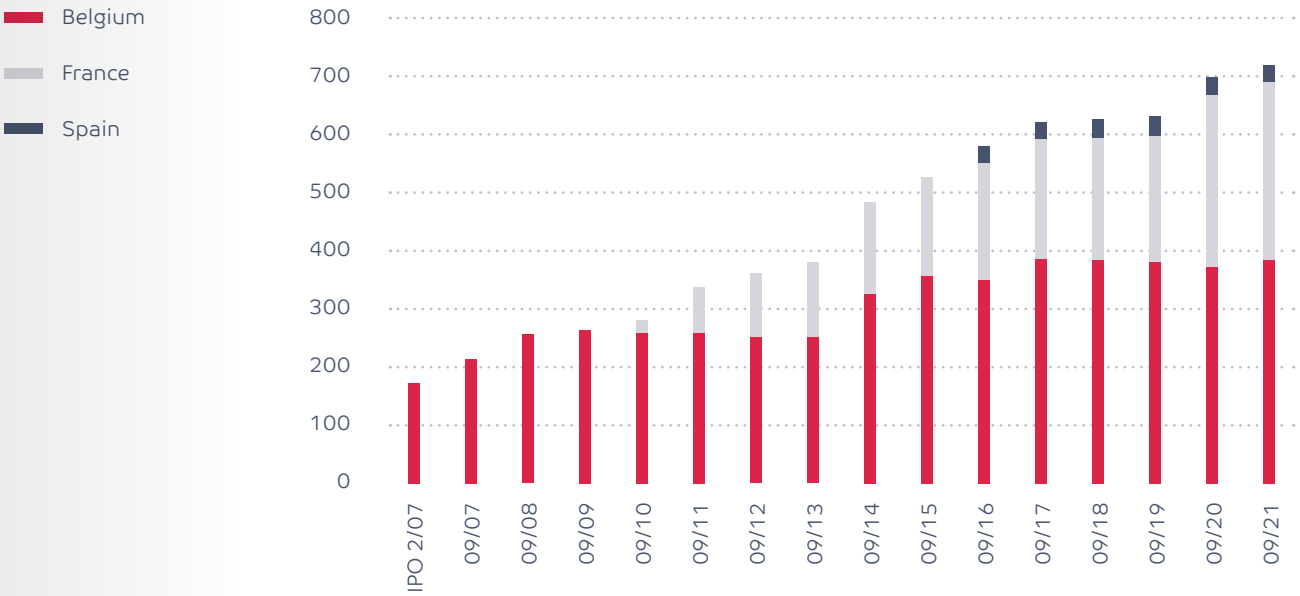
The use of financial instruments (which is the subject of the "financial risks" sub-section in the "risk factors" chapter of this annual report) is detailed in the Notes to the Consolidated Financial Statements. The following matters are dealt with there: structure of debt, interest rate risk, risk associated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

Key figures

	30/09/2021	30/09/2020	30/09/2019
DISTRIBUTION OF THE PORTFOLIO (% OF FAIR VALUE)			
Belgium	53.6%	53.3%	60.4%
France	42.3%	42.4%	34.4%
Spain	4.1%	4.3%	5.3%
VALUE OF THE ASSETS (€000s)¹			
Fair value	709,666	690,481	623,741
Investment value	740,035	719,852	647,040
CONSOLIDATED RESULTS (€000s)			
Property result	44,785	42,148	41,198
Operating result before result on portfolio	37,236	35,551	33,879
Operating result after result on portfolio	47,071	14,990	34,443
EPRA Earnings	30,555	29,420	28,628
Net result	45,652	9,246	21,348
Gross dividend	24,405	24,075	23,086
CONSOLIDATED RESULTS PER SHARE (€)			
Weighted average number of shares in circulation	6,595,985	6,595,985	6,595,985
Property result	6.79	6.39	6.25
Operating result before result on portfolio	5.65	5.39	5.14
Operating result after result on portfolio	7.14	2.27	5.22
EPRA Earnings	4.63	4.46	4.34
Net result	6.92	1.40	3.24
Gross dividend ²	3.70	3.65	3.50
Net dividend ³	2.59	2.55	2.45
CONSOLIDATED BALANCE SHEET (€000s)			
Equity	370,353	348,778	363,124
Debts and other liabilities included in the debt ratio	346,227	344,886	257,406
Debt ratio ⁴	47.61%	48.55%	40.49%
Total number of shares in existence at balance sheet date	6,595,985	6,595,985	6,595,985
EPRA NTA per share (in euros)	57.37	54.90	57.13

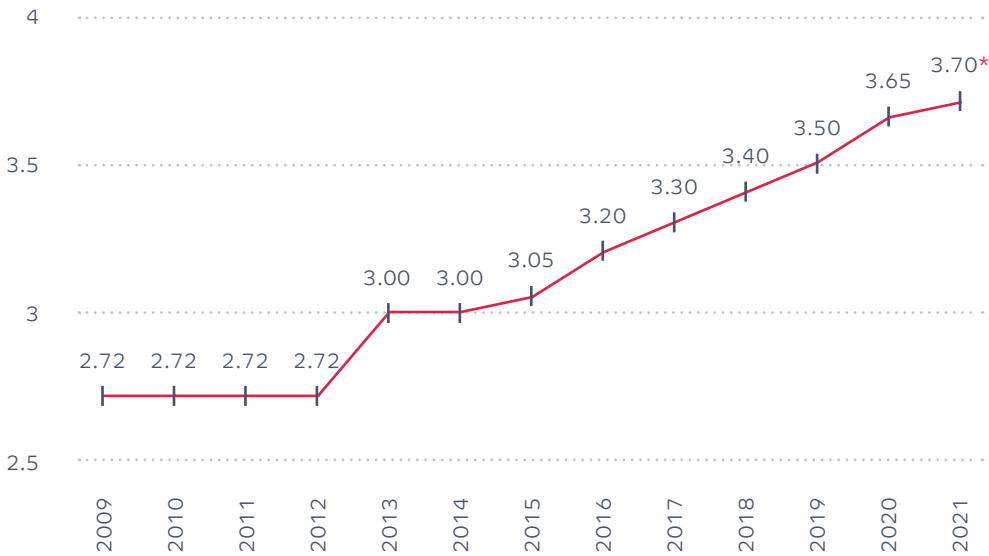
¹ Including development projects; excluding IFRS 16 (rights of use of land) and assets held for sale.
² For 2020/2021, this is the dividend proposal subject to the approval of the general meeting of shareholders to be held on 31 January 2022.
³ Based on withholding tax of 30%.
⁴ Debt ratio calculated in accordance with the Royal Decree of 13 July 2014, as amended by the Royal Decree of 23 April 2018, on B-REITs.

Portfolio growth (€ millions)

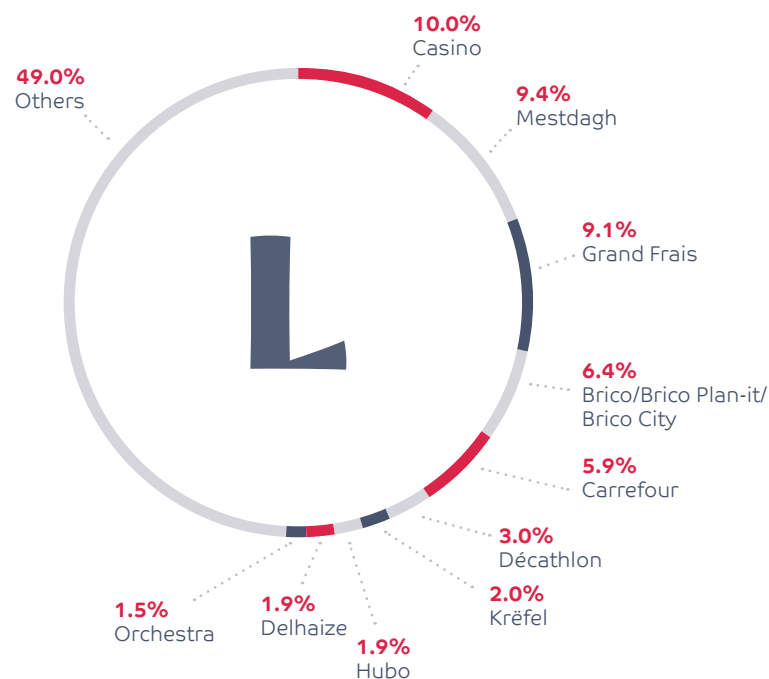


Growth of gross dividend per share

* For 2020/2021, this is the dividend proposal subject to the approval of the general meeting of shareholders to be held on 31 January 2022.



Top 10 tenants

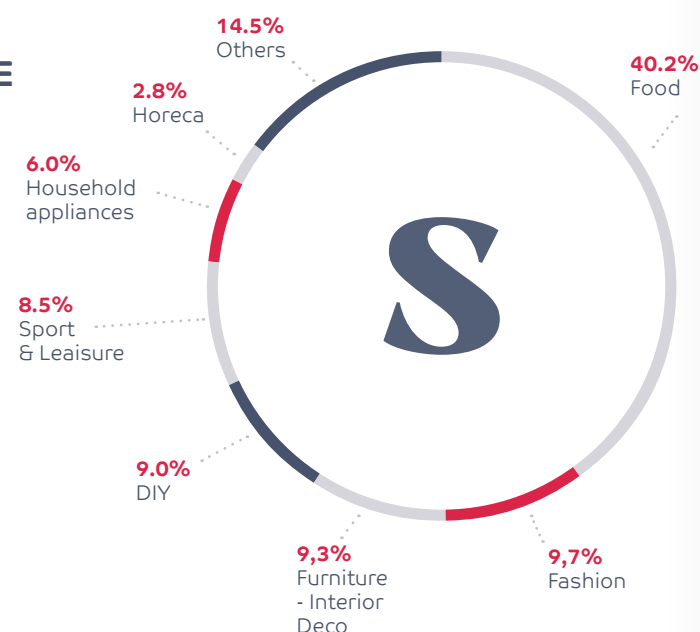


€46.3 MILLION
ANNUAL RENTAL
INCOMES

€30.6 MILLION
EPRA EARNINGS

Complementarity sectors

€3.70 GROSS
PER SHARE
REGULAR GROWTH
OF DIVIDENDS



242
TENANTS

104
PROPERTIES

Strategy – Out-of-town commercial property

CHANGES IN CONSUMER HABITS

At the heart of Ascencio's growth strategy is the out-of-town retail park, omnichannel and adapted to the new modes of consumption 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 European Union 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 A HIGH DIVIDEND YIELD

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.

CONSOLIDATING 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

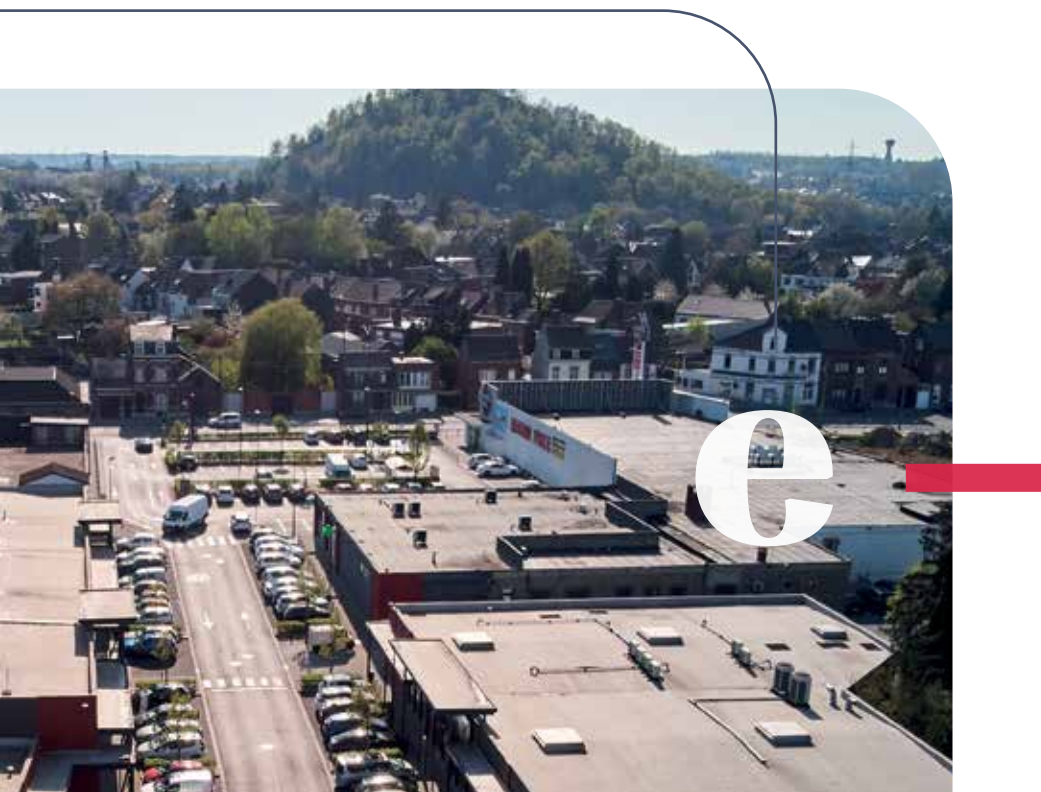
To limit the risk of insolvency of its tenants, Ascencio favours leases to national or international chains, whose financial solidity is regularly assessed. By maintaining regular contact with its tenants and acquiring first class property assets and letting them to solid chains, Ascencio succeeds in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

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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 2020- September 2021)

THE COMMERCIAL PROPERTY MARKET IN BELGIUM

Macro-economic indicators —

Economic indicators (in%)	2021 (forecasts)	2020	2019	2018	2017
GDP in volume (% change)	5.5	-6.3	1.8	1.4	1.7
HICP inflation (% change)	2.2	0.4	1.2	1.7	2.1
Unemployment rate (% of active population)	5.8	5.6	5.4	6	7.1

As a result of the health crisis, Belgium’s GDP contracted by 6.3% in 2020 - the biggest recession since 1945.

Not surprisingly, the sharpest falls were seen in the arts, especially the performing arts, recreational activities and other services, which were down by 19.8%.

Manufacturing shrank by 4.2% in 2020 after growing by 2.2% in 2019.

Household consumer spending also fell markedly (-8.7%), as did households’ investment (-8.1%).

The health crisis has had a levelling effect on household consumption, with less being spent on personal items but more on home improvements, sports equipments and food.

The Belgian property sector for its part continued to be affected by health measures (lockdown with store closures from the end of October to the end of November 2020 for the majority of shops and until 9 June 2021 for some activities such as hotels and restaurants and the leisure industry) but the accelerated roll-out of vaccines could reveal brighter prospects for the end of 2021.

Retail Market - Rental take-up —

Despite the pessimistic announcements in the wake of the health crisis, the impact on commercial rentals remained limited in 2020, with slightly lower take-up than in the two preceding years (415,000 m² in 2020, 4,6% down on 2019) but this is still 10% down on the annual average for the past 10 years, with some differences depending on the sectors considered.

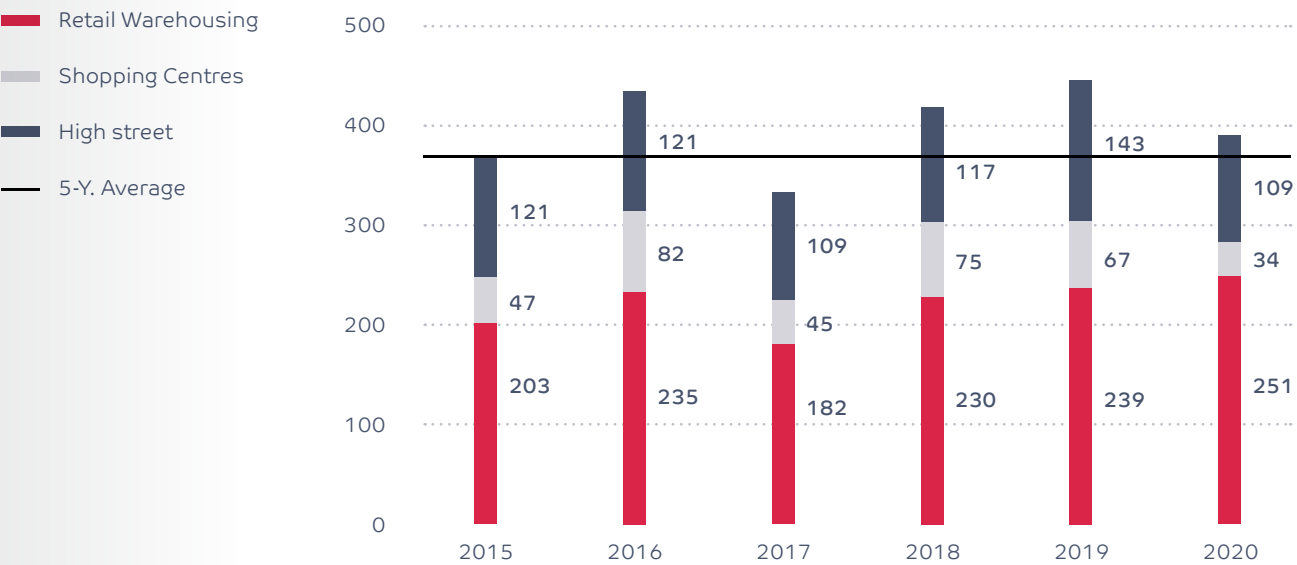
Ready-to-wear clothes, hotel, restaurants and catering and shopping centres (-38%) are the main victims of the pandemic.

The food sector (76,000 m² for 57 transactions - or an 18.5% market share compared with 13% in 2019), DIY, convenience stores and retail parks have more than weathered the storm and in some cases indeed have posted growth.

With a take-up of more than 250,000 m² (+12% compared with 2019), the intrinsic characteristics of out-of-town retail properties allowed brands to respond to the challenges posed by the pandemic (open spaces, accessibility favourable to shopping runs, large, free car parks, sales spaces that lend themselves to social distancing, geographical proximity for rural zones,

assets that favour the development of the omnichannel approach such as “click & collect”, etc.). - and gave retailers greater operational and financial flexibility, with rationalised and reasonable management costs.

TAKE-UP BY SECTOR (IN THOUSANDS OF M²)



We should point out that the market was turbocharged by one of the biggest transactions of the decade, between Brantano and the Van Haren Group which alone accounted for nearly 10% of 2020 take-up (42 transactions for more than 39,000 m²).

At the end of September 2021, as a result of the opportunities created by the successive periods of turbulence, take-up amounted to some 342,000 m² (680 rentals), 65% of which were in the out-of-town retail segment (224,000 m² for 220 transactions).

The average surface area per transaction increased from 470 m² to 550 m², driven by retail properties with surface areas of around 1,300 m². Over the past five years, about 61% of transactions were carried out in Flanders, 26% in Wallonia and 13% in Brussels.

Unsurprisingly, the most dynamic brands in these past few months have been those that operate mainly out of town such as Action, Jumbo, Albert Heijn, Lidl, MediMarket, Kruidvat, Jysk, Maisons du Monde and Overstock.

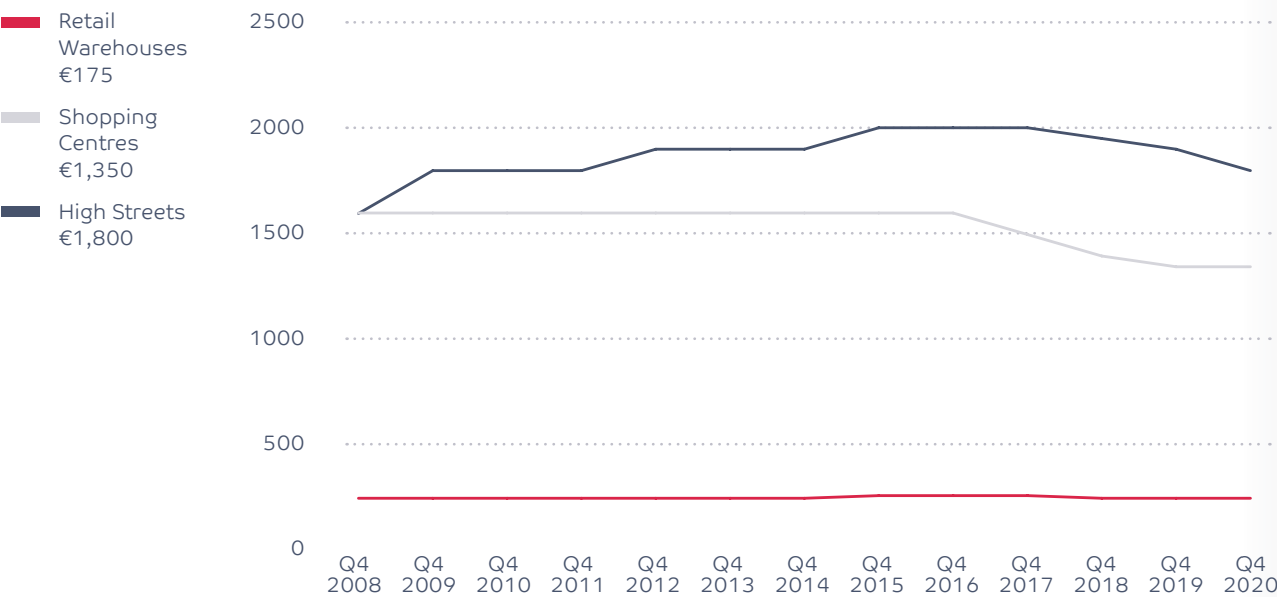
Even though the vacancy rate remains historically high in the past ten years, the resilience of the rental market in this crisis year is confirmed by the relative stability of vacancy rates of commercial property in Belgium, which went from 11.2% in 2019 to 11.8% in 2020 (compared with 6% in 2010).

Rental values —

Although take-up remains high, the transactions were concluded at markedly lower rentals; since 2018, prime locations in shopping centres and city centres have lost 25% of their value and secondary locations have lost up to 50% of theirs.

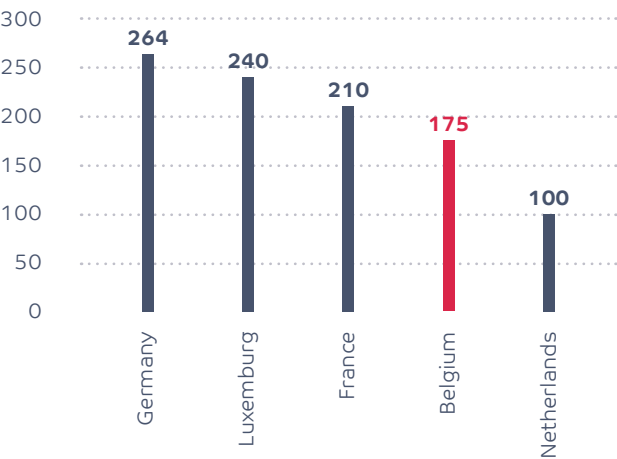
Prime out-of-town rentals remain stable at €175 per square metre per year excl. VAT.

TRENDS IN PRIME RENTALS BY SECTOR



This average of €175/m²/yr/excl. VAT for out-of-town retail properties is relatively low compared with neighbouring countries, which suggests potential for growth.

PRIME RENTS OUT-OF-TOWN RETAIL - EUROPE



E-commerce in Belgium —

Online sales fell by about 10% in 2020 in Belgium to €10.26 billion compared with 2019 (source: BeCommerce Market Monitor).

Admittedly, online sales of certain products increased in 2020 (€7.5 billion, +33%) due to the measures taken to limit infection (partial closure of physical shops) but the pandemic also restricted travel and reduced cultural events to zero, which caused associated sales to fall drastically (from €6.5 billion in 2019 to €2.8 billion in 2020).

Last year Belgians spent an average of €1,193 each on online purchases, but the value of the average basket fell from €102 to €81.

Investment market and outlook —

Capital Market	2019	2020	2020 compared with 2019	Average over 5 years 2016-2020	Average over 5 years compared with 2020
Investment volume (all segments - EUR millions), of which:	667	509	-24%	952	-47%
High-streets	295	187	-36%	371	-50%
Shopping Centres	0	125	0%	324	-61%
Retail Warehousing	372	197	-47%	257	-24%
Prime Yields (%)					
High-streets	3.50%	3.75%	+ 25bps	3.53%	+ 22bps
Shopping Centres	4.50%	4.75%	+ 25bps	4.28%	+ 47bps
Retail Warehousing	5.50%	5.50%	-	5.46%	+ 4 bps

As a direct consequence of the health crisis, the volume invested in commercial property in Belgium in 2020 (€509 million) was 24% less than in 2019 (€667 million) and the second lowest volume in the past ten years.

Numerous transactions were cancelled, suspended or postponed, pending a clearer view of how the general retail situation will evolve.

Some investors called a halt to their acquisitions of retail assets and switched into more resilient segments such as logistics.

From this point of view we see a significant fall in volume in high streets and collapse in the shopping centre segment, in which €2.7 billion had been invested in the past five years following the sale of several shopping centres.

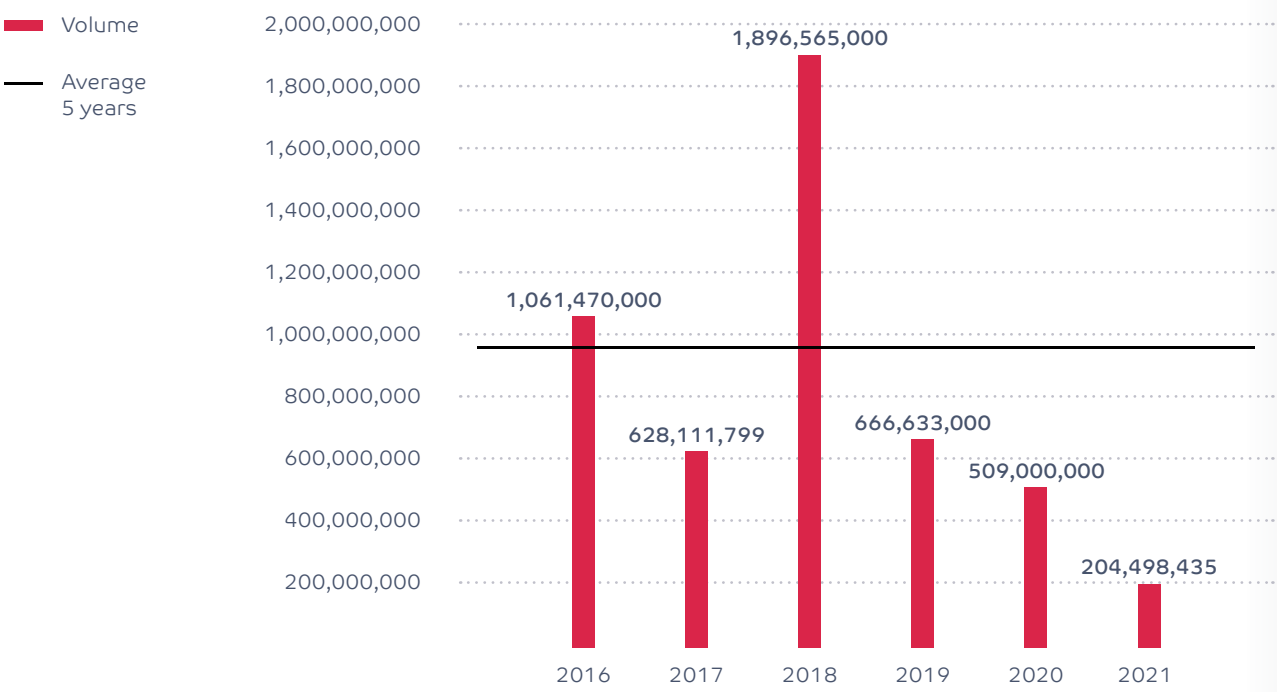
However, thanks to lower average rentals and higher yields, the out-of-town retail sector took the lion's share, with 39% of the annual total volume of investments in commercial property in 2020; this included such significant transactions as the sale by Aberdeen AM to Immo Corporate of the Olen Shopping retail park (€70 million), the purchase by RVM invest from Redevco of the Pajot shopping centre at Sint-Pieters-Leeuw (€50 million) and the acquisition by Pertinea Fund of the Flémalle shopping centre for €30 million.

The predominance of private investors is explained by smaller volumes per transaction on the one hand, and by the disappearance of transactions in the shopping centres segment on the other.

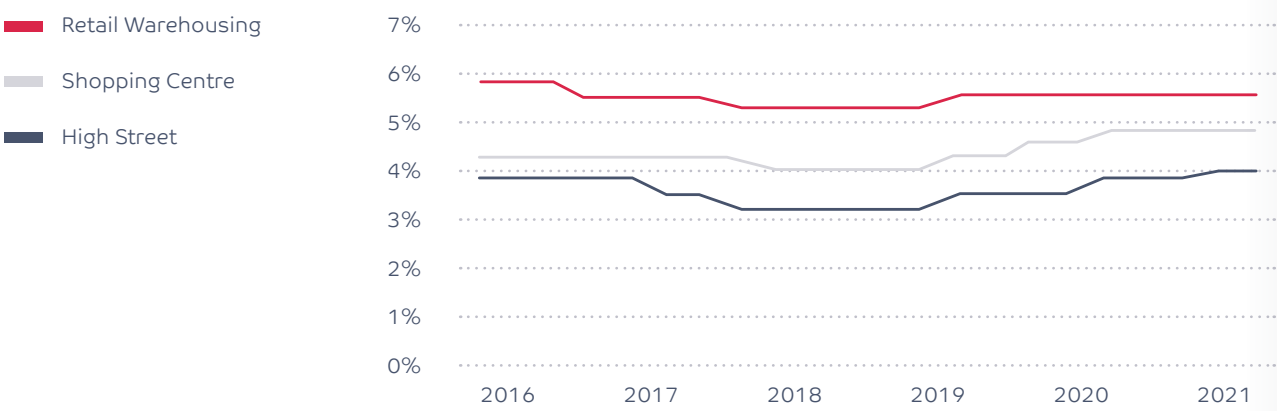
More specifically, private investors accounted for 82% of total investments in retail by volume and 94% by number of transactions. In the period from 2015 to 2019 they had accounted for only 37% by volume.

We note that the market is returning to local players - the vast majority (95%) of private investors in 2020 were Belgian.

VOLUME OF INVESTMENT



YIELD



The yield on prime ground floor locations was 3.75% in 2020 (as against 4.25% in 2019), 4.75% for shopping centres and 5.50% for out-of-town retail (unchanged from 2019).

Investors in retail are increasingly turning to assets with occupants whose activities are less affected by e-commerce, such as food stores or concepts more generally established out of town such as DIY, sports, home decoration, etc.).

If we assume that yields will hold steady in the coming months in all other asset classes, retail will become attractive to investors in search of high yield products.

The fashion sector, which has been one of the hardest hit by the crisis has in turn affected assets in shopping centres and high streets.

Consequently, we expect an increase in yields for these two sectors for the end of 2021.

Conversely, the out-of-town retail sector is running at full speed, with a positive impact on the investment market.

Indeed, investors clearly continue to show their interest in retail parks and more particularly in those featuring large food areas.

The third quarter of 2021 confirmed the transfer of ownership of a considerable number of assets meeting these criteria (just over €200 million, of which €140 million in out-of-town retail).

Developments —

Despite the closure of work sites during the lockdowns (March to May 2020, November 2020 and April to May 2021), the past year was in spite of everything marked by the activity of developers: several new retail parks opened their doors (95,000 m² delivered in 2020) such as the Parc de l'Europe in Wavre (9,000 m²), Breebos in Rijkevorsel (10,000 m²), Databuild in Dinant (4,800 m²), Frunshopping in Bertrix (13,500 m²) and Parenthèse in Gosselies (10,000 m²).

In the first half of 2021, La Couvinoise in Couvin (13,000 m²) and Espace C in Dour (13,000 m²) were inaugurated, while work started on Malinas in Mechelen (27,500 m²) and IKEA in Hognoul (5,672 m²).

Sources:
BNB, SPF Economie, PME, Classes Moyennes et Energie, Cushman & Wakefield Belgium, JLL Belux, CBRE Belgium, L'Echo, OECD, IMF, Expertise and Retail Update.



THE COMMERCIAL PROPERTY MARKET IN FRANCE

Macro-economic indicators —

Economic indicators in%	2021 (forecasts)	2020	2019	2018	2017
GDP growth	7.4	-8.7	1.5	1.8	2.4
Trends in inflation (HICP)	0.6	0.5	1.3	1.8	1
Trends in the unemployment rate (*)	11.1	9.1	8.4	8.7	9.1

Source: INSEE before 2020, Banque de France 2020-2021
(*): ILO, whole of France, in% of active population, annual average

Following a very substantial downturn in 2020, economic activity has clearly picked up again in 2021 and it is estimated that GDP will have grown by more than 7% by the end of the year. The recovery, which started in the second quarter thanks to the end of the third lockdown and the rebound in household consumption, looks set to be more sustained in the second half of the year.

As regards the employment market, the misleading fall in the unemployment rate in the second quarter of 2020, linked to the first lockdown (7.1% in June) and the measures put in place by the government was followed, as expected, by a sharp increase in the third quarter (+628,000 people, or 1.9 percentage points). The unemployment rate thus exceeded 9% of the economically active population at the end of 2020.

In 2021, French morale stood up fairly well to the health crisis, the emergency measures put in place by the State having protected jobs and household incomes. Confidence, which had been rising from the beginning of the year, albeit with a slight dip in July and August, could rebound in the last quarter thanks to the increasing coverage of vaccination and the acceleration of the economy, raising hopes of a lasting recovery in consumption.

After falling by an estimated 7% in 2020, household consumption has been the driving force behind the growth seen in 2021. It has rebounded since the end of the third lockdown, and should remain sustained until the end of 2021 thanks to the slight increase in purchasing power and the use of surplus savings that

have built up since the onset of the health crisis. This surplus, estimated at €115 billion at the end of 2020 and at €180 billion at the end of 2021, will play a key role in the growth of household spending and therefore in the continued recovery of the French economy in 2022.

Retail Market - rental uptake —

In the context of eased restrictions and reopening of all stores on 19 May 2021, French retail activity recovered considerably in the first half of 2021 with an increase of 15.8% compared with the first half of 2020.

Even so, Procos, the association of specialist non-food retailers, still reported sales below normal (first half of 2021 down by 18.7% relative to first half of 2019), with footfall at shopping centres down by 12.8% year-on-year and performance down by 30.6%.

Last year, the onset of the crisis had contributed to a substantial increase in the number of company voluntary arrangements or reorganisations (30 brands), raising fears of a wave of liquidations. One year later, it is rather the resilience of the retail sector that is the main cause for comment (10 brands involved in protection from creditors or reorganisation in 2021).

Nearly two thirds of the brands involved in judicial procedures since the onset of the epidemic have meanwhile been taken over - Bio c'Bon by Carrefour, Maxi Toys by King Jouet, Courtepaille by Buffalo Grill, Leader Price by Aldi, La Halle by Chaussea, Conforama by BUT, and so on).

In the past eighteen months several takeovers of brands not affected by such procedures have also taken place, accentuating retail market concentration in the hands of a smaller number of players. This should allow certain brands to be relaunched, but it will also contribute to the increasing rationalisation of store networks to the detriment of less profitable locations.

While some brands are in difficulties, others are doing well because they respond to French people's essential concerns (responsible consumption, attractive prices, etc.)

Consequently, and in spite of the health crisis, the expansion of these brands breathes new life into market segments such as sport and fitness (Basic Fit, Fitness Park), fast food restaurants (Burger King, McDonald's, Pitaya), food supermarkets (Supeco, Grand Frais, Bio-Coop) and discount stores (B&M, Action).

Rental values —

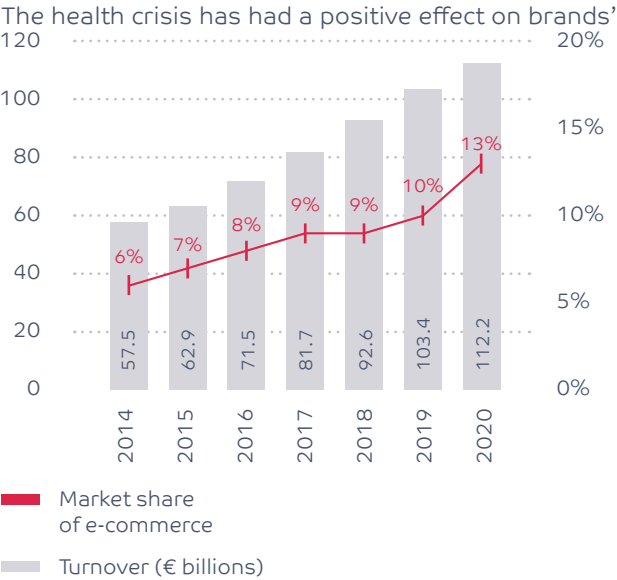
Prime rental values for ground floor premises and shopping centres, which had seen a downward correction in 2020, held steady in the first half of 2021. Prime rentals in the second quarter of 2021 thus remained at around €19,000 per m² for ground floor properties in Paris, €2,000 per m² for shopping centres and €210 per m² per year excl. VAT for retail parks.

RENTAL VALUES OF RETAIL PARKS, IN €/M²/YEAR (EXCL. KEY MONEY - Q2 2021)¹

Surface area bracket	Stand-alone	Retail park	Prime	Trend
0 - 250 m ²	200 - 250	230 - 300	450	-
251 - 500 m ²	180 - 220	200 - 250	300	-
501 - 900 m ²	150 - 160	180 - 200	250	-
901 - 1,300 m ²	140 - 180	150 - 190	220	-
1,301 - 2,000 m ²	120 - 130	140 - 170	200	-
2,001 - 3,000 m ²	70 - 100	100 - 130	150	-
> 3,000 m ²	60 - 90	70 - 100	120	-

E-commerce —

ONLINE SALES AS A PROPORTION OF TOTAL RETAIL SALES IN FRANCE



online sales, with part of the physical stores' revenue being transferred to the internet across the board.

With a volume of €112 billion for 2020, the market share of e-commerce thus went from 9.8% of retail revenues in 2019 to more than 13% in 2020.

¹ Net of leasehold duty/entry fee.

This increase is not necessarily at the expense of the traditional chains, which have capitalised on their investments in websites since the onset of the epidemic to cushion the impact of the restrictive measures, get to know their customers better and improve their service offerings.

The market conditions created by the health crisis have accelerated a transformation which had been in progress for some years, namely the growing hybridisation of retailing and the proliferation of distribution channels.

In the first quarter of 2021, online commerce continued to grow, with turnover of €30 billion.

Investment market and outlook —

Investors continued to pump massive amounts of capital into the office segment (€18.5 billion), while investment in the retail segment fell by €4.3 billion to a level slightly below the ten-year average (-4%).

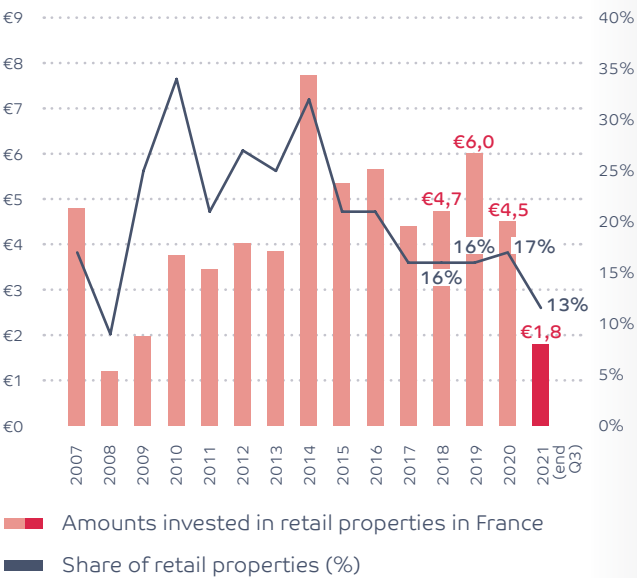
The decline in volumes invested in retail compared with 2019 (-37%, with 170 transactions) more or less follows the trend observed for the property investment market as a whole, which was down by 32% in 2020.

Retail thus maintained its 17% market share, as it has done overall for the past four years.

After the €900 million of the first quarter of 2021, activity in the French retail market recovered in the third quarter with a volume equivalent to that of the previous six months.

So €1.8 billion were invested in this segment in the first three quarters of 2021.

Even so, this amount is still 41% below the level recorded for the same period of last year.



The main transactions in the third quarter concerned various types of assets, ranging from Parisian flagships to large shopping centres in the provinces, through neighbourhood grocery stores and out-of-town retail properties, showing that investors are prepared to seize opportunities in all market segments.

Although the fall in volumes goes hand-in-hand with a smaller number of transactions, the last three months were enlivened by several major transactions including the sale by Wereldhave of four of its shopping centres to Lighthouse Capital for just over €300 million.

This acquisition brought the proportion of investments in retail accounted for by shopping centres to 30% at the end of the third quarter of 2021.

The share of retail parks is 19%, but will be significantly increased in the next few months by a number of sales of portfolios of brands and above all the expected conclusion of the partnership agreed between Altarea and Crédit Agricole Assurances.

Foreign investors, who had largely stayed away in the first three quarters of 2020, accounted for more than 60% of sums invested in retail since the beginning of 2021.

This significant share is related to the market entry of the South African fund Lighthouse Capital, and to the acquisition by the UK's M&G Real Estate of two Casino hypermarkets in the Provence-Alpes-Côte d'Azur region for €124 million.

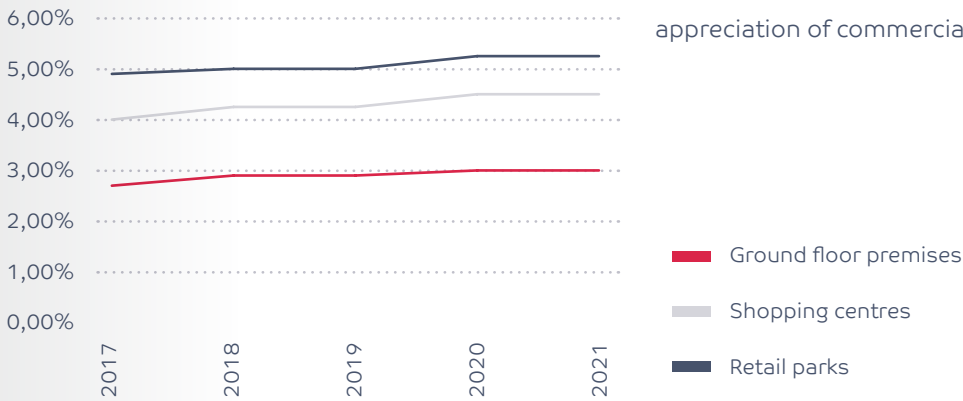
Address / Asset	Type	City	Vendor	Acquirer
Portfolio - 4 shopping centres (Docks Vauban, Docks 76, Saint Sever, Rive-toile)	CC	La Havre (76) Rouen (76) Strasbourg (67)	Wereldhave	Lighthouse Capital
Portfolio - two Casino hypermarkets (La Valentine, Galerie Géant Mandelieu)	CC	Marseille (13) Mandelieu la Napoule (6)	Fortress / Casino Group	M&G Real Estate
Portfolio - 27 Décathlon stores	PAC	France	Decathlon	IREIT Global Group
Portfolio - three Casino hypermarkets	HYP	South of France	Casino Group	WP Carey
277 rue Saint-Honoré*	PI	Paris (8)	Private	Immobel / Goldman Sachs
275 rue Saint-Honoré*	PI	Paris (8)	Richemont	Brookfield
Carré Sud	PAC	Nîmes (30)	Private	Frey
4 Boulevard Rochechouart*	PI	Paris (18)	Private	Immobel
Portfolio - 7 Casino assets	HYP	France	Casino Group	LeadCrest Capital Partners

In the absence of major sales of prime assets, prime yields remained stable across all market segments. Those of secondary assets continued to trend downwards.

Yields on ground floor properties and prime retail parks, which had seen a slight fall in mid-2020, settling at 3% and 5.25% respectively, have held steady in 2021.

The yield on prime shopping centres stands at 4.25%.

YIELDS



Out-of-town retail has held up well in the health crisis and will continue to benefit in the next few years from changing modes of consumption and the demographic dynamism of outlying urban areas.

While the difficulties encountered by retail establishments in the past few months cannot be denied, the horizon is clearing, as shown by French people's large-scale return to the shops and the forecasts of increasing consumption in 2021 and 2022. This will favour the re-establishment of the rental market, which in turn should benefit the investment market as investors become more confident as to the possibilities of capital appreciation of commercial assets.

Developments —

Because of the COVID crisis, 2020 saw a record low volume of out-of-town retail openings, with just 160,000 m² (62% down on 2019).

These were nearly all (94%) new creations. The year's most significant opening was that of "Steel" in Saint-Etienne (Loire) (70,000 m² of new surface area or 44% of total openings by surface area).

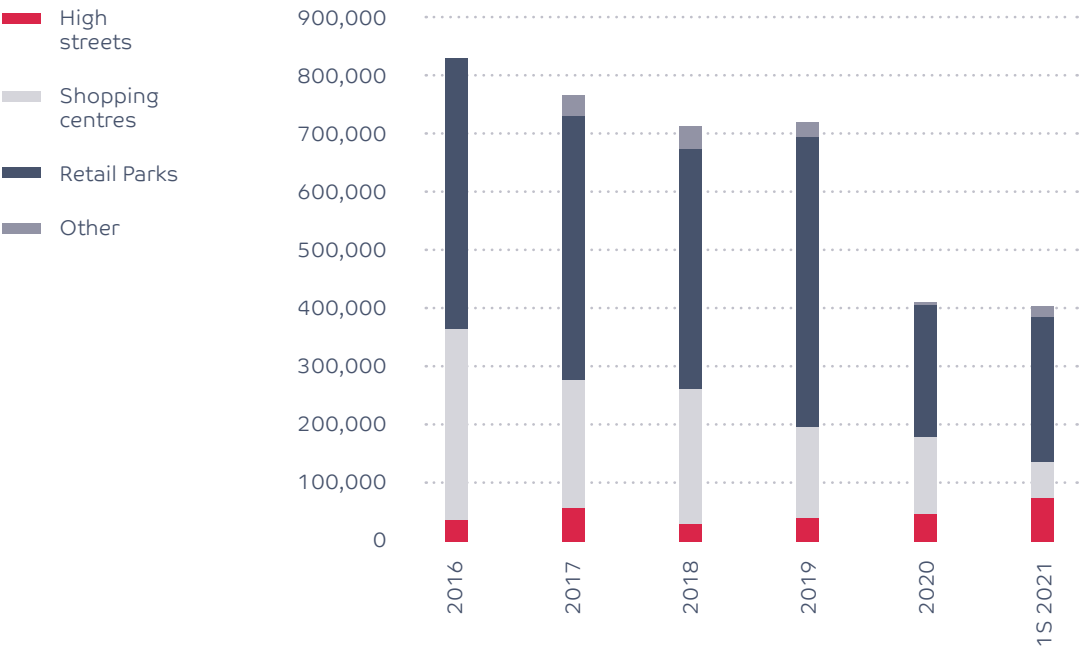
Nearly 400,000 m² of retail complexes have been opened in France since the beginning of 2021, which is, on 9 months, slightly less than in the whole of 2020. Nearly three quarters of the projects opened in September 2021 had scheduled openings earlier but had postponed them due to the health crisis.

This catch-up effect will thus lead to higher volumes in 2021. The pace of openings will then no doubt slow in view of the marketing difficulties and investors' growing caution.

Besides, the political and regulatory context is less favourable to the launching of new projects, a trend notably illustrated by the sharp fall in the rate of authorisations by the CNAC (Commission Nationale d'Aménagement Commercial, the national commercial development planning authority).

TRENDS IN OPENINGS BY TYPE OF FORMAT

(in France, out of a total volume in m²)



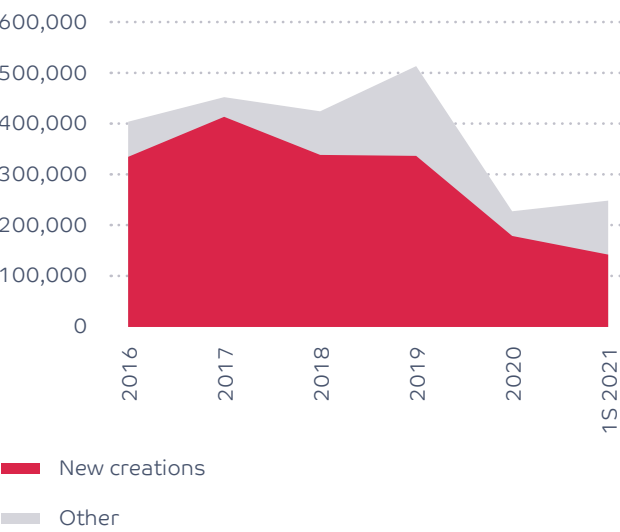
Source: Knight Frank

Nearly 250,000 m² of retail parks opened in the first semester 2021, more than in the whole of 2020. This rebound was expected, since several large projects scheduled to open in 2020 had had their openings postponed to 2021, examples being the Shopping Promenade Claye-Souilly (Claye-Souilly, Seine-et-Marne) and Shopping Promenade Coeur Alsace (Vendenheim/Reichstett, Bas-Rhin), which together accounted for more than 40% of surface areas opened since January 2021.

Although higher than that of 2020, the volume of openings in 2021 will thus be below the peak of 2019 and below the average for the five years preceding the COVID-19 epidemic (440,000 m²).

OPENINGS OF RETAIL PARKS IN FRANCE

(en m², in mainland France)



EXAMPLES OF EXPECTED OPENINGS OF RETAIL PARKS IN FRANCE IN 2021

Centre	City	Type	Surface area (m²)
SHOPPING PROMENADE COEUR D'ALSACE	Vendenheim (Bas-Rhin)	Redevelopment	65,000
SHOPPING PROMENADE CLAYE-SOUILLY	Claye-Souilly (Seine-et-Marne)	New creation	46,000
MAINE STREET	Ruaudin (Sarthe)	Extension	27,000
ZONE DE LA SABLIÈRE	Aurillac (Cantal)	New creation	24,300
OL VALLÉE	Décines-Charpieu (Lyon Metropolis)	New creation	23,200
GRAND PARILLY (LEROY MERLIN)	Vénissieux (Lyon Metropolis)	Transfer - Extension	16,300
PROMENADE DE L'OISON	Caudebec-lès-Elbeuf (Seine-Maritime)	New creation	15,500
PARC EN SEINE	Tourville-la-Rivière (Seine-Maritime)	New creation	14,700
LA VARIZELLE	Saint-Chamond (Loire)	Redevelopment	9,200
ZONE DE LA BOITARDIÈRE	Amboise (Indre-et-Loire)	New creation	5,500
PARC OCEANIS	Saint-Gilles-Croix-de-Vie (Vendée)	Extension	5,200

Sources: Knight Franck "Le marché immobilier des commerces en France" Sept. 2021, JLL- Quarterly analyses of retail market – France, Cushman & Wakefield- appraisals and quarterly 'Flash Invest'.

THE COMMERCIAL PROPERTY MARKET IN SPAIN

Note: for the section of this report on Spain, reference should be made to the broad trends commented on above for Belgium and France (basically as regards the impact of the health crisis on the retail property market).

Macro-economic indicators —

Economic indicators Spain	2018	2019	2020	2021 (e)	2022 (e)
Annual GDP growth (%)	2.4	1.95	-10.84	6.3	4.2
Annual consumption (%)	1.2	0.8	-12.7	7	3.6
Unemployment rate (%)	14.8	14.1	16.2	15.8	15.7
Inflation rate (%)	1.7	0.7	-0.3	0.7	-

Source: CW- Research & Insight

At the political level, the health crisis tested the solid-ity of the Spanish government by confronting it with a rapid increase in the number of unemployed, a fall in consumption and a significant contraction of GDP.

The big question mark for 2021 concerns the numbers in the tourist sector, which will affect consumption, particularly in the coastal regions of the country.

To restart its economy, Spain is counting on a successful vaccination campaign throughout Europe which would allow restrictions on travel to be eased and reduce the risk of further lockdowns having to be imposed.

Once the health crisis has passed, economic contraction is not expected to persist for long (cf. GDP growth below).

The retail market —

In September 2021, 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.

In the first nine months of the year 270 lease agree-ments were signed, of which 44% were finalised in just two projects: Oasiz Shopping Center, Torrejón de Ardoz (Madrid) and Vialia Estación de Vigo, Vigo.

E-commerce —

In 2020, Spanish e-commerce set a new record by surpassing €51.6 billion, 5.8% more than in 2019.

The sectors with the biggest volumes of transactions were clothing (8.4% of the total turnover), travel agen-cies (5.4%) and online gambling (4.3%).

Retail sales for 2020 accounted for 38% of total e-com-merce sales, far more than in 2019 (29%) and especially in the restaurant and catering sector (+155%) and the food sector (+99%).

These changes in consumer habits led to an increase in online purchases as a proportion of households’ total retail spending, from 6% in 2019 to 10% in 2020 (forecast to increase to 11.6% in 2021).

Despite these performances, Spain continues to lag be-hind the other major European markets (average 18%) such as the UK (annual average of approximately 30%) and France (annual average of approximately 19%).

The climate, relatively low general use of the internet and typical consumer habits lead one to suppose that Spain will not catch up in this area any time soon.

Investment market and outlook —

In 2020 total investment in Spanish property, all sectors combined, reached €9.49 billion, 24% less than in 2019.

Most transactions (73%) were attributed to interna-tional investors.

The volume invested in retail property in 2020 was the highest of the past three years, at €2.3 billion, thanks to the sales of shopping centres started in 2019 and finalised in 2020 and the numerous sales of portfolios of supermarkets.

And for the whole year 2021 we expect it to come in at between 15% and 20% higher than in 2020.

In the first three quarters of 2021 it is the food sector that has been the real driving force behind investment activity, with a record volume of €166.5 million, three times the 2019 volume.

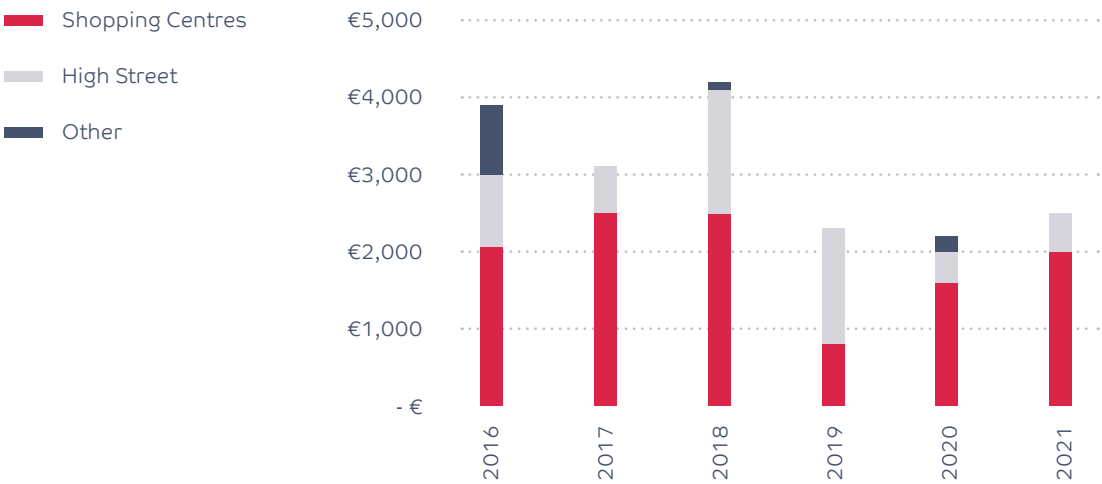
During this period, four large portfolios of supermarkets were traded, including a portfolio of 27 Mercadona supermarkets bought by the Israeli fund MDSR Invest-ments for more than €100 million.

Shopping centres were the retail segment hardest hit by the fall in investments, with just €42.4 million YTD end September 2021, a very small amount when compared with the €534 million of the same period of 2019 (€1.33 billion if we include the sales of Puerto Venecia and Parque Principado, not actually booked until 2020 because of administrative problems) or with the €2 billion posted in 2017.

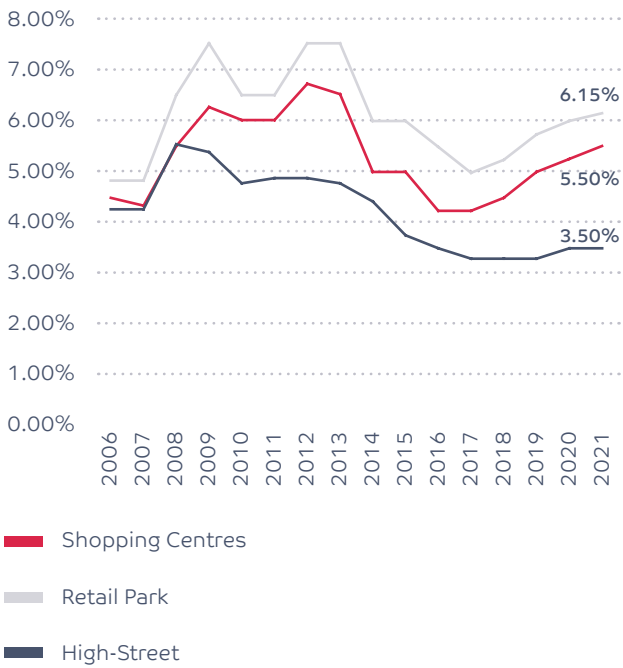
As with 2020, demand in 2021 was also directed op-portunistically to assets creating extra value by means of redevelopment or change of use.

As regards the market for out-of-town retail properties, we note a growing number of investors seeking on the one hand small, urban and neighbourhood retail parks (anchored by a food chain) and on the other hand, out-of-town projects that could serve partly as logistical bases to respond to the problem of onerous “last mile” deliveries.

VOLUME OF INVESTMENT 2016-2021



YIELDS



Shopping centres

Since the beginning of 2021, we have seen yields on prime shopping centres trending upwards in Europe.

In Spain, yields on this category seem to be at around 5.50%, the highest level since 2013, although there are still not enough transactions to be able to really corroborate this.

Retail parks

For the retail parks segment, the yield on prime assets is around 6.15%.

High street

For high street assets however, the yield is 3.50%.

Supermarkets

Although yields on supermarkets are closely linked to the general condition of the asset and to its location, transactions in the first half of 2021 show a certain contraction in yields on this type of asset.

This trend could continue in the coming months depending on investors' disinclination towards other retail segments.

For example, a city supermarket with good rental terms and a quality tenant can currently reach a yield of close to 4.5%.

EXAMPLES OF SIGNIFICANT TRANSACTIONS IN 2020
IN OUT-OF-TOWN RETAIL PROPERTIES AND SHOPPING CENTRES

The specialists consider the current dip in activity as being temporary (until the end of 2021), the time necessary for investors to reassure themselves as to the continued stability of revenues (end of concessions granted as a result of the COVID-related negotiations) so as to be able to assess the true value of the assets.

Shopping centre Date	GLA	Vendor	Buyer	Classification	Approximate price
Sevilla Factory Outlet, Dos Hermanas, Sevilla (Dec. 2020)	16,000 m ²	Gore Spain Socimi (BentallGreenOak)	Private	Secondary outlet	€6.2 million
La Poveda, Arganda del Rey, Madrid (Sept. 2020)	15,000 m ²	Private	GIV Partners	Secondary retail park	€22 million (estimated)
On Plaza, Madrid (August 2020)	10,580 m ²	Private	Union Investment	Urban retail park	€15-18 million (estimated)
La Vega, Alcobendas, Madrid (July 2020)	9,300 m ²	Heracles	Capfield	Out-of-town shopping centre	€4 million
Espacio Torrelodones, Madrid (July 2020)	21,600 m ²	Activum	Private	Out-of-town shopping centre	Confidential C&W adviser to vendor
Gran Turia, Valencia (Feb. 2020)	20,400 m ²	Klépierre	Stoneweg	Secondary shopping centre	Confidential
Intu Asturias, Oviedo (Jan. 2020)	74,000 m ²	Intu / CPPIB	ECE	Prime regional shopping centre	€291 million C&W adviser to buyer
Intu Puerto Venecia, Zaragoza (Dec. 2019)	120,000 m ²	Intu / CPPIB	Generali / Union	Prime regional shopping centre and retail park	€475 million C&W adviser to buyer
Alicante Outlet Stores, Alicante (Sept. 2019)	34,700 m ²	Savills IM	UBS	Non-commissioned factory Outlet project with leisure activities	€34 million



Developments —

The current volume in traditional commercial property (shopping centres, retail parks, outlet centres, leisure centres and hypermarkets with walkways and shops) is more than 17.3 million square metres, with an average annual growth rate of 1.7%.

In 2020, six retail assets (including four retail parks) with a total GLA of 186,000 m² were added to the existing stock. The main one, La Torre Outlet (61,500 m² in Zaragoza) was opened at the height of the pandemic.

In 2021, we expect the opening of ten projects, the most ambitious of which is without doubt Oasiz Madrid, a project of La Compagnie de Phalsbourg.

Another major project opened in 2021 was Vialia Estación de Vigo, within the railway station of Vigo, Pontevedra Province, Galicia, with 220 shops (including Fnac, H&M, Al Campo, C&A, Primark, etc.) occupying a total GLA of 43,000 m².

EXAMPLES OF OPENINGS OF RETAIL SITES
IN SPAIN IN 2021

Location	Name	GLA (m²)	Category	Developer
Torrejón de Ardoz	Oasiz Madrid	91,600	Very large	Compagnie de Phalsbourg
Vigo	Vialia Vigo*	43,080	Large	N-Hood
León	Reino de León	23,945	Retail Park	Bogaris
Coslada	Plaza Coslada*	23,587	Retail Park	Inverlin
Vil. De Arousa	Pol. O Vao	16,500	Retail Park	Inmob. Ponteno (G. Nogar)
Adeje	Barranco Las Torres	15,500	Retail Park	Leroy Merlin and Tropicana
Madrid	Galeria de Canalejas	15,000	Small	OHL, In. Espacio, Mohari L.
Córdoba	Patios de Azahara*	10,606	Retail Park	Mitiska
Madrid	Mirasierra	9,800	Retail Park	Ten Brinke
Total	9	249,618		

* Already inaugurated
Source: ©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.



KEY FIGURES

(000 EUR)	30/09/2021	30/09/2020
Investment value (excl. projects in development) [A]	740,035	719,429
Fair value (excl. projects in development)	709,666	690,066
Contractual rents [B]	47,394	47,197
Estimated rental value of unoccupied properties	1,830	1,132
Total ERV	46,284	45,664
Gross yield = [B] / [A]	6.40%	6.56%
EPRA occupancy rate,%	96.0%	97.5%

At 30 September 2021 Ascencio held a portfolio of 104 investment properties spread among Belgium, France and Spain with a total area of 448,330 m².

Its fair value¹ amounted to €709.7 million at 30 September 2021, compared with €690.5 million one year earlier.

	Surface (m²)		Fair value (€000s)	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
Belgium	288,884	285,292	380,076	368,321
France	147,194	145,791	300,790	292,220
Spain	12,253	12,253	28,800	29,525
TOTAL	448,330	443,336	709,666	690,066

Based on the contractual rents in force at 30 September 2021, average rents per m² stood at: €96 per m² in Belgium, €134 per m² in France and €160 per m² in Spain.

¹ Excluding assets recognised in application of IFRS 16 and assets held for sale.

Investments/acquisitions during the financial year —

During the 2020/2021 financial year, Ascencio made €3.5 million of investments in its portfolio. These investments mainly concerned the Belgian assets of Châtelaineau (subdivision of Decathlon/Cultura), Mes-sancy (renewal of facades) and Jemappes as well as the French assets of Portes du Sud in Chalon-sur-Saône with the delivery of a new surface area of 1,500 m² for Maisons du Monde.

Ascencio also made acquisitions during the year, for a total value of €6.4 million. These consisted exclusively of the purchase of additional retail space in the Couil-let-Bellefleur retail park, namely a Carrefour by Groupe Mestdagh supermarket and four small adjacent retail units, which will further strengthen Ascencio's position in this successful, quality retail complex.

Divestments during the financial year —

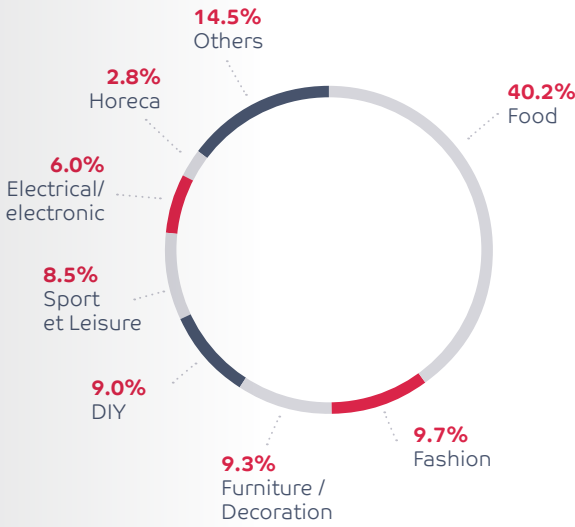
There were no divestments during the 2020/2021 financial year.

Change in value —

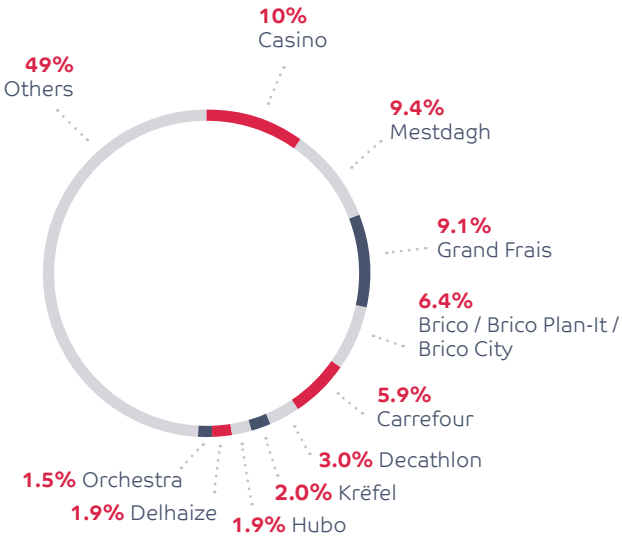
Overall, investment properties available for rent increased in value by €9.8 million during the year (+1.4%), a clear improvement on the €20.52 million of negative revalu-ations (-2.9%) recorded in the previous financial year.

Breakdown of the property portfolio —

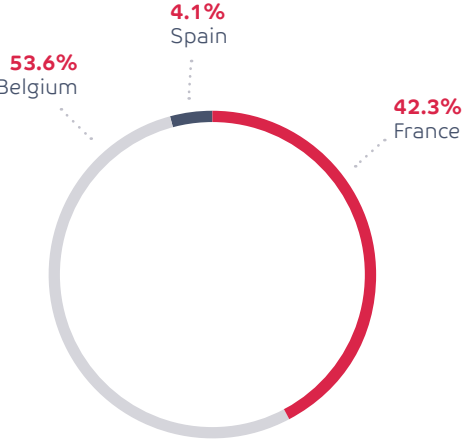
Breakdown by retail activity of tenants¹



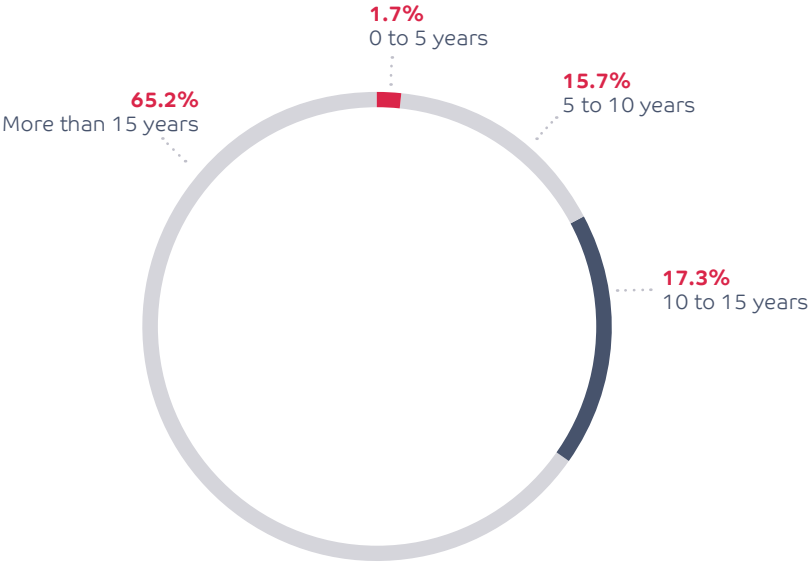
Breakdown by brands¹



Geographical distribution²



Age of buildings —



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

¹ Distribution established on the basis of contractual rents.
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 2021, the insured value represented 55% 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	344,274	233,450	380,076	6.62%
France	284,276	142,161	300,790	6.13%
Spain	27,693	16,353	28,800	6.58%
TOTAL	656,242	391,964	709,666	6.40%

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 eighteen 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.

The Investor Relations - Marketing & Communication department is in charge of disseminating Ascencio's image, implementing the marketing strategy defined by the management, managing public relations and developing communication with its 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 S.A.S. (“simplified” joint stock company) with its registered office at Place de la Défense 12, Courbevoie (92400), registered with the Nanterre Trade & Companies Registry under number 478.511.124;
- GOUNY & STARKLEY S.A.S. (“simplified” joint stock company) having its registered office at 7 Rue Meyerbeer, 75009 Paris, registered with the Paris Trade & Companies Register 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 €130,000 incl. tax at 30 September 2021.

Ascencio's external managers for Belgium are:

- PAMS s.p.r.l. (private limited company) with its registered office at Avenue de Tervueren 197, 1150 Brussels, registered with the Banque Carrefour des Entreprises under number 0686.856.010;
- CEUSTERS DC (Devimo-Consult for short), a société anonyme (public limited company) having its registered office at Avenue Jules Bordet 142, 1140 Brussels, registered with the Banque Carrefour des Entreprises under number 0423.855.455;
- CUSHMAN & WAKEFIELD BELGIUM S.A. (public limited company), with its registered office at Avenue Marnix 23, 1000 Brussels, 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, 6780 Messancy, 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 €48,000 incl. tax at 30 September 2021.

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 so-called “Pinel Law”. In Spain, commercial leases are subject to law 29/1994 of 24 November 1994, the Ley de Arrendamientos Urbanosor “Urban Lease Act”, abbreviated as “LAU”. However this law is merely supplementary to the parties’ wishes, which prevail in Spain.



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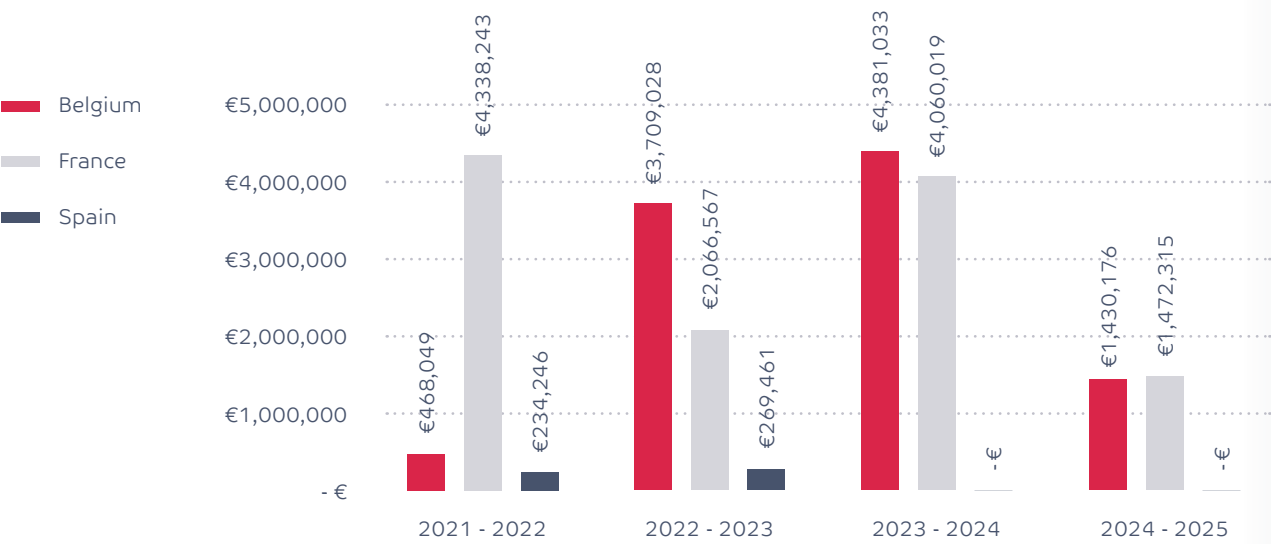
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Estimated rental value (ERV) —

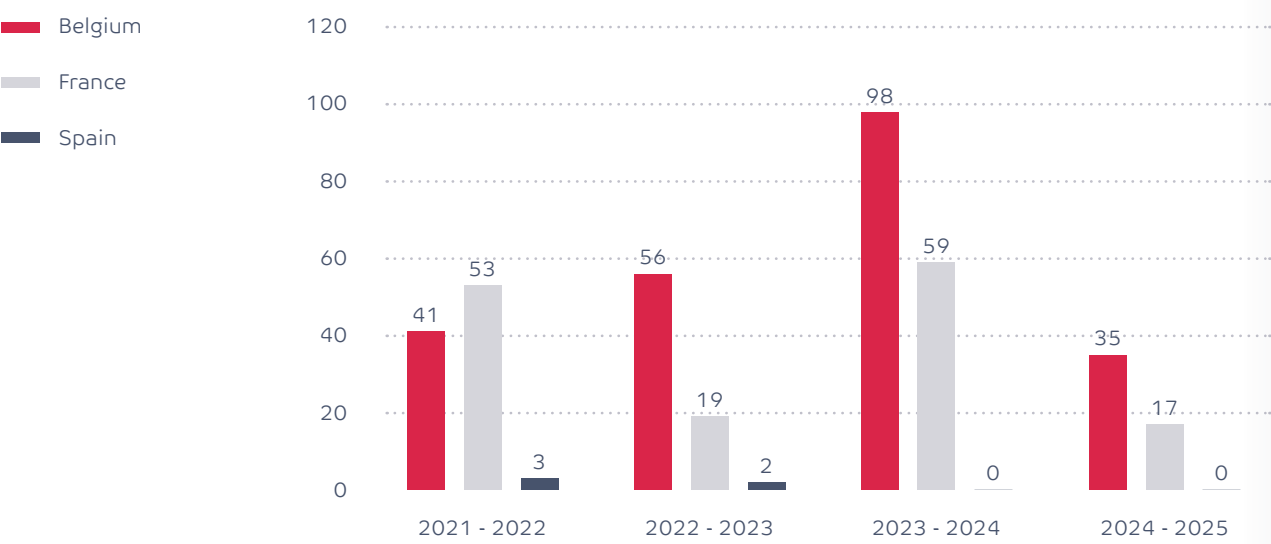
The estimated rental value (ERV) is the value as determined by independent property experts based on their knowledge of the property market taking account of various factors such as location, terms of leases, the quality of the property and market conditions.

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.

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



ASCENCIO'S CONSOLIDATED PORTFOLIO

Commercial properties in Belgium -
Available to let —

Sites (at 30 September 2021 all Belgian sites were held by Ascencio S.C.A.)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Aarschot (3200) 21 Liersesteenweg	Cluster	2000	2,955 m²	283	100%	283	279
Andenne (5300) 135 Avenue Roi Albert	Stand-alone (food)	2000	2,386 m²	168	100%	168	179
Anderlecht (1070) 1024 Chaussée de Ninove	Stand-alone	1962	1,061 m²	142	100%	142	101
Anderlecht (1070) 112-113 Digue du Canal	Stand-alone (food)	2018	1,977 m²	270	100%	270	257
Auderghem (1160) 1130 Chaussée de Wavre	Stand-alone	2006	1,810 m²	293	100%	293	262
Berchem (2600) 85 Fruithoflaan	Stand-alone (food)	1971	2,685 m²	255	100%	255	242
Boncelles (4100) 20-24 Route du Condroz	Cluster	1995	3,000 m²	538	100%	538	449
Boncelles (4100) 114 Rue de Tilff	Cluster	2004	603 m²	123	100%	123	117
Braine l'Alleud (1420) 15 Place St Sébastien	Stand-alone (food)	1978	1,525 m²	99	100%	99	114
Bruges (8000) 160 Legeweg	Stand-alone	1995	999 m²	88	100%	88	90
Chapelle-lez-Herlaimont (7160) 93 Rue de la Hestre	Stand-alone (food)	1973	2,237 m²	213	100%	213	179
Châtelet (6200) 55 Rue de la Station	Stand-alone (food)	1998	2,500 m²	169	100%	169	175
Châtelineau (6200) 45 Rue des Prés	Stand-alone (food)	1993	1,924 m²	118	100%	118	125
Châtelineau "Cora" (6200) Rue du Trieu-Kaisin	Retail Park	1990	23,253 m²	2.349	100%	2.349	2.196

Sites (at 30 September 2021 all Belgian sites were held by Ascencio S.C.A.)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Couillet "Bellefleur" (6010) 219 Chaussée de Philippeville	Retail Park	1970	2,757 m²	188	93%	202	249
Couillet "Bellefleur" (6010) 304-317 Chaussée de Philippeville	Retail Park	1990	228 m²	45	100%	45	41
Couillet "Bellefleur" (6010) 329 Chaussée de Philippeville	Retail Park	2014	20,656 m²	2.347	98%	2.392	2.402
Courcelles (6180) Rue du 28 Juin	Stand-alone (DIY)	2005	2,495 m²	179	100%	179	176
Dendermonde (9200) 159 Heirbaan	Stand-alone (food)	1970	3,090 m²	391	100%	391	201
Dendermonde (9200) 24 Mechelsesteenweg	Cluster	1983	4,356 m²	407	100%	407	362
Frameries (7080) 5 Rue Archimède	Stand-alone (food)	1978	2,180 m²	165	100%	165	153
Gembloux (5030) 28 Avenue de la Faculté d'Agronomie	Cluster	1976	2,095 m²	175	100%	175	178
Gent Dampoort (9000) 20 Pilorijstraat	Stand-alone (food)	1960	3,037 m²	253	100%	253	252
Genval "Les Papeteries De Genval" (1332) Square des Papeteries	Ground floor shop	2015	10,256 m²	1.712	93%	1.845	1.532
Gerpinnes "Shopping Sud" (6280) 138 Route de Philippeville	Retail Park	2000	8,085 m²	532	100%	532	479
Gerpinnes (6280) 196 Route de Philippeville	Cluster	1979	3,369 m²	309	100%	309	337
Gerpinnes Bultia (6280) 182-184 Rue Neuve	Cluster	1988	1,511 m²	72	53%	136	128

Sites (at 30 September 2021 all Belgian sites were held by Ascencio S.C.A.)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Ghlin (7011) 23 Rue du Temple	Stand-alone (food)	1975	1,957 m²	36	100%	36	127
Gilly (6060) 252 Chaussée de Ransart	Stand-alone (food)	1989	2,725 m²	262	100%	262	259
Gozée (6534) 204A Rue de Marchienne	Stand-alone (food)	1977	2,431 m²	189	100%	189	219
Hamme Mille (1320) 27 Chaussée de Louvain	Cluster	2013	3,764 m²	319	89%	357	341
Hannut "Orchidée Plaza" (4280) 54 Route de Huy	Retail Park	1986	9,586 m²	679	81%	841	874
Hannut (4280) 51 Route de Landen	Cluster	2000	3,435 m²	267	73%	365	335
Hannut (4280) 51 Route de Landen	Cluster	2000	1,889 m²	174	100%	174	189
Hoboken (2660) 586 Sint Bernardsesteenweg	Stand-alone (food)	1988	4,620 m²	446	100%	446	347
Huy (4500) 19A Quai d'Arona	Stand-alone (DIY)	2002	1,969 m²	188	100%	188	167
Jambes (5100) 14 Rue de la Poudrière	Cluster	1986	2,760 m²	213	100%	213	221
Jemappes (7012) 934 Avenue Maréchal Foch	Retail Park	1966	10,335 m²	519	70%	739	664
Jemeppe-Sur-Sambre (5190) 143 Rue Hittélet	Cluster	2006	1,543 m²	148	100%	148	147
Jodoigne (1370) 61A Rue du Piétrain	Stand-alone (food)	1987	2,245 m²	0	0%	157	157
Jumet (6040) 22 Rue de Dampremy	Stand-alone (food)	1975	1,730 m²	175	100%	175	130
Kortrijk (8500) 50-56 Gentsesteenweg	Stand-alone (food)	1965	2,309 m²	232	100%	232	196
La Louvière (7100) 5 Avenue de la Wallonie	Stand-alone	1991	1,000 m²	100	100%	100	90
La Louvière "Cora" (7100) 28 Rue de la Franco Belge	Retail Park	1990	24,759 m²	2.597	100%	2.597	2.344

Sites (at 30 September 2021 all Belgian sites were held by Ascencio S.C.A.)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Laeken (1020) 185-191 Rue Marie- Christine	Ground floor shop	2001	1,638 m²	297	100%	297	245
Lambusart (6220) Route de Fleurus et Wainage	Stand-alone (food)	1976	2,600 m²	131	100%	131	156
Leuze (7900) 1 Avenue de l'Artisanat	Cluster	2006	3,464 m²	230	83%	278	260
Liège (4000) 2-8 Rue du Laveu	Cluster	1991	2,290 m²	159	100%	159	160
Loverval (6280) 11 Allée des Sports	Retail Park	2002	5,621 m²	458	100%	458	400
Marchienne-au-Pont (6030) 3-5 Rue de l'Hôpital	Stand-alone (food)	1976	2,010 m²	155	100%	155	131
Messancy "Cora" (6780) 220 Route d'Arlon	Retail Park	2001	19,482 m²	573	69%	829	792
Morlanwelz (7140) 19 Rue Pont du Nil	Retail Park	2004	3,951 m²	260	72%	361	334
Nivelles (1400) 6 Rue du Tienne à Deux Vallées	Stand-alone (food)	1983	3,308 m²	256	100%	256	281
Ottignies (1340) 127 Avenue Provinciale	Stand-alone (food)	1984	2,127 m²	171	100%	171	180
Philippeville (5600) 47 Rue de France	Stand-alone (food)	1989	1,677 m²	199	100%	199	201
Philippeville (5600) 2 Rue de Neuville	Stand-alone	2003	1,228 m²	124	100%	124	123
Rocourt "Cora" (4000) 269 Chaussée de Tongres	Stand-alone (DIY)	1990	7,367 m²	607	100%	607	700
Saint-Vaast (7100) 99 Rue Albert Dufrane	Stand-alone (food)	1980	2,026 m²	161	100%	161	142
Schelle (2627) 35 Boomsesteenweg	Stand-alone	1993	5,375 m²	565	100%	565	538

Sites (at 30 September 2021 all Belgian sites were held by Ascencio S.C.A.)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Soignies (7060) 17 Rue du Nouveau Monde	Stand-alone (food)	1975	2,899 m²	237	100%	237	246
Tournai (7500) 22-24 Rue de la Tête d'Or	Stand-alone (food)	1958	2,713 m²	507	100%	507	231
Trazegnies (6183) 76 Rue de Gosselies	Stand-alone (food)	1974	2,869 m²	114	100%	114	201
Tubize (1480) 2 Rue du Pont Demeur	Cluster	2002	3,065 m²	302	100%	302	278
Turnhout (2300) 38 Korte Gasthuistraat	Stand-alone (food)	1966	2,503 m²	516	100%	516	288
Uccle "Shopping De Fré" (1180) 82 Avenue de Fré	Shopping Mall	1970	4,170 m²	378	100%	378	370
Walcourt (5650) 34 Rue de la Forge	Stand-alone (food)	2004	1,680 m²	150	100%	150	143
Wareme (4300) 189 Chaussée Romaine	Stand-alone (food)	2003	2,043 m²	145	100%	145	174
Wavre (1300) 9 Avenue des Princes	Stand-alone (food)	1986	2,358 m²	195	100%	195	231
TOTAL RETAIL SITES, BELGIUM			280,548 m²	25,317	95%	26,655	24,865

Non-commercial properties - Available to let —

Sites (at 30 September 2021 all Belgian sites were held by Ascencio S.C.A.)	Description	Year of construction /renovation	Area	Contractual rent (€000s)	% occupancy	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Hannut (4280) Route de Huy 54	Apartments	1986	324 m²	20	100%	20	20
Dendermonde (9200) Mechelsesteenweg 24	Vacant offices	1983	375 m²	0	0%	0	0
Gosselies Aéroport (6041) Avenue Jean Mermoz	Semi-industrial buildings and offices	1992	7,638 m²	456	82%	558	452
TOTAL OTHERS BELGIUM			8,337 m²	475	82.3%	577	472

Commercial properties in France - Available to let —

Sites (at 30 September 2021 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 rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Aix en Provence (13100) Avenue des Infirmiers Quartier Saint-Jérôme (détenu par la succursale française)	Stand-alone (food)	1964	3,092 m²	771	100%	771	771
Anney (Seynod) (74370) 18, rue Zanaroli (détenu par la SCI Seynod Barral)	Stand-alone (food)	2004	1,388 m²	206	100%	206	206
Antibes (06160) Avenue Nicolas Ausset Antibes (détenu par la succursale française)	Stand-alone (food)	1976	4,614 m²	911	100%	911	902
Bourgoin Jallieu (38300) Rue Edouard Branly (détenu par la SCI La Pierre de l'Isle)	Cluster	1975	4,978 m²	474	100%	474	474
Brives Charensac (43700) 127, Avenue Charles Dupuy (détenu par la SCI Candice Brives)	Stand-alone (food)	2006	2,296 m²	265	100%	265	258
Chalon sur Saône "Les Portes du Sud" (71100) Rue René Cassin (détenu par la SCI Les Portes du Sud)	Retail Park	2010	13,179 m²	1.530	98%	1.560	1.515
Chanas (38150) Route de Lyon - ZAC du Parc du Soleil (détenu par la SCI du Rond Point)	Stand-alone (food)	1997	1,750 m²	118	100%	118	118
Chasse-sur-Rhône (38670) Rondpoint des Charneveaux - Rue Pasteur (détenu par la SCI du Rond Point)	Stand-alone (food)	2002	2,012 m²	318	100%	318	286

Sites (at 30 September 2021 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 rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Choisey (39100) 3, rue des Guyonnes - ZAC du Paradis (détenu par la SCI Seynod Barral)	Stand-alone (food)	2005	2,123 m²	335	100%	335	334
Civrieux d'Azergues (Lozanne) (69380) Chemin du Vavre, Route de Lyon (détenu par la SCI Les Halles de Lozanne)	Stand-alone (food)	2010	2,080 m²	240	100%	240	239
Clermont Ferrand (63000) 10, Boulevard Saint Jean (détenu par la SCI Clermont Saint Jean)	Stand-alone (food)	2006	2,146 m²	320	100%	320	308
Cormontreuil (51350) Avenue des Goisses (détenu par la succursale française)	Cluster	2008	13,471 m²	1.416	100%	1.416	1.391
Crèches-sur-Saône "Parc des Bouchardes" (71680) Lieudit Les Bouchardes (détenu par la succursale française)	Retail Park	2009	11,618 m²	1.303	96%	1.352	1.318
Crèches-sur-Saône "Parc des Bouchardes" (71680) Lieudit Les Bouchardes (détenu par la SCI Les Halles de Crèches)	Stand-alone (food)	2009	1,963 m²	202	100%	202	199
Echirolles (38130) 13, Avenue de Grugliasco (détenu par la SCI Echirolles Grugliasco)	Stand-alone (food)	2006	2,366 m²	349	100%	349	347
Essey-lès-Nancy (54270) Rue Catherine Sauvage (détenu par la SCI ZTF Essey les Nancy)	Stand-alone (food)	2007	2,043 m²	235	100%	235	226
Guyancourt (78280) 5-7, Route de Dampierre et 5, rue Denis Papin (détenu par la SCI GFDI 37 Guyancourt)	Stand-alone (food)	2015	2,348 m²	601	100%	601	566
Houdemont (54180) 6, Avenue des Erables (détenu par la succursale française)	Stand-alone	2014	7,000 m²	679	100%	679	650

Sites (at 30 September 2021 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 rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Isle d'Abeau (38080) ZAC St Hubert - Secteur les Sayes (détenu par la SCI La Pierre de l'Isle)	Stand-alone (food)	2006	1,713 m²	258	100%	258	258
Isle d'Abeau (38080) ZAC St Hubert - Secteur les Sayes (détenu par la SCI La Pierre de l'Isle)	Cluster	2013	1,050 m²	155	100%	155	155
Le Cannet (06110) 17-21, Boulevard Jean Moulin (détenu par la SCI Cannet Jourdan)	Stand-alone (food)	2007	1,961 m²	280	100%	280	267
Le Creusot (71200) 83, Avenue de la République (détenu par la SCI Harfleur 2005)	Stand-alone (food)	2006	2,169 m²	222	100%	222	187
Marsannay-La-Côte (21160) Allée du Docteur Lépine (détenu par la SCI de la Cote)	Stand-alone (food)	2010	2,081 m²	272	100%	272	271
Marseille Delprat (13013) Boulevard Marcel Delprat (détenu par la succursale française)	Stand-alone (food)	1996	5,495 m²	1.599	100%	1.599	1.515
Mouans Sartoux (06370) 1006, Chemin des Gourettes (détenu par la succursale française)	Stand-alone (food)	1986	5,128 m²	888	100%	888	844
Nîmes (30000) 1245, Route de Saint Gilles (détenu par la SCI du Mas des Abeilles)	Stand-alone (food)	2003	2,075 m²	284	100%	284	261
Rots "Parc des Drapeaux" (14980) Avenue des Drapeaux (détenu par la succursale française)	Retail Park	2011 & 2016	23,981 m²	2.881	100%	2.881	2.818

Sites (at 30 September 2021 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 rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Saint Aunes "Parc des Cyprès" (34130) Parc d'activités Saint Antoine (détenu par la SCI Saint Aunès Retail Parc)	Retail Park	2012	9,728 m²	1.270	100%	1.270	1.194
Seyssins (38180) 2, Rue Henri Dunant (détenu par la SCI Kevin)	Stand-alone (food)	1992	1,702 m²	205	100%	205	204
Teste de Buch (33260) 11, Avenue de Binghampton (détenu par la SCI GFDI 62 La Teste de Buch)	Stand-alone (food)	1997	2,455 m²	335	100%	335	334
Viriat (01440) 44, Rue du Plateau (détenu par la SCI Viriat la Neuve)	Stand-alone (food)	2009	1,866 m²	190	100%	190	190
Le Rouret (06650) Route de Nice (détenu par la succursale française)	Stand-alone (food)	2011	5,327 m²	529	100%	529	529
TOTAL RETAIL SITES, FRANCE			147,197 m²	19,641	99.6%	19,720	19,135

Commercial properties in Spain - Available to let —

Sites (at 30 September 2021 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 rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Sant Boi (08830, Barcelona) Centro Comercial Sant Boi 6-8, C/Hortells	Cluster	2003	3,479 m²	627	100%	627	625
San Sebastián de los Reyes (28703, Madrid) Centro Comercial Megapark 2, Plaza del Comercio	Cluster	2002	3,683 m²	760	100%	760	743
Aldaia (46960, Valencia) Parque Comercial Bonaire Km. 345 Carretera N-III	Cluster	2005	5,091 m²	156	33%	468	443
TOTAL RETAIL SITES, SPAIN			12,253 m²	1,542	83.2%	1,854	1,812

TOTAL PORTFOLIO	448,330 m²	46,976	96.2%	48,807	46,285
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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 Couillet Bellefleur retail park (Belgium). The main tenants are Carrefour Market by Mestdagh, Maisons du Monde, Point Carré and Action.
- 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, 30 September 2021

Dear Sir, Dear Madam,

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

Our mission has been realized in complete independence.

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

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

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

The experts have adopted two different methods: the "Term and Reversion" method and the "Hardcore" method. Besides, they also did a control in terms of price per 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 **rounded investment value** of the real estate portfolio of Ascencio on 30 September 2021 amounts to:

741.429.000 EUR
(Seven hundred and forty-one million four hundred and twenty-nine thousand 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 **rounded Fair Value** of Ascencio's real estate assets as of 30 September 2021 at:

711.026.000 EUR
(Seven hundred and eleven million twenty-six thousand 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 30 September 2021, the investment value at 249.854.247 EUR and the fair value (transaction costs deducted) at 239.410.328 EUR.

OPINION OF JONES LANG LASALLE

Jones Lang LaSalle estimates, for its part of Ascencio's real estate portfolio valued at 30 September 2021, the investment value at 187.647.707 EUR and the fair value (transaction costs deducted) at 178.550.687 EUR.

OPINION OF CBRE

CBRE estimates, for its part of Ascencio's real estate portfolio valued at 30 September 2021, the investment value at 303.927.000 EUR and the fair value (transaction costs deducted) at 293.065.000 EUR.

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

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accord-

ingly, and for the avoidance of doubt, our valuation is not reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.



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Summary of the consolidated
financial statements

CONSOLIDATED RESULTS
FOR FINANCIAL YEAR 2020/2021

CONSOLIDATED RESULTS (€000s)	30/09/2021	30/09/2020
RENTAL INCOME	46,285	44,555
Rental-related charges	-1,371	-2,224
Taxes and charges not recovered	-130	-183
PROPERTY RESULT	44,785	42,148
Property charges	-3,479	-2,711
Corporate overheads	-4,057	-3,881
Other income and operating costs	-12	-4
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	37,236	35,551
Operating margin ¹	80,4%	79,8%
Net interest charges	-5,881	-5,308
Other financial charges	-427	-334
Taxes	-372	-489
EPRA EARNINGS	30,555	29,420
Net gains and losses on disposals of investment properties	0	-41
Change in the fair value of investment properties	9,835	-20,520
Portfolio result	9,835	-20,561
Change in fair value of financial assets and liabilities	5,704	316
Deferred tax	-443	71
NET RESULT	45,652	9,246
EPRA EARNINGS PER SHARE	4.63	4.46
EARNINGS PER SHARE (EPS)	6.92	1.40
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 2020/2021 —

Ascencio's results for the 2020/2021 financial year demonstrate the quality of the portfolio and the pertinence of the strategy pursued by the Company, with rental income and property portfolio values growing and good control of its costs, both in terms of the aid granted to Ascencio's retailers under the COVID agreements and in terms of its corporate overheads and financial charges. This sound and prudent management of the Company allows it to maintain a solid balance sheet structure, with a debt ratio down to 47.6% at 30 September 2021, generating sufficient margins to propose to the general meeting of shareholders scheduled for 31 January 2022 the distribution of a dividend for the financial year of €3.70 per share, up by 1.4% on the previous year.

During the 2020/2021 financial year, the economic context continued to be marked by the COVID-19 crisis but it also served to further highlight the resilience and good performance of retail parks and the food sector, which make up the bulk of Ascencio's portfolio.

Activity during the past financial year was however affected by mandatory closing periods for businesses considered non-essential in Belgium, France and Spain. However, the impact of these closures was more limited than in the 2019/2020 financial year as more stores were deemed essential and were therefore able to remain open, but also due to the agility of Ascencio's retailer customers in developing their omnichannel offer.

It has to be said that during these periods the food distribution sector was even able to benefit from the absence of compulsory closing periods and in particular from the generalisation of teleworking, which was first imposed and then implemented structurally in many companies, thus improving their profitability.

Retail parks have proven to be the most resilient type of retail asset during this health crisis, compared to high street stores or shopping centers. Their 'open-air shopping' aspect and their accessibility among other things have encouraged customers to favour these shopping venues, which also have a commercial mix composed

more of shops offering items meeting consumers' primary needs, making them less sensitive to the impacts of the health crisis. Finally, the more affordable rents and very low maintenance charges in retail parks, as well as the flexibility of the retail units, also make this type of asset attractive to retailers wishing to develop their omnichannel offer.

For each closure period, Ascencio undertook targeted dialogues with its retailers, taking into account the specific situations of each one, leading to the conclusion of partial rent rebate agreements for tenants demonstrating that their activity had been negatively and significantly impacted during the periods concerned, in order to help them get through the health crisis.

At 30 September 2021, Ascencio had reached agreements for almost all discussions with its Belgian and Spanish tenants, while the conclusion of these agreements takes longer with its French tenants as these agreements are also dependent on the position of the French state as to its involvement in these discussions.

In the financial statements at 30 September 2021, based on the finalised negotiations and a conservative estimate of the potential impact of the discussions still in progress, the partial cancellations of rent resulting from the closure of the shops amount to a total of €1.2 million, of which €0.6 million relates to credit notes actually issued (and taking into account tax credit compensations granted by the French state) and €0.6 million of provisions for estimated credit notes to be issued relating to discussions still in progress. This impact is relatively limited as it represents less than 3% of the Company's annual rental income.

In addition to these elements related to the management of the current health context, the Company has performed well over the past year, both in terms of:

— rental

by the conclusion or renewal in Belgium and France of a total of 52 lease contracts, representing approximately 10% of the Company's annual rental income. These contracts were concluded on average at rent levels 2%

higher than the market values given by the property experts and on average 3.5% lower than the previous rents obtained for these surface areas. As several contracts have been concluded with start dates after 30 September 2021, they are not included in the EPRA occupancy rate reported in this annual report and will only be included in the calculation of these rates when these leases have actually come into force. Despite the surrounding health context, the past financial year has shown that the rental market has remained dynamic and that take-up has remained strong, especially in sectors that have performed well during the crisis and in the type of commercial space offered by Ascencio.

— investment

— by the acquisition of a few additional units in the Couillet Bellefleur retail park (Belgium) for €6.4 million, enabling Ascencio to further strengthen its position in this successful retail complex;

— by the development of additional rental space in the Les Portes du Sud retail park in Chalon-sur-Saône (France) to accommodate the tenant Maisons du Monde on a surface area of over 1,500 m²;

— by the renovation of the facades of its Messancy retail park (Belgium), for an amount of approximately €1 million, with delivery expected in the last quarter of 2021;

— by the signing of a sale agreement for its city centre building in Sint-Niklaas (Belgium), which no longer fits in with the strategy pursued by the Company, for an amount of €1.5 million, in line with its latest fair value. This disposal was effectively completed during October 2021 and will therefore be recognised in the financial statements for the year 2021/2022.

— financial:

— by strengthening the Company's financing structure, in particular through the renewal of two credit lines nearing maturity for an amount of €25 million;

— by a new issue of MTNs (Medium Term Notes) for an amount of €10.5 million;

— by acquiring derivative hedging instruments with deferred start dates in order to secure a hedging ratio of over 80% for a period of more than 4 years.



Evolution of the results
for financial year 2020/2021 —

The results for the financial year 2020/2021 show an increase in rental income from €44.6 million at 30 September 2020 to €46.3 million at 30 September 2021 (+3.9%), before taking into account the impact of the COVID-19 health crisis.

This increase is mainly due to changes in the scope of consolidation in the previous year, with:

- the acquisition of the 5 food assets in France leased to Groupe Casino in March 2020 generating annual rental income of €4.6 million and which contributed for the full year 2020/2021;
- to a lesser extent, during the past financial year, the acquisition of some retail units in Couillet (Belgium) generating annual rental income of €0.3 million;
- the delivery of a new retail unit developed in the Les Portes du Sud retail park in Chalon-sur-Saône (France) to accommodate Maisons du Monde and generating additional annual revenues of €0.2 million.

The following table shows rental income by country:

RENTAL INCOME (€000s)	30/09/2021		30/09/2020	
Belgium	25,011	54%	25,567	57%
France	19,314	42%	17,033	38%
Spain	1,960	4%	1,955	4%
TOTAL	46,285	100%	44,555	100%

On a like-for-like basis, rental income at the Group level evolved by -1.12% over the past financial year, this evolution being positive for the French (+1.57%) and Spanish (+0.24%) portfolios but negative for the Belgian portfolio (-2.73%), which in net impact terms results from some tenant departures and rent (re) negotiations during the past financial year.

Rental-related charges decreased significantly from €2.22 million at 30 September 2020 to €1.37 million at 30 September 2021. These charges include:

- firstly, write-downs of trade receivables for €0.11 million (compared with €0.58 million the previous year);
- secondly, the cancellation of rents granted to certain non-food tenants for €1.26 million in connection with the closure of non-essential businesses (as against €1.64 million in the previous financial year).

After taking account of these rental-related charges and other charges that cannot be re-invoiced, **the property result** amounted to €44.79 million (up by 6.3% in comparison with 30 September 2020).

Property charges increased significantly, from €2.71 million at 30 September 2020 to €3.48 million at 30 September 2021. This increase is mainly attributable to (i) an increase in technical costs (+€0.44 million), which were kept to a minimum in the 2019/2020 financial year at the time of the pandemic outbreak and have been cautiously restarted in the 2020/2021 financial year in order to cope with the urgent interventions to be carried out in the portfolio; and (ii) a slight increase in property management costs (+€0.25 million).

Corporate overheads remained relatively stable at €4.06 million at 30 September 2021 (compared with €3.88 million in the previous financial year).

After deduction of property charges and corporate overheads, **operating result before result on portfolio** came to €37.24 million (€35.55 million for the year to 30 September 2020). The **operating margin**² came to 80.4%.

Net interest charges, including the cash flows generated by interest rate hedging instruments, amounted to €5.88 million (€5.31 million at 30 September 2020). This increase is mainly due to the debt financing of the acquisition of the 5 Casino supermarkets for €85.2 million in March 2020. This acquisition increased the Company's average financial debt from €297.7 million in 2019/2020 to €338.5 million in 2020/2021.

The average cost of debt² (including margins and cost of hedging instruments) remained stable at 1.81% during the financial year 2020/2021 (compared with 1.84% in 2019/2020).

Thanks to the interest rate hedging policy put in place, the Group's hedging ratio is currently 82.5% and based on the level of financial debt at 30 September 2021 will remain above 80% until December 2026.

After deduction of the tax charge on French and Spanish assets, **EPRA earnings** amounted to €30.56 million at 30 September 2021, an increase of 3.9% compared with the previous financial year.

Regarding **the revaluations** during the year:

- the investment property portfolio recorded an increase in fair value of €9.84 million (+1.4%), a significant improvement compared to the €20.52 million in negative revaluations recorded in the previous year;

— the fair value of the hedging instruments portfolio also increased by €5.70 million, compared with an increase of €0.32 million in the previous year;

— the deferred tax liability on the tax latency on the French real estate portfolio increased by €0.44 million, due to the positive revaluation of this portfolio during the past financial year, the effect of which was to increase this tax latency value in the Company's financial statements.

Taking account of these last-named items, **net result** amounted to €45.65 million, compared with €9.25 at 30 September 2020, a strong increase due mainly to the positive revaluations during the year in addition to the good operating performance achieved by the Company.



² Alternative Performance Measure (APM).
See glossary at the end of this financial report.

CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2021

CONSOLIDATED BALANCE SHEET (€000s)	30/09/2021	30/09/2020 ⁽²⁾
ASSETS	728,076	710,418
Investment properties	713,601	694,342
Other non-current assets	1,400	1,506
Assets held for sale	1,360	0
Trade receivables	5,773	7,441
Cash and cash equivalents	3,707	4,710
Other current assets	2,236	2,420
EQUITY AND LIABILITIES	728,076	710,418
Equity	370,353	348,778
Non-current financial debts	278,822	290,863
Other non-current liabilities	10,275	14,656
Deferred tax	1,275	832
Current financial debts	55,060	42,423
Other current liabilities	12,291	12,866
DEBT RATIO ⁽¹⁾	47.6%	48.5%

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

(2) Figures at 30/09/2020 restated for the revaluation at 01/10/2019 of financial assets and liabilities related to the application of IFRS 16.

Assets —

97.5% of the assets in the consolidated balance sheet are investment properties. This value is distributed among the three countries in which the Company currently operates as follows:

At 30 September 2021, the fair value (excluding IFRS 16) of these properties amounted to €709.7 million, up from €690.5 million at 30 September 2020.

Country	Investment value (€000s)	Fair value (€000s)	(%)	Contractual rents (€000s)	EPRA occupancy rate (%)	Gross yield (%)
Belgium	389,606	380,076	53.6%	25,792	94.3%	6.62%
France	320,659	300,790	42.3%	19,642	99.6%	6.13%
Spain	29,770	28,800	4.1%	1,959	82.8%	6.58%
TOTAL	740,035	709,666	100%	47,394	96.0%	6.40%

At 30 September 2021, the EPRA occupancy rate of the investment property portfolio stood at 96.0%, compared with 97.5% at 30 September 2020.

The decline in the EPRA occupancy rate is due to the following factors:

— In Spain, in Valencia, the departure of a tenant. Although the unit is now vacant, Ascencio has received early termination indemnity covering rent and charges to the end of June 2022;

— The departure of some tenants in Belgium during the year. The vacancy thus created has already been partially filled by the signing of new leases which have not yet come into force or are still subject to conditions precedent and which therefore cannot yet be taken into account in the calculation of the EPRA occupancy rate.

During the financial year 2020/2021, the investment property portfolio (excluding IFRS 16) underwent the following changes:

(€000s)	30/09/2021	30/09/2020
BALANCE AT BEGINNING OF THE PERIOD	690,481	622,894
Investments	3,476	2,939
Acquisitions	6,382	85,167
Transfer from other tangible assets	926	0
Transfer to assets held for sale	-1,360	0
Change in fair value	9,761	-20,520
BALANCE AT THE END OF THE PERIOD	709,666	690,481

The investments made within the portfolio mainly concern the Belgian assets of Châtelineau (Decathlon/ Cultura subdivision), Messancy (renovation of the facades) and Jemappes as well as the French asset Les Portes du Sud in Chalon-sur-Saône with the delivery of a new 1,500 m² surface area to accommodate Maisons du Monde.

The acquisitions consist exclusively of the purchase of additional retail space in the Bellefleur retail park in Couillet (Belgium), namely a Carrefour Market by Mestdagh supermarket and four small adjacent retail units, which will further strengthen Ascencio's position in this successful, quality retail complex.

The transfers that occurred during the financial year concern the accounting treatment of the surface areas occupied by Ascencio in its own building in Gosselies (Belgium) and the reclassification of the commercial building in Sint-Niklaas (Belgium) as an asset held for

sale due to the signing of a provisional sale agreement before the end of the financial year, the sale having been effectively completed in October 2021. There were thus no actual divestments within the portfolio during the past financial year.

The revaluation of the investment property portfolio had a positive impact of 1.4% in the past financial year, compared with a negative impact of -2.9% in the previous financial year.

Finally, the investment property portfolio also includes, in accordance with IFRS 16, assets reflecting the rights of use held by the Company, for a total value at 30 September 2021 of €3.93 million. The parameters for valuing these assets were reviewed during the past year, resulting in a downward revaluation of the assets and the corresponding liabilities at the date of implementation of IFRS 16, being 1 October 2019.

Equity & Liabilities —

On the liabilities side, financial debt (current and non-current) amounted to €333.9 million, relatively stable compared with the €333.3 million at 30 September 2020. This stability is due to the fact that the cash flow generated during the year was used in practically the same amount to finance the investments and ac-

quisitions made in the portfolio during the year and to remunerate the shareholders in the form of a dividend distributed in February 2021.

Financial debts are broken down as follows:

(€000s)	30/09/2021	30/09/2020
Roll over bank borrowing	248,300	262,600
Up Front Fees deduction ^(*)	-180	-
Commercial paper	47,000	41,000
Medium Term Note	30,500	20,000
Investment credits	3,759	5,017
Finance leases	290	410
Lease debts (IFRS 16)	4,214	4,258 ^(**)
Total financial debts	333,883	333,286

^(*) These costs, which were previously recognized in deferred charges and accrued income, were transferred during financial year 2020/2021 as a deduction from financial debts in accordance with IFRS.
^(**) Value at 30 September 2020 restated for the revaluation at 1 October 2019 of financial liabilities related to the application of IFRS 16.

At 30 September 2021, Ascencio had €338.5 million of committed ‘term loan’ and ‘revolving’ credit facilities with an average term of 3.8 years, of which €90.2 million was undrawn at that date.

Only one of these facilities matures during 2022, for an amount of €7 million. Although the Company's financial resources are sufficient, active discussions are already under way with several banking institutions to cover the maturity of this line.

Outstanding commercial paper stood at €47.0 million at 30 September 2021. Issues of commercial paper are permanently covered 100% by undrawn bank facilities in order to ensure the Company's liquidity in the event of changes in the volume of commercial paper outstanding.

In addition, at 30 September 2021, the Company had Medium Term Notes for an amount of €30.5 million, helping to diversify the Company's funding sources.

Taking into account these financing transactions and the coverage of the current commercial paper issues, the average duration of the Company's financial debt is

3.7 years and its average cost of debt¹ for the financial year 2020/2021 was 1.81%. It also has credit lines of €43.2 million available to finance its daily cash needs and the payment of its dividend as well as to participate in the financing of possible investments or acquisitions.

As part of the application of IFRS 16, financial debts also include debts reflecting long-term emphyteutic commitments made by the Company in order to benefit from rights of use of land on which commercial buildings stand. The value of these debts amounts to €4.2 million at 30 September 2021, this amount having been reduced during the past year following a review of its valuation parameters.

Other non-current liabilities of €10.3 million include the fair value of interest rate hedging instruments (€7.7 million at 30 September 2021, compared with €12.5 million at 30 September 2020) and the amount of rent deposits in guarantee received from tenants.

The consolidated debt ratio stood at 47.6% at 30 September 2021 as against 48.5% at 30 September 2020.

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

CONSOLIDATED DATA
PER SHARE

NUMBER OF SHARES	30/09/2021	30/09/2020
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)	30/09/2021	30/09/2020
EPRA EARNINGS (euros)	4.63	4.46
Net result (EPS) (euros)	6.92	1.40
	30/09/2021	30/09/2020
Net asset value (NAV) IFRS (€000s)	370,353	348,778
NAV IFRS per share (euros)	56.15	52.88
Restatements:		
Deferred tax (€000s)	1,275	832
Fair value of hedging instruments (€000s)	6,779	12,483
EPRA NTA (€000s)	378,406	362,093
EPRA NTA per share (euros)	57.37	54.90



APPROPRIATION OF RESULTS FOR FINANCIAL YEAR 2020/2021

The Board of Directors will propose to the ordinary general meeting of shareholders of 31 January 2022 that it approve the financial statements at 30 September 2021 (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 €3.70 per share.

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

PROPOSED APPROPRIATION (€000s)	30/09/2021	30/09/2020
A NET RESULT	45,652	9,246
B TRANSFERS TO/FROM RESERVES	21,247	-14,830
1. Transfer to/from reserves of net change in fair value of property assets (-/+)	9,835	-20,520
6. Transfer from reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (+)	5,704	316
10. Transfers to/from reserves	5,708	5,374
C REMUNERATION OF CAPITAL (ART. 13, SECTION 1, PARA. 1)	24,240	23,883
D REMUNERATION OF CAPITAL - OTHER THAN C	165	192

In this way the Statutory Manager aims to maintain a consistent dividend distribution policy relative to the EPRA Earnings obtained by the Company.

	30/09/2021	30/09/2020
EPRA Earnings per share (euros)	4.63	4.46
Gross dividend ¹ per share	3.70	3.65

¹ For 2020/2021, this is the dividend proposal subject to the approval of the general meeting of shareholders to be held on 31 January 2022.

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

OBLIGATION TO DISTRIBUTE AS PER ROYAL DECREE OF 13 JULY 2014, as amended by the Royal Decree of 23 April 2018, on B-REITs	30/09/2021 (€000s)	30/09/2020 (€000s)
STATUTORY NET RESULT	45,652	9,246
(+) Depreciation	82	79
(+) Reductions in value	30	356
(+/-) Other non-monetary items (Change in value of financial participation)	-4,473	3,853
(+/-) Other non-monetary items (change in value of financial instruments)	-5,704	-316
(+/-) Other non-monetary items (change in value of deferred tax debts)	443	-71
(+/-) Net gains/(losses) on disposals of property assets	0	41
(+/-) Change in fair value of property assets	-5,362	16,667
= CORRECTED RESULT (A)	30,667	29,854
(+/-) Capital gains and losses realised ^(*) on property assets during the financial year	0	100
(-) Capital gains realised ^(*) on property assets during the financial year, exonerated from the distribution obligation, subject to reinvestment within 4 years	0	-100
= NET CAPITAL GAINS ON THE REALISATION OF PROPERTY ASSETS NON-EXONERATED FROM THE DISTRIBUTION OBLIGATION (B)	0	0
TOTAL ((A + B) x 80%)	24,534	23,883
(-) REDUCTION IN BORROWINGS	-294	0
OBLIGATION TO DISTRIBUTE	24,240	23,883
AMOUNT DISTRIBUTED	24,405	24,075
% DISTRIBUTED OF CORRECTED RESULT TAKING INTO ACCOUNT THE DEBT DECREASE	80.35%	80.64%

^(*) 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:

(€000s)	30/09/2021	30/09/2020
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 (+)	39,802	30,420
Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties (-)	-10,031	-10,031
Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (+/-)	-6,943	-12,648
Equity not distributable under Article 7:212 of the companies and associations code	314,840	299,753
Statutory equity after distribution	345,783	324,890
Remaining margin after distribution	30,943	25,137

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 22 September 2021 Ascencio received the EPRA Gold Award for its 2019/2020 annual financial report.



EPRA KEY PERFORMANCE INDICATORS

		30/09/2021	30/09/2020
1	EPRA Earnings (€000s)	30,555	29,420
	EPRA Earnings per share (euros)	4.63	4.46
2	EPRA NAV (€000s)	378,406	362,093
	EPRA NAV per share (euros)	57.37	54.90
3	EPRA NNNAV (€000s)	369,501	347,305
	EPRA NNNAV per share (euros)	56.02	52.65
4	EPRA NRV (€000s)	408,775	391,464
	EPRA NRV per share (euros)	61.97	59.35
5	EPRA NTA (€000s)	378,406	362,093
	EPRA NTA per share (euros)	57.37	54.90
6	EPRA NDV (€000s)	369,501	347,305
	EPRA NDV per share (euros)	56.02	52.65
7	EPRA Net Initial Yield (NIY)	5.99%	6.23%
8	EPRA Topped-up NIY	6.08%	6.30%
9	EPRA Vacancy Rate	3.95%	2.48%
10	EPRA Cost Ratio (including direct vacancy costs)	19.55%	20.21%
11	EPRA Cost Ratio (excluding direct vacancy costs)	18.64%	19.47%

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

EPRA EARNINGS

(€000s)	30/09/2021	30/09/2020
EARNINGS (OWNERS OF THE PARENT) PER IFRS INCOME STATEMENT	45,652	9,246
ADJUSTMENTS TO CALCULATE EPRA EARNINGS	-15,097	20,174
(i) Change in value of investment properties, development properties held for investment and other interests	-9,835	20,520
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	0	41
(iii) Profits or losses on disposal of trading properties including impairment charges in respect of trading properties	0	0
(iv) Tax on profits or losses on disposals	0	0
(v) Negative Goodwill / Goodwill impairment	0	0
(vi) Change in fair value of financial instruments and associated close-out costs	-5,704	-316
(vii) Acquisition costs on share deals and non-controlling joint venture interests (IFRS 3)	0	0
(viii) Deferred tax	443	-71
(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)	30,555	29,420
Number of shares	6,595,985	6,595,985
EPRA EARNINGS PER SHARE (EPRA EPS - €/SHARE)	4.63	4.46



EPRA NET ASSET VALUE (NAV) METRICS

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

- EPRA NRV assumes that entities never sell assets and provide an estimation of the value required to rebuild the entity;
- EPRA NTA assumes that entities buy and sell as-sets, thereby crystallising certain levels of unavoidable deferred tax;

— EPRA NDV represents the value accruing to the Company's shareholders under an asset disposal sce-nario, resulting in the settlement of deferred taxes, the liquidation of financial instruments and the recognition of other liabilities for their maximum amount, net of any resulting tax.

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

30/09/2021					
(€000s)	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
Equity attributable to owners of the parent in IFRS	370,353	370,353	370,353	370,353	370,353
Diluted NAV at fair value	370,353	370,353	370,353	370,353	370,353
Exclude:					
(v) Deferred taxes in relation to fair value gains of IP	1,275	1,275		1,275	
(vi) Fair value of financial instruments	6,779	6,779		6,779	
Include:					
(ix) Fair value of fixed interest rate debt			-851		-851
(xi) Real estate transfer tax	30,369	0			
EPRA NAV	408,775	378,406	369,501	378,406	369,501
Fully diluted number of shares	6,595,985	6,595,985	6,595,985	6,595,985	6,595,985
EPRA NAV PER SHARE (€/SHARE)	61.97	57.37	56.02	57.37	56.02

30/09/2020					
(€000s)	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
Equity attributable to owners of the parent in IFRS	348,778	348,778	348,778	348,778	348,778
Diluted NAV at fair value	348,778	348,778	348,778	348,778	348,778
Exclude:					
(v) Deferred taxes in relation to fair value gains of IP	832	832		832	
(vi) Fair value of financial instruments	12,483	12,483		12,483	
Include:					
(ix) Fair value of fixed interest rate debt			-1,473		-1,473
(xi) Real estate transfer tax	29,371	0			
EPRA NAV	391,464	362,093	347,305	362,093	347,305
Fully diluted number of shares	6,595,985	6,595,985	6,595,985	6,595,985	6,595,985
EPRA NAV PER SHARE (€/SHARE)	59.35	54.90	52.65	54.90	52.65



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

(€000s)	30/09/2021			
	Belgium	France	Spain	TOTAL
Investment properties in fair value	380,076	300,790	28,800	709,666
Properties held for sale (+)	1,360	0	0	1,360
Developments (-)	0	0	0	0
PROPERTIES AVAILABLE FOR LEASE	381,436	300,790	28,800	711,026
Allowance for estimated purchasers' costs (+)	9,564	19,869	970	30,403
GROSS UP COMPLETED PROPERTY PORTFOLIO VALUATION	391,000	320,659	29,770	741,429
Annualised cash passing rental income (+)	25,168	19,642	1,959	46,770
Property outgoings ¹ (-)	-1,629	-737	0	-2,367
ANNUALISED NET RENTS	23,539	18,905	1,959	44,403
Notionnal rent expiration of rent free periods or other lease incentives (+)	624	26	0	650
TOPPED-UP NET ANNUALISED RENT	24,163	18,931	1,959	45,054
EPRA NIY (%)	6.02%	5.90%	6.58%	5.99%
EPRA TOPPED-UP NIY (%)	6.18%	5.90%	6.58%	6.08%

(€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
Notionnal rent expiration of rent free periods or other lease incentives (+)	479	25	0	504
TOPPED-UP NET ANNUALISED RENT	24,830	18,586	1,959	45,375
EPRA NIY (%)	6.44%	5.96%	6.42%	6.23%
EPRA TOPPED-UP NIY (%)	6.57%	5.97%	6.42%	6.30%

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

EPRA VACANCY RATE

(€000s)	30/09/2021			
	Belgium	France	Spain	TOTAL
Estimated rental value (ERV) of vacant space	1,439	79	312	1,830
Estimated rental value (ERV) of total portfolio	25,337	19,135	1,812	46,284
EPRA VACANCY RATE (%)	5.68%	0.41%	17.23%	3.95%

(€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%

This decline in the EPRA occupancy rate is explained by the following factors:

- In Spain, in Valencia, the departure of a tenant. Although the unit is now vacant, Ascencio has received early termination indemnity covering rent and charges to the end of June 2022 and recognised in the Company's income statement until that date;
- The departure of some tenants in Belgium during the year. The vacancy thus created has already been partially filled by the signing of new leases which have not yet come into force or are still subject to conditions precedent and which therefore cannot be taken into account in the calculation of the EPRA occupancy rate at this stage.

PROPERTIES UNDER CONSTRUCTION OR IN DEVELOPMENT

(€000s)	30/09/2021						
	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Lettable space (m²)	ERV on completion
PROPERTIES BEING CONSTRUCTED OR DEVELOPED	0	0	0	0	0	0	0

(€000s)	30/09/2020						
	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Lettable space (m²)	ERV on completion
PROPERTIES BEING CONSTRUCTED OR DEVELOPED	401	1,599	0	2,000	March 2021	1,504	162

The development project in progress at 30 September 2020 concerns the construction of a new 1,504 m² unit for Maisons du Monde in its Chalon-sur-Saône retail park (France). It was duly delivered as announced during financial year 2020/2021 and transferred to properties available for rent.



EPRA COST RATIOS

(€000s)	30/09/2021	30/09/2020
ADMINISTRATIVE/OPERATING EXPENSE LINE PER IFRS STATEMENT	-9,049	-9,004
Rental-related charges	-1,371	-2,224
Recovery of property charges	0	0
Rental charges and taxes normally paid by tenants on let properties	-165	-192
Other revenue and expenditure relating to rental	35	8
Technical costs	-937	-497
Commercial costs	-175	-182
Charges and taxes on unlet properties	-421	-327
Property management costs	-1,816	-1,566
Other property charges	-129	-140
Corporate overheads	-4,057	-3,881
Other operating income and charges	-12	-4
EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)	-9,049	-9,004
Charges and taxes on unlet properties	421	327
EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)	-8,627	-8,677
GROSS RENTAL INCOME	46,285	44,555
EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (%)	19.55%	20.21%
EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (%)	18.64%	19.47%

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 decline in EPRA Cost Ratios relative to the previous financial year is mainly the result of the more limited impact of the health context in the past financial year,

both in terms of the rental concessions granted and of the impairment in trade receivables, these elements being recognised in " Rental-related charges ".

EPRA CAPEX

(€000s)	30/09/2021	30/09/2020
Investments relating to investment properties		
(1) Acquisitions	6,382	85,167
(2) Developments	1,885	1,769
(3) Others (renovations, ...)	1,591	1,170
TOTAL	9,858	88,106

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

During the financial year, Ascencio made €9.9 million of investments: These mainly concerned

- the acquisition for €6.4 million of a Carrefour Market by Groupe Mestdagh supermarket and four adjacent units in Couillet-Bellefleur (Belgium);
- the construction of a 1.504 m² unit in Chalon-sur-Saône (France) for Maisons du Monde;
- the construction of a 393 m² extension for Auto 5 in Jemappes (Belgium).



Ascencio on the stock exchange

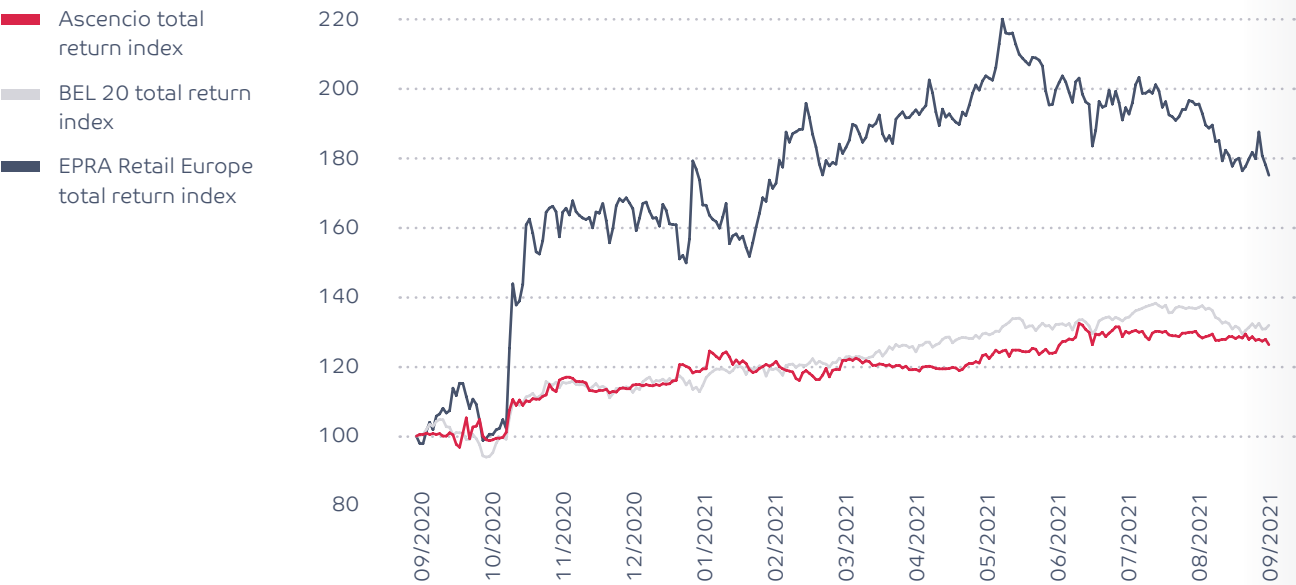
ASCENCIO’S STOCK (ASC) HAS BEEN LISTED ON EURONEXT BRUSSELS SINCE 2007. IT FORMS PART OF THE BEL MID INDEX AND THE EPRA INDEX.

KEY FIGURES

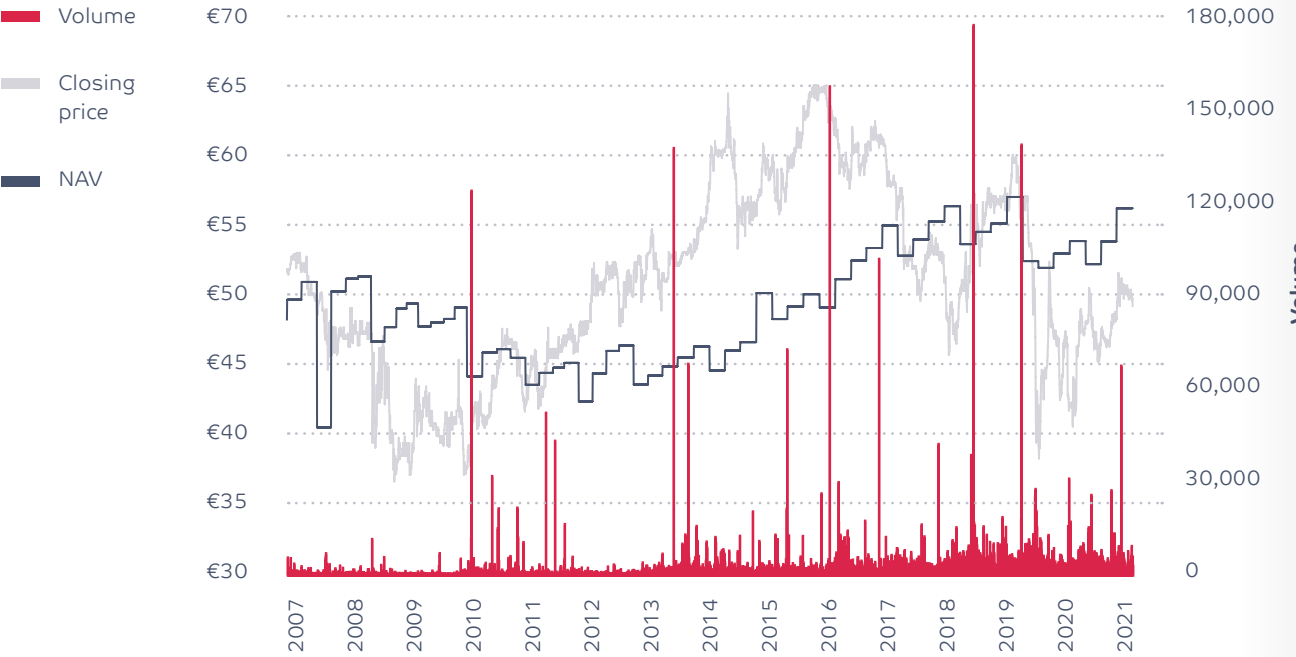
	30/09/2021	30/09/2020	30/09/2019
Weighted average number of shares	6,595,985	6,595,985	6,595,985
Total number of existing shares	6,595,985	6,595,985	6,595,985
Highest price (euros)	51.50	60.00	57.60
Lowest price (euros)	40.45	38.15	45.60
Closing price at 30/09 (euros)	49.10	41.80	56.60
Stock market capitalisation ¹	323,862,864	275,712,173	373,332,751
Net asset value IFRS per share (euros)	56.15	52.88	55.05
EPRA NTA per share (euros)	57.37	54.90	57.13
Premium (+) Discount (-) ²	-12.6%	-21.0%	2.8%
Annual volume	1,129,287	1,264,424	1,338,307
Velocity	17.1%	19.2%	20.3%
Gross dividend per share (euros) ³	3.70	3.65	3.50
Gross yield ⁴	7.5%	8.7%	6.2%
Pay out ratio as compared to the corrected result ⁵	80.4%	80.6%	78.1%

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 IFRS per share.
³ For 2020/2021, this is the dividend proposal subject to the approval of the general meeting of shareholders to be held on 31 January 2022.
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 July 2014, as amended by the Royal Decree of 23 April 2018, on B-REITs.

EVOLUTION OF ASCENCIO 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

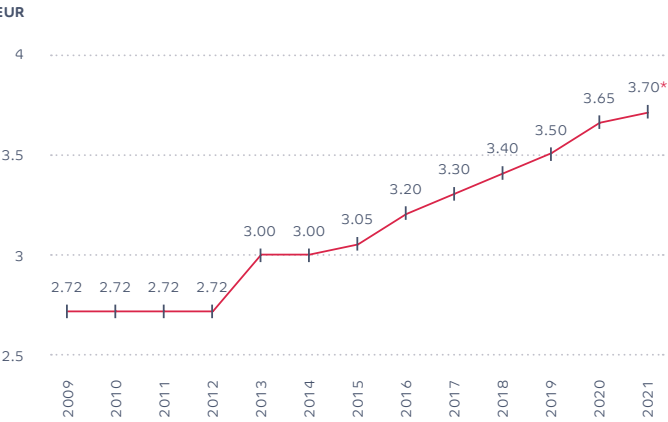
Obligation to distribute dividend —

On accordance with the Royal Decree of 13 July 2014 as amended by the Royal Decree of 23 April 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 —

A proposal will be submitted to the ordinary general meeting of shareholders of 31 January 2022 that it approves the distribution of a gross dividend of €3.70 per share.

Growth in gross dividend per share —



* For 2020/2021, this is the dividend proposal subject to the approval of the general meeting of shareholders to be held on 31 January 2022.

SHAREHOLDING

Based on the declarations of transparency recorded at 30 September 2021, the shareholding of Ascencio is as follows:

AG Finance SA	9.96%
Carl, Eric and John Mestdagh and Fidagh SA	9.49%
Free float	80.55%
TOTAL	100.00%

SHAREHOLDERS' DIARY¹

Ordinary general meeting 2020/2021	31 January 2022 (2.30 p.m.)
Coupon payment date (ex-date)	3 February 2022
Record date	4 February 2022
Payment of dividend	9 February 2022
Interim statement at 31 December 2021	24 February 2022 (5.40 p.m.)
Interim financial report at 31 March 2022	24 May 2022 (5.40 p.m.)
Interim statement at 30 June 2022	18 August 2022 (5.40 p.m.)
Annual press release at 30 September 2022	24 November 2022 (5.40 p.m.)
Ordinary general meeting 2021/2022	31 January 2023 (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

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 certain principles 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 S.C.A. and of its statutory manager, Ascencio S.A. It can be consulted on the Company's website: www.ascencio.be.

90	CORPORATE GOVERNANCE
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121	INTERNAL CONTROL

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 *

Ascencio S.C.A. French branch

Ascencio S.C.A

Ascencio Iberia S.A

- Belgium
- France
- *SIIC status
- Spain

MANAGEMENT STRUCTURE OF THE COMPANY

Ascencio S.C.A. 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;
- management bodies of the statutory manager of Ascencio S.C.A., namely Ascencio S.A.:
 - the Board of Directors;
 - the specialist 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.

**Carl, Eric
and John Mestdagh**
100%

**The statutory manager
Ascencio S.A.**
General partner

**The shareholders
Limited
partners**

**The B-REIT
Ascencio S.C.A.**

SHAREHOLDING STRUCTURE

All shareholders of Ascencio S.C.A. 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 2021 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 associated voting rights 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 one¹.

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 S.C.A. is as follows according to the transparency declarations recorded at the end of the reporting period:

AG Finance S.A.	9.96%	656,951
Carl, Eric and John Mestdagh and Fidagh S.A.	9.48%	625,809
Free float	80.55%	5,313,225
TOTAL	100%	6,595,985

¹ Article 16 of the Articles of Association of Ascencio S.C.A.

THE STATUTORY MANAGER AND ITS 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 S.C.A.;
- 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 S.A. is represented in Ascencio S.C.A. 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 S.C.A., 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 S.C.A.; 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;
- management of the crisis linked to the COVID-19 pandemic;
- recruitment of a new CFO;
- the Company's financing and hedging policy;
- effective managers' report on internal control;
- 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 S.A. 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.

The Board of Directors carries out self-assessments and assessments of its committees at regular intervals.

The last assessment took place during the previous financial year.

Composition of the board of directors —

The Board of Directors (hereinafter “the Board”) is composed of at least three directors. The directors of Ascencio S.A. are nominated 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 S.A. (“AGI”), a company forming part of the Ageas Group, of which AG Real Estate (“AGRE”) also forms part, holds shares in Ascencio S.C.A. 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 nomi-

nation 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	INDEPEN- DENT	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 2025
Serge Fautré	Vice-Chairman, non-executive		June 2012	June 2025
Vincent H. Querton	Managing director, executive		October 2017	June 2025
Yves Klein	Non-executive Director	X	July 2009	June 2021
Laurence Deklerck	Non-executive Director	X	January 2015	June 2025
Patrick Tacq	Non-executive Director	X	June 2017	June 2025
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-Benoît D'Hondt	Non-executive Director		December 2018	June 2022
Jean-Louis Watrice	Non-executive Director	X	June 2021	June 2025

¹ As a private individual or via SPRL CAI.



Changes in the composition of the board of directors during financial year 2020/2021 —

The terms of office of the following directors expired at the end of the ordinary general meeting of shareholders of the statutory manager, Ascencio S.A., on 11 June 2021:

- Carl Mestdagh
- Serge Fautré
- Vincent H. Querton
- Yves Klein
- Laurence Deklerck
- Patrick Tacq

After due deliberation, the general meeting of shareholders of 11 June 2021 resolved unanimously to renew the terms of office of the following directors for four years, that is until the ordinary general meeting of shareholders deliberating on the accounts at 31 December 2024:

- Mr Carl Mestdagh, as non-executive director, Chairman;
- Mr Serge Fautré, as non-executive director, Vice-Chairman;
- Mr Vincent H. Querton, as managing director.

Having established that the following directors met all the independence criteria as defined by Article 7:87 § 1 of the Code of Companies and Associations and by Article 3.5 of the 2020 Code, the general meeting of shareholders of 11 June 2021 resolved unanimously to renew their terms of office as director for four years, that is until the ordinary general meeting of shareholders deliberating on the accounts at 31 December 2024:

- Ms Laurence Deklerck as independent non-executive director;
- Mr Patrick Tacq as independent non-executive director.

The ordinary general meeting of shareholders of 11 June 2021 also resolved unanimously to appoint Mr Jean-Louis Watrice as an independent non-executive director for a term of four years, that is until the ordinary general meeting of shareholders deliberating on the accounts at 31 December 2024:

The term of office of Mr Yves Klein expired at the ordinary general meeting of shareholders of 11 June 2021 and was not renewed since Mr Klein had already served three terms of office as an independent director.

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 Mr 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 managing director 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 S.A. and Executive Chairman of Equilis Europe S.A. Carl Mestdagh places his managerial skills mainly at the service of companies linked to the Mestdagh Group.

- Start of term of office: May 2008
- Term of office expires: June 2025
- Shares held in Ascencio: 391,401

¹ As a private individual or via SPRL CAI.



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 (Strategic Leadership), 2009. He is the Honorary Chairman of the European Public Real Estate Association (EPRA) and of Union Professionnelle du Secteur Immobilier (UPSII) and a director of SETE, the company that operates the Eiffel Tower.

- Start of term of office: June 2012
- Term of office expires: June 2025
- Shares held in Ascencio: 0



VINCENT H. QUERTON
Managing director, 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 from 2003 to February 2017 as International Director and CEO Benelux.

- Start of term of office: October 2017
- Term of office expires: June 2025
- Shares held in Ascencio: 2,000



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 in Real Estate (Saint-Louis/UCLouvain).

- Start of term of office: January 2015
- Term of office expires: June 2025
- 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 2025
- Shares held in Ascencio: 0

**STÉPHANIE BONIFACE,**

Independent, non-executive
Director

Avenue de Brigade 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 Nhood) 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 4/1
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'HOND**

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

**JEAN-LOUIS WATRICE**

Independent, non-executive
Director

Avenue Fond du Diable 26
1310 La Hulpe

Jean-Louis Watrice holds degrees in Administrative Sciences and External Trade from the Lucien Cooremans Institute of Higher Education of the City of Brussels. He has spent his entire career in banking and insurance, notably with Citibank Belgium (Banque Sud Belge), Axa (Ippa and Anhyp) and Aareal Bank AG as General Manager for Branches in Brussels (BeNeLux market) and Paris (French market) until March 2020. Jean-Louis Watrice specialises in managing portfolios of cross-border real estate loans and restructuring and optimising complex real estate cases.

- Start of term of office: June 2021
- Term of office expires: June 2025
- 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 Jean-Louis Watrice. 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 six 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 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.

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 effective managers' report on internal control;
- summary of disputes and appropriate provisions;
- risk report;
- 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 five 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, the Chief Executive Officer, effective 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 effective managers and, if applicable, members of management;
- b. Making proposals to the Board of Directors on the individual remuneration of Directors, the CEO, the effective 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 effective 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 effective 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:

- proposing to the Board of Directors and to the general meeting of shareholders an amended version of the remuneration policy bringing it into compliance with the provisions of SRD II and of the Code of Companies and Associations;
- making recommendations to the Board of Directors on the hiring and remuneration of the new CFO;
- evaluating performance objectives and the related criteria linked to effective 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 six 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.

Activities of the investment committee during the past financial year notably included:

- analysing the ranking of the portfolio;
- analysing the summary table of investment cases proposed to Ascencio;
- analysing certain investment cases in depth;
- evaluating and proposing amendments to its own internal regulations.

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;
- monitoring the decisions of the Board of Directors;
- exchanges and reflections on the 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 H. Querton, who assumes the function of CEO, the executive committee is composed of:

— Cedric Biquet, Chief Financial Officer

Cédric Biquet joined Ascencio in July 2021.

After starting his career in bank auditing with KPMG, Cédric Biquet spent 14 years with BREIT Befimmo, first of all as Deputy Financial Officer (6 years) and then as Chief Investment Officer (8 years). He also held the position of CFO with BREIT Wereldhave Belgium for over three years.

He holds a degree from the Louvain School of Management of the Catholic University of Louvain and a master’s in financial risk management from the Université Saint-Louis in Brussels and has completed the Executive Programme in Real Estate at Solvay Business School.

— 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).

¹ For SRL Philippe Scheirlinckx.

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

— Jean-Luc Stavaux¹, 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 as head of corporate housekeeping. This position enabled her to gain 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).

— Michèle Delvaux

Michèle Delvaux was Chief Financial Officer of Ascencio until 4 June 2021.

¹ For SRL Jean-Luc Stavaux.

Dirigeants effectifs (“effective managers”) —

In accordance with the B-REITs Act, executive management of the Company has been entrusted for an indefinite period to three dirigeants effectifs (“effective managers”): Vincent H. Querton, Cédric Biquet and Stéphanie Vanden Broecke.

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

The objective of this policy is to guarantee diversity in all its facets (cultural, gender, language, professional experience, etc.), equal opportunities and respect for human capital and rights being 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, the means we implement are 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.

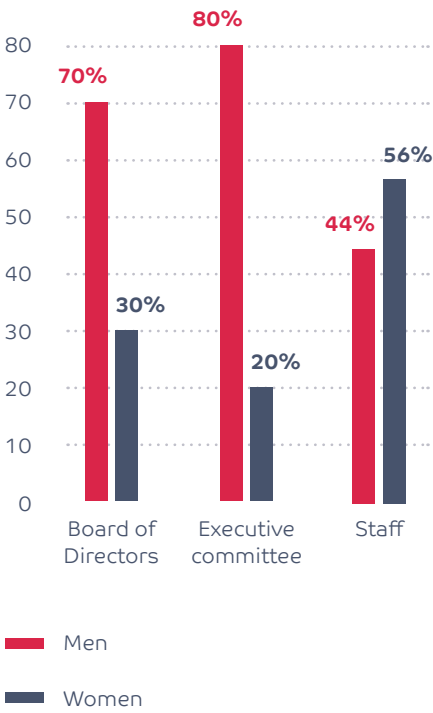
This translates into a balanced composition of the Board of Directors in terms of skills, knowledge and experience. Composition of the Board of Directors (three women and seven men) conforms sufficiently to the legal provisions relating to gender diversity (Article 7:86 of the Code of Companies and Associations).

The members of the Executive Committee also form a balanced team, each presenting the required expertise. This is evident from the CV of each of the members, presented in this Corporate Governance Declaration.

Recruitment to the team is open to diversity and free from any criteria related to gender, age, origin, religious beliefs or sexual orientation. The wage policy ensures gender equality. It is based solely on internal consistency and external benchmarks.

During the year, this was reflected in particular in:

- respect for gender balance in the team (44%-56%);
- the hiring of a new CEO and the replacement of a director in keeping with the complementarity of skills, experience, age and knowledge within the management bodies without consideration of gender;
- the implementation of training, “job orientation” or “personal development” with a view to team development, individually or collectively.



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, the 2020 Code and the provisions of SRD II 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 its executive committee.

On 29 January 2021, the ordinary general shareholders’ meeting of Ascencio approved, by separate vote, a “new” remuneration policy adapted 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 applies with effect from 1 January 2021. It is available on Ascencio's website (www.ascencio.be).

Remuneration policy —

The remuneration policy was updated by the Board of Directors of Ascencio S.A, in its capacity as statutory manager of the SIR Ascencio S.C.A., at the proposal of the nominations and remuneration committee.

The remuneration policy of Ascencio S.C.A., its manager, its branch and its subsidiaries (hereinafter “Ascencio”) has been established in accordance with the Code of Companies and Associations, the Law of 12 May 2014 on Regulated Real Estate Companies (“Loi SIR” or “Belgian REIT Act”) and the recommendations of the Belgian Code of Corporate Governance (the “2020 Code”).

It aims to remunerate the various persons involved in the management of Ascencio in a way that makes it possible to attract, retain and motivate them while at the same time maintaining consistency between managers’ remuneration and that of the personnel as a whole, sound and effective risk management and keeping the cost of the various kinds of remuneration under control.

To keep up to date with market remuneration, the Company takes part in benchmarking sessions organised by specialist consultants. It also occasionally consults these specialists separately from any benchmarking session.

This remuneration policy forms an integral part of the Corporate Governance Charter of Ascencio S.C.A. and may be consulted on the Company’s website.

The remuneration policy is approved by the general meeting of shareholders. It is submitted for the approval of the general meeting of shareholders whenever there is a significant amendment and in any case at least once every four years. If the remuneration policy is revised, it must include a description and explanation of all significant amendments and an indication of how shareholders’ votes and opinions on the remuneration policy have been taken into account since the most recent vote on the remuneration policy by the general meeting of shareholders.

REMUNERATION POLICY OF THE STATUTORY
MANAGER, ASCENCIO S.A.

DECISION-MAKING PROCESS

The means of remuneration of the statutory manager are described in the Articles of Association of Ascencio S.C.A. They can therefore be changed only by a resolution to amend the Articles of Association passed by the general meeting of shareholders of Ascencio S.C.A.

BREAKDOWN OF REMUNERATION

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.

REMUNERATION POLICY FOR NON-EXECUTIVE
DIRECTORS OF ASCENCIO S.A.

DECISION-MAKING PROCESS

The remuneration of the non-executive directors of Ascencio S.A. is established by the general meeting of shareholders of Ascencio S.A. 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 S.C.A.. This distribution of powers, established by law, ensures the absence of actual or potential conflicts of interest at this level.

BREAKDOWN OF REMUNERATION

Remuneration consists of:

- a fixed annual amount;
- attendance fees.

Attendance fees are allocated to non-executive directors for participating in meetings of the Board of Directors and of Board committees; they are also allocated (one allowance per day of work) to directors sent by the Board of Directors on special assignments, in addition to reimbursement of expenses incurred (e.g. site visits abroad).

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.

MAIN CHARACTERISTICS OF CONTRACTS

The Company has not entered into any contracts with members of the Board of Directors. Non-executive directors have the status of independent directors and are appointed by the general meeting of shareholders of Ascencio S.A. for a maximum term of four years. There is no provision for specific statutory prior notice indemnities, and the general rule that directors can be revoked at will by the general meeting of shareholders applies, such that directors’ term of office can be revoked at any time and without compensation or prior notice.

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 S.C.A. in the meaning of Article 14 § 3 of the law on Regulated Property Companies (the “B-REITS Act”).

He performs his functions as an independent natural person.

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

DECISION-MAKING PROCESS

His remuneration as CEO is set by the Board of Directors of Ascencio S.C.A. at the proposal of the nomination and remuneration committee. The nomination and remuneration committee is composed exclusively of non-executive directors and the majority of its members have the status of independent directors. This allows potential conflicts of interest concerning the establishment, revision and implementation of the remuneration policy for the CEO to be appropriately prevented.

Furthermore, the CEO is not present when the nomination and remuneration committee deliberates on his remuneration. Lastly, the legal provisions regarding conflicts of interest also apply.

BREAKDOWN OF REMUNERATION

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 S.C.A.. 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. The fixed annual remuneration is paid monthly in arrears in twelve equal amounts. It is paid irrespective of results and is not indexed.

Variable remuneration (in cash only) rewards quality performance meeting expectations as regards results, professionalism and motivation. Variable remuneration will be paid by Ascencio before the end of the calendar year. Variable remuneration may be granted only providing

(a) the portion of the variable remuneration that depends on results refers only to the consolidated net results of the Company, excluding any change in the fair value of assets and hedging instruments and;

(b) no remuneration is granted in respect of a specific operation or transaction of the Company.

The Board avoids establishing criteria that might encourage the CEO to favour short-term objectives with an influence on his variable remuneration and that would have a negative influence on the Company in the medium and long term.

In application of the foregoing principles and at the proposal of the nomination and remuneration committee, the criteria for evaluating the CEO's performance and their weighting have been established as follows, divided into two parts:

— The first part, representing 80% of the target variable remuneration: criteria linked to the performance of the Company. These objectives are common to the entire executive committee.

Criteria	Evaluation method
Corporate Criterion Net income excluding non-recurring items per share (EPRA Earnings) and implementation of the strategy	Financial criteria to be compared with the market
Real estate criterion Property performance of the portfolio	This criterion includes in particular the occupancy rate, the value of the portfolio and rental income on a like-for-like basis, and portfolio growth
Financial criterion Cost of financing, diversification of sources of financing and hedging instruments	Financial criteria to be compared with the market
Criterion linked to the management of human resources Implementation of development plans including succession plans and management aimed at attracting and developing talent.	Qualitative criterion
Criterion linked to communication, marketing and digitisation of the business Development of corporate identity, communication with stakeholders and development of CSR	Qualitative criterion

— Second part, representing 20% of target variable remuneration: complementary individual objectives have been set, relating to the aforementioned objectives in correspondence with the specific responsibilities of the CEO. These are detailed each year in the Remuneration Report. The target amount of his annual variable remuneration (first and second parts together) represents 25% of his annual remuneration (fixed and variable). 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.

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

Apart from being provided with a laptop computer and a secure Internet connection, the CEO does not receive any other benefit in kind.

OFFICES PERFORMED IN SUBSIDIARIES AND BRANCH

The CEO may perform the office of executive or non-executive director, permanent representative and/or consultant with subsidiaries and the branch of Ascencio S.C.A. Any remuneration for these offices shall be included in the Remuneration Report. Unless otherwise stipulated between the parties, the end of the agreement binding the CEO and Ascencio S.C.A. shall entail the end of the offices performed by the CEO in subsidiaries of Ascencio S.C.A. and in its branch.

END-OF-SERVICE INDEMNITY

In the event of the early termination of the agreement between the CEO and Ascencio S.C.A. on Ascencio S.C.A's initiative and with the exception of the cases provided contractually in the event of serious failing or negligence, 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 received in performance of the agreement between him and Ascencio S.C.A. during the twelve months preceding the termination.



MAIN CHARACTERISTICS OF THE CONTRACT

The rights and obligations inherent in the position of CEO are formalised in a management agreement of indefinite duration containing the main provisions relating to the performance of his office, the confidentiality of the information to which he has access, a non-compete clause, a no-poaching clause, etc.

THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE

DECISION-MAKING PROCESS

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.

BREAKDOWN OF REMUNERATION

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 is adjusted every January by reference to indexation.

Variable remuneration (in cash only) 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.

In application of the foregoing principles and at the proposal of the nomination and remuneration committee, the criteria for evaluating the executive committee's performance and their weighting have been established as follows, divided into two parts:

- The first part, representing 25% of the target variable remuneration: objectives linked to the performance of the Company. These objectives are common to the entire executive committee as set out above for the CEO.
- The second part, representing 75% of the target variable remuneration: individual objectives linked to the aforementioned objectives. This concerns a combination of basic objectives linked to their operational responsibilities and specific priority objectives. These are financial and/or qualitative objectives. The financial objectives generally include the occupancy rate, growth, EPS, operational margin and special projects. Non-financial criteria may vary from one year to another depending on the priorities. They typically cover areas that can be categorised as effectiveness, leadership and initiative projects.

Variable remuneration will be paid by Ascencio before the end of the calendar year. The target total amount of variable annual remuneration of the three other members of the executive committee represents less than 25% of the total fixed annual remuneration (total for all three members).

The other members of the executive committee have employment contracts, company cars and the usual perquisites. They are also provided with a mobile phone, a laptop computer and an entertainment allowance. The employer makes contributions to health insurance and group insurance policies.

MAIN CHARACTERISTICS OF THE CONTRACTS WITH THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE

The other members of the executive committee are paid on the basis of management contract and employment contracts. These contracts are of indefinite duration. The indefinite duration employment contracts entered into with the other members of the executive committee do not contain specific end-of-contract provisions. The legal prior notice periods apply.

Service agreements provide the following possibilities for prior notice:

- unilaterally, four to six months prior notice depending on the position;
- without prior notice or compensation in the case of termination for serious fault.

OTHER EMPLOYEES

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.

CONTRIBUTION OF THE REMUNERATION POLICY TO THE BUSINESS STRATEGY, LONG-TERM INTERESTS AND THE CREATION OF SUSTAINABLE VALUE IN THE COMPANY

Ascencio's remuneration policy as regards its directors aims to attract people with profiles that will enable the Board of Directors, thanks to the combination of their experience, knowledge and skills, to fulfil its role of creating sustainable value by defining Ascencio's strategy and exercising effective, responsible and ethical leadership and permanent control over the Company's performance.

Ascencio's remuneration policy as regards the CEO, the member of the executive committee and its other employees aims to attract, reward and earn the loyalty of people with profiles that can contribute to the realisation of the sustainable business strategy established by Ascencio in particular by setting qualitative and quantitative performance criteria aligned with its long-term objectives and its growth plan.

COMPLY OR EXPLAIN

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 share-

holder’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 offers 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.

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 members of the executive committee have accepted the Company’s policy of adjustment of variable remuneration whereby the Company may cancel or reduce all or part of the variable remunera-

tion 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.

PROCEDURE FOR DEROGATION FROM THE REMUNERATION POLICY

In exceptional circumstances, to be assessed case by case, and only if necessary to serve the interests and long-term continuity of the Company as a whole or to ensure its viability, the Board of Directors may, on the basis of a reasoned opinion of the nomination and remuneration committee, authorise certain derogations from the remuneration policy in force as regards the following elements of the remuneration of the CEO and members of the executive committee:

- determination and adaptation of the amount of fixed and/or variable remuneration;
- determination or adaptation of the performance objectives.



REMUNERATION REPORT FOR FINANCIAL YEAR 2020-2021

The remuneration report provides an overall view of remuneration, including all benefits granted or due during the financial year 2020-2021 to the statutory manager, the directors, the CEO and the other members of the executive committee.

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

Remuneration of the statutory manager: Ascencio S.A. —

For the financial year last ended, the Manager's remuneration amounted to €976,000.

Remuneration of non-executive directors —

Directors’ 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 p.a. excl. VAT. That of the other non-executive directors is €6,000 p.a. 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. 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.

Director’s remuneration will be paid in June 2022 after the ordinary general meeting of shareholders of the statutory manager. Details are as follows:

		Annual fixed remuneration (in euros)	Attendance fees (in euros)						Total (in euros)
			Board of Directors	Audit Committee	Investment Committee	Nomination and Remuneration Committee	Committee of independent directors	Working group	
Mestdagh Carl	Chairman of the Board of Directors	15,000	10,500	-	-	9,000	-	-	34,500
Fautré Serge	Vice-Chairman of the Board of Directors	6,000	10,500	-	-	-	-	-	16,500
Klein Yves ¹	Non-executive Director	4,500	10,500	6,000	-	-	-	-	21,000
Deklerck Laurence	Non-executive Director	6,000	12,000	9,000	-	9,000	1,500	-	37,500
Tacq Patrick	Non-executive Director	6,000	12,000	-	12,000	9,000	1,500	-	40,500
Beguín Olivier	Non-executive Director	6,000	12,000	-	9,000	-	-	-	27,000
Boniface Stéphanie	Non-executive Director	6,000	10,500	-	12,000	-	1,500	-	30,000
Leunen Alexandra	Non-executive Director	6,000	12,000	-	-	-	-	-	18,000
D'Hondt Amand-Benoît	Non-executive Director	6,000	12,000	9,000	7,500	-	-	-	34,500
Watrice Jean-Louis ²	Non-executive Director	2,000	1,500	3,000	-	-	-	-	6,500
Total directors (in euros)		63,500	103,500	27,000	40,500	27,000	4,500	-	266,000

¹ End of mandate on 11/06/2021.
² Beginning of mandate on 11/06/2021.

Remuneration of the executive committee —

(in euros)	Remuneration ¹	Variable remuneration ²	Group insurance	Benefits in kind	Total remuneration
CEO					
Vincent Querton	€207,000	€60,000	NA	€10,000	€277,000
sprl AN&MO	€100,000	€40,000	NA	NA	€140,000
Total CEO	€307,000	€100,000	NA	€10,000	€417,000
Other members of the executive committee ³					
	€663,101	€160,785	€14,420	€9,694	€848,000
Variable remuneration as% of total remuneration ⁴					
CEO	23.98%				
Other members of the executive committee	18.96%				

THE CHIEF EXECUTIVE OFFICER (CEO)

- Common, permanent objectives for the Executive Committee as a whole
- Corporate criterion: EPRA Earnings per share and strategy implementation
- Real estate criterion: Portfolio Real Estate Performance
- Financial criterion: Financing costs, diversification of financing sources and hedging instruments
- Criterion related to human resources management: Implementation of development plans including succession plans and management designed to attract & develop talent
- Criterion related to communication, marketing and digitalisation of the company: Development of corporate identity, communication to all stakeholders and development of corporate social responsibility

- Individual objectives specific to the past financial year
- Ensure optimal management of Ascencio in the context of the pandemic; Prepare the company to seize and analyse strategic opportunities; Advise and participate in the development of Ascencio's real estate expertise on its various markets

The Managing Director 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 S.C.A. 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.

For the past financial year, the CEO's variable remuneration was decided taking account of the criteria common to the executive committee and individual criteria (see above). On 24 November 2021, the Board of Directors concluded, after due analysis and with the opinion of the nomination and remuneration committee, that all the objectives set, both common and individual, had been attained.

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 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.

¹ Comprises gross remuneration and flat fees.
² Includes bonus and CCT90.
³ Includes Compensation Michèle Delvaux who left the company on June 4, 2021.
⁴ Total remuneration in the meaning of Article 3:6 § 3 1° of the Code of Companies and Associations.

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

For the past financial year, the variable remuneration of the other members of the executive committee was decided taking account of criteria common to the executive committee. Complementary individual objectives were also used, linked to the specific operational responsibilities of each one of them. On 24 November 2021, the

Board of Directors concluded, after due analysis and with the opinion of the nomination and remuneration committee, that all the objectives set, both common and individual, had been attained.

Annual variation of overall remuneration —

The ratio of the highest remuneration of the executive committee to the lowest among the employees, expressed on an FTE basis, is 1/10.

Annual variation in %	2016/2017 vs 2015/2016	2017/2018 vs 2016/2017	2018/2019 vs 2017/2018	2019/2020 vs 2018/2019	2020/2021 vs 2019/2020
Remuneration of the Manager	5%	5%	3%	4%	1%
Remuneration of non-executive Directors ¹					
SPRL CAI (Ended 09/06/2017) - Carl Mestdagh (Appointed 09/06/2017)	-15%	37%	-19%	29%	5%
Serge Fautré (Appointed 08/06/2012)	25%	35%	0%	0%	22%
Yves Klein (Appointed 16/07/2009)	19%	66%	-33%	14%	-13%
Laurence Deklerck (Appointed 25/01/2015)	20%	35%	-22%	24%	19%
Patrick Tacq (Appointed 09/06/2017)	NA	NA	-30%	13%	50%
Olivier Beguin (Appointed 28/03/2018)	NA	NA	NA	27%	29%
Stéphanie Boniface (Appointed 28/03/2018)	NA	NA	NA	7%	25%
Alexandra Leunen (Appointed 28/03/2018)	NA	NA	NA	33%	0%
Amand-Benoît D'Hondt (Appointed 01/12/2018)	NA	NA	NA	94%	15%
Jean-Louis Watrice (Appointed 11/06/2021)	NA	NA	NA	NA	NA
Total remuneration of the CEO ²	NA	NA	2%	6%	-5%
Total average remuneration of the other members of the executive committee ³	NA	NA	4%	12%	1%
Total average remuneration of employees, FTE ⁴	6%	24%	21%	30%	8.72%
Performance of the company					
Fair value of the property portfolio	7%	1%	1%	11%	3%
EPRA result per share ⁵	5%	2%	7%	3%	4%
Gross dividend per share	3%	3%	3%	4%	1%

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.

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 or she 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.

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.

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.

All decisions or operations to which the above procedure applies must be publicly announced not later than when the decision is taken or the operation carried out (§4/1).

The announcement must be accompanied by the committee's decision, the reasons why the Board of Directors does not follow the opinion of the committee, if such be the case, and the statutory auditor's assessment.

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 if of benefit to it and is in line with its strategy and that the transaction will be carried out on normal 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)

— 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 26 November 2020, 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 2019/2020.

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 2019/2020, variable remuneration of:
- €60,000 to Vincent H. Querton in his capacity as Chief Executive Officer,
- €40,000 to SPRL AN&MO for the assignments carried out for Ascencio's French branch."

— Application of the procedure referred to in Article 7:97 of the Code of Companies and Associations

The committee of independent directors, composed of Stéphanie Boniface, Laurence Deklerck and Patrick Tacq, met on 23 December 2020 at the request of the Board of Directors following the detection of a conflict of interest in the meaning of Article 7:97 § 3 of the Code of Companies and Associations, in the context of the acquisition of the Carrefour Market by Mestdagh supermarket at Couillet and the adjacent units.

The Committee issued the following opinion:

"Having taken note of the opinion of the independent expert CBRE, and on the basis of the considerations set forth in this opinion, the members of the committee of independent directors have concluded unanimously that the transaction envisaged under the financial conditions described above:
— is not of a nature such as to harm the Company or its shareholders;
— is not of a nature such as to cause the Company manifestly abusive damage in light of the policy it pursues;
— and will cause no harm to the Company or its shareholders, since it will be conducted on normal market terms for transactions of this nature.

The Committee therefore issues a favourable opinion on the Transaction.”

- In accordance with Article 7:97 § 4/1 of the Code of Companies and Associations, a public announcement was made on 15 March 2021. It can be consulted on the Company's website.
- A notification in accordance with Article 37 of the REIT Act was sent to the FSMA on 9 March 2021.

PROVISIONS OF THE CHARTER OF GOVERNANCE

I. POLICY OF ASCENCIO S.C.A. 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 S.C.A. 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 S.C.A. nevertheless considers it necessary that this Director inform the other Directors of it before the Board of Directors deliberate on it; that his/her 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 S.C.A. for the Director concerned to be informed of the conditions on which Ascencio S.C.A. would be prepared to undertake the transaction in question, the preparatory notes not be sent to him/her and the item be the subject of an appendix to the minutes which is not communicated to him/her.

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 S.C.A. 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 S.C.A. 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 S.C.A.). 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 business within 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, an effective manager, has been appointed Compliance Officer.

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.

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.

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")

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.

- 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.

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.

INSIDER TRADING

No person in possession of privileged information may:

- make use of the privileged information to acquire or sell financial instruments on his or her 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;
- 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.

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



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.

Cédric Biquet, an effective 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.

During the past financial year, the internal auditor’s work covered:

- The property management process from the point of view of socio-economic and town planning permits;
- the human resources and payroll management process;
- cybersecurity;
- and recurring audit issues:
 - review of the compliance function;
 - review of the risk management function;
 - review of banking rights and signing powers.

The internal auditor’s report was presented to the audit committee, which forwarded it to the Board of Directors.

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 S.C.A. amounted to €39,575,910 and was represented by 6,595,985 shares at 30 September 2021. 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 S.C.A. 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;

Thus in accordance with Article 8 of the Articles of Association of Ascencio S.C.A., 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, namely 25 November 2019. 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 share-

holders 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;

There is an agreement between Vincent H. Querton and Ascencio S.C.A. 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.

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CONSOLIDATED BALANCE SHEET

ASSETS (€000s)	Note	30/09/2021	30/09/2020
ASSETS			
I NON-CURRENT ASSETS			
A Goodwill		0	0
B Intangible assets		0	0
C Investment properties	5	713,601	694,342 ^(*)
D Other tangible assets	6	46	1,034
E Non-current financial assets	7	1,354	471
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		715,002	695,848 ^(*)
II CURRENT ASSETS			
A Assets held for sale	8	1,360	0
B Current financial assets		0	0
C Finance lease receivables		0	0
D Trade receivables	10	5,773	7,441
E Tax receivables and other current assets	11	1,982	2,016
F Cash and cash equivalents		3,707	4,710
G Deferred charges and accrued income	12	253	404
TOTAL CURRENT ASSETS		13,075	14,571
TOTAL ASSETS		728,076	710,418 ^(*)

(*) These amounts have been restated due to the IFRS 16 restatement as described in Note 5.

EQUITY AND LIABILITIES (€000s)		Note	30/09/2021	30/09/2020
EQUITY				
I	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		370,353	348,778 ^(*)
A	Capital	13	38,659	38,659
B	Share premium account	13	253,353	253,353
C	Reserves		32,688	47,520
	a. Legal reserve		0	0
	b. Reserve for changes in fair value of properties		26,791	47,414 ^(*)
	c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties		-10,031	-10,031
	e. Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied		-12,491	-12,964
	m. Other reserves		28,419	23,101
D	Net result for the financial year		45,652	9,246
II	NON-CONTROLLING INTERESTS		0	0
TOTAL EQUITY			370,353	348,778 ^(*)
LIABILITIES				
I	NON-CURRENT LIABILITIES		290,372	306,351 ^(*)
A	Provisions		0	0
B	Non-current financial debts		278,822	290,863
	a. Credit institutions	14	243,985	266,359
	b. Finance leases	14	170	290
	c. Others	14	34,667	24,214 ^(*)
C	Other non-current financial liabilities	15-16	10,275	14,656
D	Trade debts and other non-current debts		0	0
F	Deferred tax liabilities	17	1,275	832
	a. Exit tax		0	0
	b. Other		1,275	832
II	CURRENT LIABILITIES		67,351	55,289 ^(*)
B	Current financial debts		55,060	42,423
	a. Credit institutions	14	7,894	1,258
	b. Finance leases	14	120	120
	c. Others	14	47,046	41,045 ^(*)
C	Other current financial liabilities		0	0
D	Trade debts and other current debts		9,731	9,428
	a. Exit tax		0	0
	b. Other	18	9,731	9,428
F	Accrued charges and deferred income	19	2,559	3,438
TOTAL LIABILITIES			357,723	361,640 ^(*)
TOTAL EQUITY AND LIABILITIES				
			728,076	710,418 ^(*)

(*) These amounts have been restated due to the IFRS 16 restatement as described in Note 5.

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED NET RESULT (€000s)		Note	30/09/2021	30/09/2020
I	Rental income	20	46,285	44,555
III	Rental related charges	21	-1,371	-2,224
NET RENTAL RESULT			44,914	42,331
IV	Recovery of property charges		0	0
V	Recovery of rental charges and taxes normally paid by tenants on let properties	22	6,886	6,835
VII	Rental charges and taxes normally paid by tenants on let properties	23	-7,051	-7,027
VIII	Other revenue and rental related charges		35	8
PROPERTY RESULT			44,785	42,148
IX	Technical costs	24	-937	-497
X	Commercial costs	25	-175	-182
XI	Rental charges and taxes on unlet properties		-421	-327
XII	Property management costs	26	-1,816	-1,566
XIII	Other property charges	27	-129	-140
PROPERTY CHARGES			-3,479	-2,711
PROPERTY OPERATING RESULT			41,305	39,436
XIV	Corporate overheads	28	-4,057	-3,881
XV	Other operating income and charges	29	-12	-4
OPERATING RESULT BEFORE RESULT ON PORTFOLIO			37,236	35,551
XVI	Net gains and losses on disposals of investment properties	30	0	-41
XVIII	Changes in the fair value of investment properties	31	9,835	-20,520
XIX	Other result on the portfolio		0	0
OPERATING RESULT			47,071	14,990
XX	Financial income		0	0
XXI	Net interest charges	32	-5,881	-5,308
XXII	Other financial charges	33	-427	-334
XXIII	Changes in fair value of financial assets and liabilities	34	5,704	316
FINANCIAL RESULT			-604	-5,326
RESULT BEFORE TAX			46,467	9,663
XXV	Corporate tax	35	-815	-418
XXVI	Exit Tax		0	0
TAXES			-815	-418
NET RESULT			45,652	9,246
- Net result - Group share			45,652	9,246
- Net result - Non-controlling interests			0	0
BASIC NET RESULT AND DILUTED (€/SHARE, GROUP SHARE)		36	6.92	1.40

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME (€000s)		Note	30/09/2021	30/09/2020
I	NET RESULT		45,652	9,246
II	OTHER COMPREHENSIVE INCOME RECYCLABLE UNDER THE INCOME STATEMENT		-2	-154
A	Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties		0	19
H	Other comprehensive income for the year, net of tax (*)	6	-2	-172
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			45,650	9,092
Attributable to - Group share			45,650	9,092
- Non-controlling interests			0	0

(*) Revaluation at fair value of the property occupied by Ascencio when it was recorded under "Other tangible assets".

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOW (€000s)	30/09/2021	30/09/2020
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	4,710	4,650
Result for the financial year	45,652	9,246
Financial result	604	5,326
Net capital gains or losses realised on disposal of assets	0	41
Income tax expense (- tax income)	372	489
Income statement items without treasury impact	-9,648	21,182
+/- Change in the fair value of investment properties	-9,835	20,520
+ Depreciation	82	79
+ Reductions in value	106	584
Change in working capital requirement	1,099	-1,968
+/- Change in trade receivables	1,562	-3,918
+/- Change in tax receivables and other current assets	34	-775
+/- Change in deferred charges and accrued income	151	-72
+/- Change in trade debts and other current debts	231	932
+/- Change in accrued charges and deferred income	-879	1,865
Change in non-current operating assets and liabilities	443	-70
+/- Change in non-current financial assets	0	1
+/- Change in trade debts and other non-current debts	0	0
+/- Change in non-current deferred tax liabilities	443	-71
Change in provisions and other non-monetary items	0	0
Taxes paid	-512	-497
NET CASH FLOW FROM OPERATING ACTIVITIES	38,010	33,749
- Acquisition of investment properties	-6,382	-85,167
- Projects in development	-1,885	-346
- Other investments	-1,591	-2,593
- Acquisition of intangible assets	0	0
- Acquisition of tangible assets	-22	-21
+ Disposals of investment properties	0	854
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-9,879	-87,273
Costs of capital increase	0	0
Net change in financial liabilities	642	81,856
Reimbursement of financial debts and working capital of acquired companies	0	0
Other changes in financial assets and liabilities	404	312
Gross dividends paid	-24,075	-23,086
Finance charges paid	-6,104	-5,498
NET CASH FLOW FROM FINANCING ACTIVITIES	-29,133	53,583
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	3,707	4,710

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€000s)			Reserves*				Result for the financial year	Total equity
	Capital	Share pre-mium 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 reserves			-123		56	67		0
Adjustment to reserves								0
BALANCE AT 30/09/2020 before IFRS 16 restatement	38,659	253,353	47,765	-10,031	-12,964	23,101	9,246	349,130
Impact IFRS 16 at 01/10/2019 ^(*)			-352					-352
BALANCE AT 30/09/2020	38,659	253,353	47,414	-10,031	-12,964	23,101	9,246	348,778

(*) This amount corresponds to the IFRS 16 restatement as described in Note 5.

(€000s)			Reserves*				Result for the financial year	Total equity
	Capital	Share pre-mium account	C.b.	C.c.	C.e.	C.m.		
BALANCE AT 30/09/2020	38,659	253,353	47,414	-10,031	-12,964	23,101	9,246	348,778
Distribution of dividends							-24,075	-24,075
Appropriation to reserves			-20,520		316	5,374	14,829	0
Capital increase							0	0
Net result							45,652	45,652
Other elements recognised in the global result			-2					-2
Reclassification of re-serves			-100		157	-57		0
Adjustment to reserves								0
BALANCE AT 30/09/2021	38,659	253,353	26,791	-10,031	-12,491	28,419	45,652	370,353

* 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 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 changes in the value recognised in financial year 2018/2019 for the Pontet (France) property sold on 26 February 2019. Furthermore, on 1 October 2019 Ascencio restated the financial assets and liabilities recognised by virtue of the application of IFRS 16; this required a negative impact of €352,000 to be recognised under the heading "Reserve for changes in fair value of properties".
- During the financial year 2020/2021, Ascencio reclassified a positive amount of €100,000 from "Reserve for changes in Fair Value of Properties" to "Other Reserves". This amount concerns changes in the value recognised in financial year 2019/2020 for the Gosselies (Belgium) property (part II) sold during said financial year 2019/2020.

Reserve for changes in fair value of authorised 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 cumulated changes in value of CAP options maturing during the financial year.
- During the financial year 2020/2021, Ascencio reclassified a negative amount of €157,000 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 cumulated changes in value of CAP options maturing during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — General information and accounting methods

GENERAL INFORMATION

Ascencio S.C.A. (hereinafter referred to as "Ascencio S.C.A." 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 September 2021 and covering the period from 1 October 2020 to 30 September 2021 were approved by the Board of Directors of the Statutory Manager in its meeting of 24 November 2021.

The figures presented for the previous financial year cover the period from 1 October 2019 to 30 September 2020.

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 September 2021 and adopted by the European Union.

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

Standards and interpretations applicable to the annual period starting on 1 October 2020

- Amendments to IAS 1 and IAS 8 Change of the definition of the term "material"
- Amendments to IFRS 3 Business combinations: Definition of a business
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest rate benchmark reform, phase 1
- Amendments to references to the Conceptual Framework in IFRS standards

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

New standards, amendments and interpretations not yet adopted for the annual period starting 1 October 2020

- IFRS 17 Insurance Contracts (applicable to annual periods starting on or after 1 January 2023, but not yet adopted by the EU)
- Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current (applicable to annual periods starting on or after 1 January 2023, but not yet adopted by the EU)

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Note on accounting policies (applicable to annual periods starting on or after 1 January 2023, but not yet adopted by the EU)
- Amendments to IAS 8 Accounting Policies, accounting for changes in estimates and reflecting correction of prior period errors: Definition of Accounting Estimates (applicable to annual periods starting on or after 1 January 2023, but not yet adopted by the EU)
- Amendments to IAS 16 Property, plant and equipment: proceeds before intended use (applicable to annual periods starting on or after 1 January 2022, but not yet adopted by the EU)
- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets: onerous contracts - cost of fulfilling a contract (applicable to annual periods starting on or after 1 January 2022, but not yet adopted by the EU)
- Amendments to IFRS 3 Business Combinations - reference to the conceptual framework (applicable to annual periods starting on or after 1 January 2022, but not yet adopted by the EU)
- Amendments to IFRS 4 Insurance Contracts - extension of the temporary exemption from applying IFRS 9 (applicable to annual periods starting on or after 1 January 2021)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - interest rate benchmark reform, phase 2 (applicable to annual periods starting on or after 1 January 2021)
- Amendment to IFRS 16 Leases: COVID-19-related rent concessions (applicable to annual periods starting on or after 1 June 2020)

Annual Improvements to IFRS Standards 2018-2020 Cycle (applicable to annual periods starting on or after 1 January 2022, but not yet adopted by 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, 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

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

so as to obtain benefits from its activities. Consolidation of subsidiaries starts on the date on which Ascencio S.C.A. 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 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 or fair value 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 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

Properties available for rental

Measurement on initial recognition

Properties available for rental 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 available for rental 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 S.C.A. and the real estate companies controlled by it;
- options on property assets held by Ascencio S.C.A. 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 S.C.A. 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 therefore 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.

Until 30 September 2016, the stamp duty that would be payable on a hypothetical subsequent sale was recognised on an acquisition 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”). Since 1 October 2016 stamp duty on an acquisition has been recognised in the income statement for the financial year in which the acquisition takes place, in accordance with the practices of other SIRs or B-REITs in Belgium and comparable companies (REITS) abroad.

Any subsequent adjustment to the fair value of the properties available for rental is recognised in the income statement for the period during which it arises and then allocated to restricted reserves when profit is appropriated. Such subsequent adjustments to fair value do not affect the reserve for transfer expenses and stamp duty in equity.

Expenses incurred on works carried out on properties available for rental

Expenses incurred on works carried out on properties available for rental 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.

Development projects

Properties under construction or development that are to be added to the portfolio of properties available for rent are referred to as 'development projects'.

Development projects are initially measured at cost price and subsequently at their fair value, except for projects relating to a property already recognised under property available for rental and measured at fair value; in which case that property is reclassified under development projects but continues to be measured at fair value.

If the market value cannot be reliably established, development projects are measured at historical cost less any permanent impairment, which is recognised in the income statement under change in value of investment property.

The following criteria are used to determine whether a development project can be measured at fair value:

- obtainment of operative, definitive permits allowing the development to begin;
- conclusion of a contract for services;
- obtainment of the necessary financing;
- pre-let rate of more than 50%.

The cost price includes the cost of the works carried out, the costs of the personnel directly involved in the project, those in charge of the technical oversight and management of the project, based on hours worked, and capitalised interest attributable to the development project until delivery date, based on the Group's average effective interest rates in the absence of specific financing of the project. Once the above-mentioned criteria are met, the fair value of the development project is determined in the same way as that of property available for rental, the capitalisation rates being adapted in accordance with the development risks identified.

Development projects are transferred to the portfolio of property available for rental on the date of their technical completion.

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 transfer expenses and stamp duty arising upon 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.

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.

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 citations 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 S.C.A. 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 the balance sheet date, 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 (97.5%), are measured at their fair value as determined by an independent expert (see Note 5). 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 15).

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 rents to tenants whose activity has been badly hit by the crisis, by way of transactional agreements negotiated between lessor and lessee.

At 30 September 2021, Ascencio had reached agreements for almost all discussions with its Belgian and Spanish tenants, while the conclusion of these agreements takes longer with its French tenants as these agreements are also dependent on the position of the French state as to its involvement in these discussions. Concerning the tenants with whom negotiations were still ongoing or were yet to begin at 30/09/2021, Ascencio has estimated the amount of the rents cancellations remaining to be agreed on the basis of the discussions under way or based on its experience with results of these discussions in the previous waves, and has recognised in the accounts credit notes to be issued on the basis of this estimated amount (€0.7 million).

To the extent that the terms of the lease contracts have not been amended, these rents 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.

Assumptions used to determine financial liabilities in accordance with IFRS 16. For some of these investments Ascencio does not have freehold but only usufruct (right of use) by means of emphyteusis or other similar rights. A financial liability has been recognised in this respect in accordance with IFRS 16. This financial liability corresponds to the present value of all the future rents payments. In determining the present value of these future rents payments, several evaluations and estimates are carried out, notably the incremental borrowing rate as discount rate for the rents payments. The discount rate used to determine this liability is based on a combination of the interest rate curve and a spread reflecting Ascencio's credit risk, both in line with the remaining duration of the underlying right of use. The interest rate curve for the rest is based on observable market data. The spread is based on recent transactions of Ascencio and extrapolated on a time basis. It is therefore a non-observable input.

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 30/09/2021 is described in Note 14.

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 July 2014 as amended by the Royal Decree of 23 April 2018. Moreover, Article 24 of the Royal Decree of 13 July 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 30/09/2021, Ascencio's debt ratio as defined by the Royal Decree of 13 July 2014 stood respectively at 47.6% and 47.0% on a consolidated and statutory basis.

After distribution of the dividend proposed to the general meeting of shareholders of 31 January 2022, the consolidated debt ratio will, ceteris paribus, come to 51.0%.

INTEREST RATE RISK

As at 30/09/2021, 70.7% 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 15.

Based on total financial indebtedness at 30 September 2021 excluding IFRS 16 (€329.7 million) and the hedges in place at that date, a portion of the debt equal to €279.5 million, representing 84.8% of total debt, was protected against increases in interest rates, either by consisting of financing at fixed rates (agreed fixed rates or rates fixed by means of IRS (interest rate swaps)) or by cap options establishing a ceiling. The balance of the debt, €50.2 million, was at variable rates.

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 15.

Based on the hedging in place (IRS and CAPs), the structure and level of financial debt at 30/09/2021, a rise in interest rates of 100 basis points would lead to an increase in financial charges estimated at €0.5 million in financial year 2021/2022.

The Group's hedging ratio² at 30 September 2021 was 84.8% and based on the level of financial debt at that date it is set to remain above 70% until June 2026.

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.

Shifts in the interest rate curve during the financial year 2020/2021 translated into a positive change of €5.70 million in the fair value of Ascencio's financial hedging instruments. At 30 September 2021, these contracts had a negative value of €6.78 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 €3.84 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 loans from ten Belgian and French banks forming a diversified pool, as well as by issuing commercial paper and Medium Term Notes, these last two being directed more toward institutional investors than banks:

- At 30/09/2021, 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 maturities ranging from 2022 to 2029. At 30 September 2021, Ascencio had available to it €90.2 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.

² Alternative Performance Measure (APM). See glossary at the end of this financial report.

- In order to diversify its sources of financing and reduce its cost, Ascencio has a commercial paper program of up to €100 million. At 30 September 2021 this program was used for short-term issues amounting to €47.0 million (commercial paper) and €30.5 million for Medium Term Notes. In order to cover 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 30/09/2021, total financial liabilities (excluding IFRS 16) amounted to €329.7 million. The principal repayment schedule of these borrowings is as follows:

- 2021/2022: €55.01 million
- 2022/2023: €53.23 million
- 2023/2024: €25.08 million
- 2024/2025: €79.36 million
- 2025/2026: €58.08 million
- 2026/2027: €23.40 million
- 2027/2028: €20.50 million
- 2028/2029: €15.00 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 30/09/2021, the Company had business relations with various banks:

- the banks that are counterparties in bank financing arrangements are, in alphabetical order, Banque Populaire Loire et Lyonnais, BECM, Belfius, BNP Paribas Fortis, Caisse d’Epargne Nord Europe, CBC, CIC, Crédit Agricole, ING and Société Générale.
- the banks that are counterparties for interest rate hedging instruments are, 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 con-

clude 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 30/09/2021, commercial properties represented 99.2% of the fair value of the portfolio of investment properties. The remainder consists of a mixed-use office and warehouse property of 7,638 m², two apartments and an office space.

At 30/09/2021, properties located in Belgium accounted for 53.6% of the fair value of the total holdings, those located in France for 42.4% and those in Spain 4.1%.

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.

At 30/09/2021, three tenants represent between 9% and 10% of consolidated rental income:

- Casino: 10.0%
- Groupe Mestdagh: 9.4%
- Grand Frais: 9.1%

(€000s)		Belgium		France		Spain		Unallocated		Total	
		30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020
I	Rental income	25,011	25,567	19,314	17,033	1,960	1,955	0	0	46,285	44,555
III	Rental related charges	-610	-952	-702	-1,096	-59	-176	0	0	-1,371	-2,224
NET RENTAL RESULT		24,400	24,615	18,613	15,937	1,901	1,779	0	0	44,914	42,331
V	Recovery of rental charges and taxes normally paid by tenants on let properties	3,728	3,661	2,971	2,978	187	197	0	0	6,886	6,835
VII	Recovery of rental charges and taxes normally paid by tenants on let properties	-3,916	-3,861	-2,933	-2,966	-202	-200	0	0	-7,051	-7,027
VIII	Other revenue and rental related charges	32	5	0	0	3	3	0	0	35	8
PROPERTY RESULT		24,245	24,420	18,650	15,949	1,889	1,779	0	0	44,785	42,148
IX	Technical costs	-857	-422	-81	-39		-36	0	0	-937	-497
X	Commercial costs	-136	-162	-40	-20	0	0	0	0	-175	-182
XI	Rental charges and taxes on unlet properties	-380	-280	-41	-47	0	0	0	0	-421	-327
XII	Property management costs	-1,242	-1,111	-574	-455	0	0	0	0	-1,816	-1,566
XIII	Other property charges	-7	47	-123	-187	0	0	0	0	-129	-140
PROPERTY CHARGES		-2,622	-1,927	-858	-748	0	-36	0	0	-3,479	-2,711

(€000s)		Belgium		France		Spain		Unallocated		Total	
		30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020
PROPERTY OPERATING RESULT		21,623	22,493	17,793	15,201	1,889	1,743	0	0	41,305	39,436
XIV	Corporate overheads	-2,903	-2,729	-1,058	-1,062	-96	-90	0	0	-4,057	-3,881
XV	Other operating income and charges	0	0	2	10	-14	-14	0	0	-12	-4
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		18,721	19,764	16,736	14,148	1,779	1,639	0	0	37,236	35,551
XVI	Net gains and losses on disposals of investment properties	0	-41	0	0	0	0	0	0	0	-41
XVIII	Change in the fair value of investment properties	4,290	-9,146	6,270	-8,148	-725	-3,225	0	0	9,835	-20,520
XIX	Other result on the portfolio	0	0	0	0	0	0	0	0	0	0
OPERATING RESULT		23,011	10,576	23,006	6,000	1,054	-1,586	0	0	47,071	14,990
XX	Financial income	0	0	0	0	0	0	0	0	0	0
XXI	Interest charges	0	0	0	0	0	0	-5,881	-5,308	-5,881	-5,308
XXII	Other financial charges	0	0	0	0	0	0	-427	-334	-427	-334
XXIII	Change in fair value of financial assets and liabilities	0	0	0	0	0	0	5,704	316	5,704	316
FINANCIAL RESULT		0	0	0	0	0	0	-604	-5,326	-604	-5,326
RESULT BEFORE TAX		23,011	10,576	23,006	6,000	1,054	-1,586	-604	-5,326	46,467	9,663
XXV	Corporate tax	-3	-2	-621	-140	-190	-275	0	0	-815	-418
XXVI	Exit Tax	0	0	0	0	0	0	0	0	0	0
TAXES		-3	-2	-621	-140	-190	-275	0	0	-815	-418
NET RESULT		23,008	10,574	22,385	5,860	864	1,861	-604	-5,326	45,652	9,246

(€000s)		Belgium		France		Spain		Unallocated		Total	
		30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020
Intangible assets		0	0	0	0	0	0	0	0	0	0
Investment properties		384,011	375,479	300,790	292,635	28,800	29,525	0	0	713,601	697,639
Other tangible assets		46	1,034	0	0	0	0	0	0	46	1,034
Other non-current assets		950	67	9	9	396	396	0	0	1,354	471
Current assets		6,302	4,804	6,116	9,359	656	408	0	0	13,075	14,571
TOTAL ASSETS		391,309	381,385	306,915	302,003	29,852	30,328	0	0	728,076	713,716

NOTE 5 — Investment properties

(€000s)	30/09/2021	30/09/2020
Properties available for rental	713,601	693,926
Development projects	0	415
BALANCE AT THE END OF THE FINANCIAL YEAR	713,601	694,342

A. PROPERTIES AVAILABLE FOR RENTAL

(€000s)	30/09/2021	30/09/2020
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	693,926	622,894
Investments	3,476	2,593
Acquisitions	6,382	85,167
IFRS 16 implementation	0	3,861
Transfer from other tangible assets	926	0
Transfer from the development projects account	415	0
Transfer from assets held for sale	-1,360	0
Change in fair value	9,835	-20,589
BALANCE AT THE END OF THE FINANCIAL YEAR	713,601	693,926

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 and acquisitions during the financial year:

The investments made in the property portfolio mainly concern the Belgian assets of Châtelineau (subdivision of Decathlon/Cultura), Messancy (renewal of facades) and Jemappes as well as the French asset Les Portes du Sud in Chalon-sur-Saône with the delivery of a new surface area of 1,500 m² for Maisons du Monde.

Acquisitions consisted exclusively of the purchase of additional retail space in the Couillet-Bellefleur retail park (Belgium), namely a Carrefour Market by Mestdagh supermarket and four small adjacent retail units, which will further strengthen Ascencio's position in this successful, quality retail complex.

The right-of-use assets recognised in accordance with IFRS 16 relate to emphyteutic leases concluded by the Company in respect of assets located in Genval, Hannut and Châtelineau. During financial year 2020/2021 the valuation of these assets was restated as regards their value when initially recognised on 1 October 2019 and their valuation at 30 September 2020 as presented in the annual financial report for financial year 2019/2020. The rights of use for the land were restated and recognised together with the rest of the investment property at their fair value. The fair value of the investment property thus went from €697.3 million to €693.9 million at 30 September 2020. The financial flows payable by the Company in respect of these emphyteutic leases

were updated on the basis of an incremental borrowing rate corrected to take account of the total term of the contract (as a result of which the amount of the liability went from €7.2 million to €4.3 million). The difference in valuation, in an amount of €0.4 million (difference between €3.3 million for the assets and €2.9 million for the liabilities) was retroactively recognised at 1 October 2019 in the reserve for changes in the fair value of investment property in the Company's equity. Since the related effect on the income statement for financial year 2019/2020 would not have been material, no adjustment was made to it.

Divestments during the financial year:

There were no divestments during the 2020/2021 financial year.

Transfers during the financial year:

The transfers that occurred during the financial year concern the accounting treatment of the surface areas occupied by Ascencio in its own building in Gosselies (Belgium), the delivery of the development project of a new unit in the Les Portes du Sud in Chalon-sur-Saône retail park to accommodate Maisons du Monde, and the reclassification of a commercial building in Sint-Niklaas (Belgium) as an asset held for sale due to the signing of a provisional sale agreement before the end of the financial year, the sale having been effectively completed in October 2021. There were thus no actual divestments within the portfolio during the past financial year.

Change in value:

Overall, investment property available for rental increased in value by €9.8 million, representing a positive change in value of 1.4% since the beginning of the financial year. This positive trend was seen in both Belgium and France, and illustrates the resilience of out-of-town property and of the food sector which account for the bulk of Ascencio's portfolio. The value of the Spanish portfolio declined during the financial year due to the departure of a tenant from the Valencia site.

As indicated above in the note on valuation rules, in valuing the properties in the French portfolio, the stamp duty that would apply in the event of a sale is deducted from the value. The rate of this stamp duty varies depending on whether the underlying building is more than five years old, in which case it is higher. At 30 September 2021, ten retail units remained in the Caen properties that were still valued on the basis of the lower rate applying to buildings less than five years old. However, this age limit will be reached in all cases during the 2021/2022 financial year, generating an increase in the rate applicable to the valuation and consequently a reduction in the value of these units, ceteris paribus, of around €0.6 million, which will be recognised on the result of the revaluation in financial year 2021/2022.

Properties held under leases:

At 30 September 2021, Ascencio held one property under a finance lease for which a purchase option has to be exercised at the end of the lease in order to acquire freehold of the property. This purchase option amounts to a total of €200,000 and is recognised as a liability in the annual accounts at 30 September 2021.

B. DEVELOPMENT PROJECTS

(€000s)	30/09/2021	30/09/2020
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	415	0
Investments	0	346
Transfer to investment properties	-415	0
Change in fair value	0	70
BALANCE AT THE END OF THE FINANCIAL YEAR	0	415

Development projects are works in progress of an investment nature on various properties. Projects in course of development are not included in the the calculation of the EPRA occupancy rate.

At 30 September 2021 there were no development projects under way. The development project for the construction of a new unit of 1,504 m² for Maisons du Monde in the Les Portes du Sud in Chalon-sur-Saône retail park in France, which was in progress at 30 September 2020, was delivered during the 2020/2021 financial year and therefore reclassified under property available for rental.

FAIR VALUE MEASUREMENT

Investment properties and development projects were appraised at 30 September 2021 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 2020/2021 there were no transfers among levels 1, 2 and 3.

VALUATION METHODS USED

Two valuation methods are used by Ascencio's independent experts to determine the fair value of the portfolio properties: the 'term and reversion' method and the 'hardcore' method. They also carried out a check in terms of price per 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.).

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 30/09/2021 (€000s)	EVALUATION METHOD	UNOBSERVABLE DATA	MIN	MAX	WEIGHTED AVERAGE
Belgium	380,076	Capitalisation	Estimated rental value	41 €/m²	194 €/m²	96 €/m²
			Capitalisation rate	5.0%	8.3%	6.4%
France	300,790	Capitalisation	Estimated rental value	67 €/m²	276 €/m²	153 €/m²
			Capitalisation rate	4.6%	8.3%	6.0%
Spain	28,800	Capitalisation	Estimated rental value	87 €/m²	202 €/m²	168 €/m²
			Capitalisation rate	6.0%	7.1%	6.3%
TOTAL	709,666					

COUNTRY	FAIR VALUE 30/09/2020 (€000s)	EVALUATION METHOD	UNOBSERVABLE DATA	MIN	MAX	WEIGHTED AVERAGE
Belgium	368,321	Capitalisation	Estimated rental value	41 €/m²	181 €/m²	95 €/m²
			Capitalisation rate	5.0%	8.5%	6.5%
France	292,635	Capitalisation	Estimated rental value	67 €/m²	271 €/m²	151 €/m²
			Capitalisation rate	4.6%	8.2%	6.0%
Spain	29,525	Capitalisation	Estimated rental value	85 €/m²	202 €/m²	162 €/m²
			Capitalisation rate	6.1%	7.2%	6.4%
TOTAL	690,481					

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 €22,640,000 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 €23,335,000 in the fair value of the portfolio.
- An increase of 0.5% in the capitalisation rate would lead to a decrease of €51,108,000 in the fair value of the portfolio.
- A decrease of 0.5% in the capitalisation rate would lead to an increase of €59,798,000 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.

NOTE 6 — Other tangible assets

(€000s)	Assets held for own use		Others		Total	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	928	1,101	106	164	1,034	1,264
Entries	0	0	22	21	22	21
Transfer in properties available for rental	-928	0	0	0	-928	0
Depreciation	0	0	-82	-79	-82	-79
Change in value	0	-172	0	0	0	-172
BALANCE AT THE END OF THE FINANCIAL YEAR	0	928	46	106	46	1,034

The item “Assets held for own use” consisted mainly of the part of the property located at Avenue Jean-Mermoz, Gosselies, Belgium, used by the Company as its head office and valued at €928,000 at 30 September 2020. During financial year 2020/2021, the accounting treatment of this part of the property was re-examined and the Company decided to transfer this asset to the heading ‘Property available for rental’ and to reintegrate it in the overall value of the Mermoz property under this heading.

NOTE 7 — Current and non-current financial assets

(€000s)	30/09/2021	30/09/2020
Assets at fair value through the income statement	883	0
Others	471	471
NON-CURRENT FINANCIAL ASSETS	1,354	471
CURRENT FINANCIAL ASSETS	0	0

The heading “Assets at fair value with changes through the income statement” reflects the measurement at fair value of derivative financial instruments that have a positive value, in accordance with IFRS 9 “Financial Instruments”. If they do not have a positive value, their value is shown in the equivalent heading of liabilities (see Note 16). At 30 September 2021, four financial instruments of the IRS (interest rate swap) type held in the Company’s portfolio had a positive market value of €883,000 which was therefore recognised under this heading.

NOTE 8 — Assets held for sale

(€000s)	30/09/2021	30/09/2020
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	0	847
Transfer to investment properties	1,360	0
Disposals	0	-847
BALANCE AT THE END OF THE FINANCIAL YEAR	1,360	0

At 30 September 2021, “Assets held for sale” reflected the fair value of a ground floor commercial property in Sint-Niklaas for which a commitment to sell had been signed before the end of the past financial year. Since the sale was effectively completed in October 2021, this property will be removed from the Company’s balance sheet during financial year 2021/2022.

NOTE 9 — Categories and designation of financial instruments

(€000s)	30/09/2021		30/09/2020		Category	Level
	Carrying amount	Fair value	Carrying amount	Fair value		
NON-CURRENT ASSETS	1,354	1,354	471	471		
Deposits in guarantee received	471	471	471	471	A	2
Derivative instruments (IRS)	883	883	0	0	C	2
CURRENT ASSETS	11,462	11,462	14,166	14,166		
Trade receivables	5,773	5,773	7,441	7,441	A	2
Receivables and other current assets	1,982	1,982	2,016	2,016	A	2
Cash and cash equivalents	3,707	3,707	4,710	4,710	A	2
TOTAL	12,816	12,816	14,638	14,638		

(€000s)	30/09/2021		30/09/2020		Category	Level
	Carrying amount	Fair value	Carrying amount	Fair value		
NON-CURRENT LIABILITIES	289,098	291,021	305,519	308,029		
Bank borrowings	244,155	245,221	266,649	268,300	A	2
Other non-current financial debts	30,500	31,357	20,000	20,859	A	2
Non-current financial debts IFRS 16	4,167	4,167	4,214	4,214	A	2
Derivative instruments (IRS)	7,662	7,662	12,483	12,483	C	2
Guarantees received	2,613	2,613	2,173	2,173	A	2
CURRENT LIABILITIES	64,792	64,792	51,851	51,851		
Bank borrowings	8,014	8,014	1,378	1,378	A	2
Current financial debts IFRS 16	46	46	45	45	A	2
Others current financial debts	47,000	47,000	41,000	41,000	A	2
Trade debts	7,157	7,157	6,448	6,448	A	2
Other current debts	2,574	2,574	2,980	2,980	A	2
TOTAL	353,890	355,813	357,370	359,880		

The categories in question follow the classification laid down by IFRS 9:

- category A: Financial assets and liabilities (including receivables and loans) valued at amortised cost;
- category B: Assets and liabilities measured at fair value with changes through other comprehensive income (OCI);
- category C: Assets and liabilities measured at fair value with changes through the income statement.

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, 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 10 — Current trade receivables

(€000s)	More than 90 d	From 30 to 90 d	From 0 to 30 d	Total
Non-doubtful receivables	688	187	4,330	5,205
Doubtful debtors	1,489	0	0	1,489
Write-downs on doubtful debtors	-921	0	0	-921
BALANCE AT 30/09/2021	1,256	187	4,330	5,773
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

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 September 2021, performing loans and receivables at more than 90 days amounted to €688,000. This amount does not include the impact of the provisions estimated to cover the credit notes remaining to be issued in respect of cancellations of rents payments in connection with the closure of non-essential businesses during the past financial year, which are estimated at €767,000 at 30 September 2021 on the basis of discussions still under way with tenants and which are included under “Trade payables and other current liabilities” as described in Note 18 hereinafter.

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 September 2021, doubtful debtors amounted to €1,489,000 (compared with €1,316,000 at 30 September 2020). The increase in doubtful debtors at 30 September 2021 stems from the failure of several brands and from the difficulties encountered by other brands that are currently in administration.

Doubtful accounts have been written-down in value by €921,000 (compared with €908,000 at 30 September 2020). This amount represents the risk of default estimated at 30 September 2021 on the basis of an analysis of trade receivables at that date. The non-written-down portion of these doubtful accounts (€568,000) is either covered by guarantees established by tenants or corresponds to French VAT due only upon actual payment of related receivables.

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 "Risk factors - 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)	30/09/2021	30/09/2020
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	908	332
Additions	419	674
Charged to provisions	-93	-14
Reversals	-314	-90
VAT to be reclaimed on doubtful receivables	0	7
BALANCE AT THE END OF THE FINANCIAL YEAR	921	908

NOTE 11 — Tax receivables and other current assets

(€000s)	30/09/2021	30/09/2020
Taxes	703	543
Others	1,280	1,473
TOTAL	1,982	2,016

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 12 — Deferred charges and accrued income

(€000s)	30/09/2021	30/09/2020
Prepaid interest and other financial charges	17	177
Others	237	227
TOTAL	253	404

The decline in the amount of prepaid interest and other financial charges compared with the previous year is linked to the reclassification of loan issue expenses in non-current financial liabilities, which are now deducted from the nominal amount of the loans to which they relate in accordance with IFRS 9.

NOTE 13 — Share capital and share premium

(€000s)	30/09/2021	30/09/2020
Subscribed capital	39,576	39,576
Costs of capital increase	-917	-917
TOTAL	38,659	38,659

At 30 September 2021 the share capital stood at €39,576,000 represented by 6.595.985 shares with no nominal value. Issue premiums amounted 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 September 2021 amounted 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 SEPTEMBER 2021	6,595,985

The Statutory Manager declares that there are no different voting rights attaching to shares in the Company.

NOTE 14 — Current and non-current financial debt

(€000s)	30/09/2021	30/09/2020
Non-current financial debts	278,822	290,863
a. Credit institutions	243,985	266,359
b. Finance leases	170	290
c. Other - Medium Term Note	30,500	20,000
d. Other - Financial debts IFRS 16	4,167	4,214
Current financial debts	55,060	42,423
a. Credit institutions	7,894	1,258
b. Finance leases	120	120
c. Other - Commercial paper	47,000	41,000
d. Other - Financial debts IFRS 16	46	45
TOTAL	333,883	333,286

At 30 September 2021, financial liabilities totalled €333,883,000. They break down into the various types of financing as follows (from which up front fees of €180,000 are deducted)

- credit lines available in the form of fixed term advances: €248,300,000
- liabilities under finance leases: €290,000
- investment loans: €3,759,000
- commercial paper: €47,000,000
- Medium Term Notes: €30,500,000
- Financial debts IFRS 16: €4,214,000

Credit lines available in the form of fixed term advances

At 30 September 2021, Ascencio had €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 maturities ranging from 2022 to 2029.

At 30 September 2021, the undrawn portion of these lines amounted to €90.2 million.

Investment loans

At 30 September 2021, Ascencio had €3.8 million in investment loans from French banks, with maturities ranging from 2021 to 2027. The majority of these investment loans are at fixed rates of interest.

Commercial paper and Medium Term Notes

In order to diversify its sources of financing and reduce its average cost of debt, Ascencio has a commercial paper program of up to €100 million. At 30 September 2021 this program was used for short-term issues amounting to €47.0 million (commercial paper) and €30.5 million for Medium Term Notes. In order to cover 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 less than one year.

Fixed rate borrowings - Variable rate borrowings

At 30 September 2021, financial liabilities excluding IFRS 16 consisted of:

- €233,152,000 of floating rate debt (before taking account of IRS (interest rate swaps)).
- €96,517,000 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 at 30 September 2021, the fair value of its fixed rate financial liabilities is estimated at €98,440,000. 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 2020/2021 the average cost of debt³ (including margins, non-utilisation commissions and upfront opening fees and the impact of hedging instruments) amounted to 1.81%.

Liquidity and counterparty risk and the risk associated with the cost of financing are described in Note 3 – Management of financial risks.

The principal maturities of the 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	30/09/2020	262,600	0	182,100	80,500
	30/09/2021	248,120 ^(*)	7,000	193,120	48,000
Liabilities under finance leases	30/09/2020	410	120	290	0
	30/09/2021	290	120	170	0
Investment credits	30/09/2020	5,017	1,258	2,773	986
	30/09/2021	3,759	894	2,461	403
Commercial paper	30/09/2020	41,000	41,000	0	0
	30/09/2021	47,000	47,000	0	0
Medium Term Note	30/09/2020	20,000	0	20,000	0
	30/09/2021	30,500	0	20,000	10,500
Financial debts IFRS 16	30/09/2020	4,259	45	0	4,214
	30/09/2021	4,214	46	199	3,968
TOTAL	30/09/2020	333,286	42,423	205,163	85,699
	30/09/2021	333,883	55,060	215,951	62,871

(*) Reduced amount of Up Front Fees of 180 KEUR.

The following table shows, for information purposes, the future cash flows of principal and interest relating to financial liabilities, excluding IFRS 16, not discounted to present value, based on market rates and the conditions of the credit lines at 30 September 2021.

(€000s)	Falling due within 1 year	Falling due from 1 to 5 years	Falling due over 5 years	Total
At 30/09/2020	46,482	216,267	94,354	357,104
At 30/09/2021	58,871	225,365	67,920	352,156

³ Alternative Performance Measure (APM). See glossary.

NOTE 15 — Derivative financial instruments

At 30 September 2021, 70.7% of the Company’s borrowings were at variable rates. With a view to limiting the interest rate risk associated with this type of financing, the Company has put in place 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 September 2021, interest rate hedging was composed of:

- 41 IRS (Interest Rate Swap) contracts on a total notional amount of €578 million, of which €173 million was effective at 30 September 2021 and €395 million will be effective at a later date.
- 1 CAP option contract effective at 30 September 2021 on a notional amount of €10 million.

Based on financial indebtedness at 30 September 2021 and the interest rate hedging instruments active at that date, the hedging ratio⁴⁺⁵ is 84.8%.

Type	Notional amount (€000s)	Start date	End date	Interest rate	Floating reference rate	Fair value (€000s)	
						30/09/2021	30/09/2020
IRS	7,500	12/08/2011	12/08/2021	2.76%	3-month Euribor	0	-249
IRS	20,000	28/09/2007	30/09/2022	3.70%	3-month Euribor	-858	-1,722
IRS	15,000	31/12/2019	31/12/2022	0.34%	3-month Euribor	-160	-295
IRS	10,000	30/09/2019	31/12/2023	0.39%	3-month Euribor	-190	-301
IRS	10,000	30/09/2019	31/12/2023	0.40%	3-month Euribor	-192	-304
IRS	10,000	30/06/2020	30/06/2023	0.35%	3-month Euribor	-146	-243
IRS	15,000	30/06/2020	30/06/2023	0.15%	3-month Euribor	-165	-280
IRS	30,000	30/06/2020	31/12/2021	0.18%	3-month Euribor	-56	-268
IRS	20,000	30/06/2020	30/06/2021	0.26%	3-month Euribor	0	-117
IRS	20,000	30/06/2020	30/06/2023	0.62%	3-month Euribor	-389	-641
IRS	23,000	30/04/2020	28/02/2027	0.12%	3-month Euribor	-392	-827
IRS	10,000	30/06/2021	31/12/2022	0.83%	3-month Euribor	-169	-209
IRS	10,000	30/06/2021	31/12/2022	0.63%	3-month Euribor	-143	-177
IRS	15,000	31/12/2021	30/06/2023	0.72%	3-month Euribor	-270	-285
IRS	15,000	31/12/2021	31/03/2023	0.67%	3-month Euribor	-218	-230
IRS	10,000	30/06/2022	30/06/2023	0.80%	3-month Euribor	-125	-135
IRS	10,000	30/09/2021	30/09/2023	0.65%	3-month Euribor	-224	-238
IRS	10,000	30/09/2022	30/09/2023	0.73%	3-month Euribor	-115	-126
IRS	10,000	31/12/2022	31/12/2023	0.49%	3-month Euribor	-86	-100

4 Alternative Performance Measure (APM). See glossary at the end of the financial report.
5 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)	
						30/09/2021	30/09/2020
IRS	10,000	31/12/2022	31/12/2024	0.61%	3-month Euribor	-181	-221
IRS	10,000	31/12/2022	31/12/2023	0.53%	3-month Euribor	-90	-104
IRS	20,000	31/03/2023	31/03/2025	0.62%	3-month Euribor	-351	-438
IRS	20,000	30/06/2023	30/06/2024	0.50%	3-month Euribor	-160	-197
IRS	15,000	30/06/2023	30/06/2025	0.46%	3-month Euribor	-201	-274
IRS	15,000	30/06/2023	30/06/2025	0.46%	3-month Euribor	-202	-273
IRS	10,000	30/09/2022	30/09/2023	0.12%	3-month Euribor	-52	-64
IRS	10,000	30/09/2022	30/09/2027	0.57%	3-month Euribor	-328	-480
IRS	10,000	30/06/2023	30/06/2025	0.38%	3-month Euribor	-119	-165
IRS	20,000	30/06/2023	30/06/2027	0.58%	3-month Euribor	-506	-760
IRS	10,000	31/12/2023	31/12/2025	0.47%	3-month Euribor	-120	-177
IRS	20,000	31/12/2023	31/12/2027	0.68%	3-month Euribor	-528	-810
IRS	20,000	31/12/2022	31/12/2025	-0.04%	3-month Euribor	-96	-234
IRS	20,000	30/09/2023	30/09/2029	0.35%	3-month Euribor	-241	-697
IRS	10,000	31/12/2023	31/12/2028	0.31%	3-month Euribor	-103	-288
IRS	10,000	30/06/2024	30/06/2029	0.22%	3-month Euribor	-19	-217
IRS	10,000	30/06/2024	30/06/2029	0.22%	3-month Euribor	-16	-216
IRS	10,000	31/12/2024	31/12/2026	0.08%	3-month Euribor	-4	-79
IRS	10,000	31/03/2025	30/09/2029	-0.12%	3-month Euribor	175	-13
IRS	10,000	30/06/2025	31/12/2029	-0.06%	3-month Euribor	171	-29
IRS	10,000	31/03/2025	31/03/2030	-0.08%	3-month Euribor	199	0
IRS	15,000	30/06/2025	30/06/2030	-0.11%	3-month Euribor	339	0
IRS	15,000	28/03/2024	31/03/2028	0.40%	3-month Euribor	-193	0
IRS	15,000	30/06/2025	30/09/2029	0.68%	3-month Euribor	-254	0
CAP purchased	10,000	31/12/2020	31/12/2021	0.25%	3-month Euribor	0	0

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.

At 30 September 2021, the financial result was income of €5.70 million (as against income of €0.32 million for 30 September 2020), representing the change in fair value of financial instruments to which hedge accounting in the meaning of IFRS 9 is not applied. The value of these instruments in fact went from a negative €12.5 million at 30 September 2020 to a negative €7.7 million for part of these instruments (recognised in “Other non-current financial liabilities” – see Note 16) and a positive €0.9 million (recognised in “Other non-current financial assets” – see Note 7) for the balance of these instruments. 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 €3.84 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:	€2,777,000
— Falling due at between one and five years:	€8,277,000
— Falling due at more than five years:	€3,280,000

NOTE 16 — Other non-current financial liabilities

(€000s)	30/09/2021	30/09/2020
Authorised hedging instruments	7,662	12,483
Guarantees received	2,613	2,173
TOTAL	10,275	14,656

Changes in the balance of authorised hedging instruments are related to changes in the fair value of the instruments held by the Company, as described above in the note on derivative financial instruments.

NOTE 17 — Deferred tax liabilities

(€000s)	30/09/2021	30/09/2020
Deferred tax liabilities	1,275	832
TOTAL	1,275	832

This heading consists of the deferred tax relating to the deferred taxation (5% withheld at source) of unrealised capital gains on the French assets.

NOTE 18 — Trade payables and other current liabilities

(€000s)	30/09/2021	30/09/2020
Suppliers	5,565	5,220
Tenants	1,593	1,228
Taxes, salaries and social charges	2,574	2,980
TOTAL	9,731	9,428

Apart from a few amounts of receivables with credit balances, this heading consists mainly of the provisions estimated to cover the credit notes remaining to be issued in respect of cancellations of rents payments in connection with the closure of non-essential businesses during the past financial year, which are estimated at €767,000 at 30 September 2021 on the basis of discussions still under way with tenants.

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 the ordinary rate of Spanish corporation tax.
- provisions for holiday allowances and end-of-year bonuses.

NOTE 19 — Accrued charges and deferred income

(€000s)	30/09/2021	30/09/2020
Property income received in advance	515	1,320
Accrued interest and other charges not yet dues	2,044	2,118
TOTAL	2,559	3,438

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 20 — Rental income

(€000s)	30/09/2021	30/09/2020
Rents	46,663	45,034
Cost of rent-free periods	-624	-479
Indemnity for early termination of rental contracts	246 ^(*)	0
TOTAL	46,285	44,555

(*) This compensation is spread over the period to which it relates, namely from 1 March 2021 to 30 June 2022.

NOTE 21 — Rental related charges

(€000s)	30/09/2021	30/09/2020
Write-downs on trade receivables	371	632
Write-back of write-downs on trade receivables	-266	-48
Cancellation of COVID 19 rents	1,265	1,640
TOTAL	1,371	2,224

Following the closure of shops imposed because of the COVID-19 health crisis, Ascencio granted total or partial forgiveness of rents to tenants whose activity has been badly hit by the crisis, by way of transactional agreements negotiated between lessor and lessee.

At 30 September 2021, Ascencio had reached agreements for almost all discussions with its Belgian and Spanish tenants, while the conclusion of these agreements takes longer with its French tenants as these agreements are also dependent on the position of the French state as to its involvement in these discussions

In the financial statements at 30 September 2021, based on the negotiations that have been finalised and a conservative estimate of the potential impact of the discussions still under way, the partial rent cancellations resulting from the closure of businesses amounts to a total of €1.2 million, of which €0.6 million relates to credit notes actually issued during the past financial year (and taking account of the €99,000 of tax credits granted by the French State) and €0.6 million relates to provisions for estimated credit notes to be issued in respect

of discussions still under way (and taking account of a reversal of €215,000 in surplus provisions made at the end of the previous financial year).

To the extent that the terms of the lease contracts have not been amended, these rents cancellations (effective and 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 22 — Recovery of rental charges and taxes normally assumed by the tenant on let properties

(€000s)	30/09/2021	30/09/2020
Rebiling of rental charges invoiced to the landlord	2,566	2,457
Rebiling of property taxes and other taxes on let properties	4,320	4,378
TOTAL	6,886	6,835

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 23 — Rental charges and taxes normally assumed by the tenant on let properties

(€000s)	30/09/2021	30/09/2020
Rental charges invoiced to the landlord	-2,585	-2,437
Property taxes and other taxes on let properties	-4,465	-4,590
TOTAL	-7,051	-7,027

NOTE 24 — Technical costs

(€000s)	30/09/2021	30/09/2020
Recurring technical costs		
- Repairs	-481	-227
Non-recurring technical costs		
- Major repairs	-430	-254
- Damage expenses	-27	-16
TOTAL	-937	-497

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 25 — Commercial costs

(€000s)	30/09/2021	30/09/2020
Letting fees paid to real estate brokers	-123	-99
Advertising and marketing costs relating to the properties	-9	-17
Fees paid to lawyers and other legal costs	-44	-65
TOTAL	-175	-182

NOTE 26 — Property management costs

(€000s)	30/09/2021	30/09/2020
Fees paid to external managers	-172	-122
Internal property management charges	-1,644	-1,444
TOTAL	-1,816	-1,566

NOTE 27 — Other property charges

(€000s)	30/09/2021	30/09/2020
Insurance	-17	-23
Taxes and duties for landlord's account	-87	39
Property renting, emphyteuses, rental charges	-26	-31
Others	0	-124
TOTAL	-129	-140

NOTE 28 — Corporate overheads

(€000s)	30/09/2021	30/09/2020
Employee benefits	-1,159	-1,112
Remuneration of the statutory manager	-1,016	-923
Remuneration of directors	-266	-222
Operating costs	-723	-690
Fees	-513	-528
Tax on UCIs	-298	-326
Depreciation	-82	-79
TOTAL	-4,057	-3,881

In 2020/2021 the heading for remuneration of the Statutory Manager includes part of the remuneration (€40,000) due for 2019/2020, which explains the substantial difference between the amounts for the last two financial years.

NOTE 29 — Other operating income and charges

(€000s)	30/09/2021	30/09/2020
Other operating income	14	10
Other operating charges	-2	-14
TOTAL	12	-4

NOTE 30 — Net gains and losses on disposals of investment properties

(€000s)	30/09/2021	30/09/2020
Losses on disposals of investment properties	0	-41
TOTAL	0	-41

(€000s)	30/09/2021	30/09/2020
Net sales of properties (selling price - transaction costs)	0	890
Carrying amount of properties sold	0	-931
TOTAL	0	-41

NOTE 31 — Changes in the fair value of investment properties

(€000s)	30/09/2021	30/09/2020
Positive changes in the fair value of investment properties	16,341	5,160
Negative changes in the fair value of investment properties	-6,506	-25,679
TOTAL	9,835	-20,520

As indicated in Note 5 above, by virtue of IFRS 16, changes in the value of the assets representing the right of use land are now recognised in changes in fair value of investment property.

NOTE 32 — Net interest charges

(€000s)	30/09/2021	30/09/2020
(-) Nominal interest on borrowings	-3,362	-3,055
(-) Charges arising from authorised hedging instruments	-2,366	-2,138
Authorised hedging instruments to which IFRS hedge accounting is not applied	-2,366	-2,138
(-) Other interest expenses	-152	-116
TOTAL	-5,881	-5,308

NOTE 33 — Other financial charges

(€000s)	30/09/2021	30/09/2020
Bank charges and other commissions	-427	-334
TOTAL	-427	-334

NOTE 34 — Changes in fair value of financial assets and liabilities

(€000s)	30/09/2021	30/09/2020
Authorised hedging instruments		
Authorised hedging instruments to which IFRS hedge accounting is not applied	5,704	316
TOTAL	5,704	316

As a result of rising interest rates during financial year 2020/2021, the derivative hedging instruments held by the Company have seen significant increases in value, which are reflected in this heading of the Income Statement.

NOTE 35 — Corporate tax

	30/09/2021	30/09/2020
PARENT COMPANY		
Pre-tax result	46,292	9,388
Result exempted from income tax due to the RREC regime	-46,292	-9,388
Tax credits	99	0
Other taxes	-281	-213
Deferred tax	-443	71
SUBSIDIARIES		
Payable Tax	-190	-275
TOTAL	-815	-418

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 - Tax Credits” consists of the tax reductions granted by the French State to partly compensate for the rents abatements granted by the Company to some of its tenants during the period of obligatory closure imposed in an attempt to halt the spread of COVID-19 in the last quarter of calendar year 2020.

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 and the amounts of exit tax.

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 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. Since the properties in the French portfolio increased in value during financial year 2020/2021, the associated tax latency also increased, leading to the recognition of an additional provision for deferred taxation which was charged to this heading of the income statement.

NOTE 36 — 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.

	30/09/2021	30/09/2020
Net result for the financial year (€000s)	45,652	9,246
Weighted average number of shares in circulation	6,595,985	6,595,985
Basic and diluted EPS (euros)	6.92	1.40

The weighted average number of shares during the financial years ended 30 September 2020 and 30 September 2021 remain stable at 6,595,985 shares.

NOTE 37 — Information on related parties

We report hereunder the amounts of transactions carried out with the Company’s co-promoters Carl Mestdagh, Eric Mestdagh and John Mestdagh and with parties related to them.

(€000s)	30/09/2021	30/09/2020
Rental income		
Mestdagh SA	4,473	4,335
Equilis SA	18	18
Purchase of services		
Remuneration of the manager	976	963
Remuneration of manager's directors	266	222
Assets		
Trade receivables Mestdagh SA	234	438
Trade receivables Equilis SA	0	4

The remuneration granted to executives is referred to in Note 38 hereunder.

NOTE 38 — 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 €3.70 per share to be proposed to the general meeting of shareholders on 31 January 2022, the remuneration of the statutory manager will amount to €976,000 for the past financial year (€963,000 for the previous financial year). This amount will not be paid until after the ordinary general meeting of shareholders of Ascencio S.C.A. It has been provisioned in the accounts at 30 September 2021, based on the amount of the dividend proposed for the financial year 2020/2021; at 30 September 2021 the accounting item also includes an amount of €40,000 relating to 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 €266,000 for the financial year last ended (€222,000 for 2019/2020). 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 S.C.A.

Lastly, remuneration for the past financial year of members of the executive committee, including the CEO, amounted to 1,265 millions EUR.

NOTE 39 — Subsidiaries

SUBSIDIARIES	Held directly	Held indirectly
SCI CANDICE BRIVES Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI ECHIROLLES GRUGLIASCO Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI HARFLEUR 2005 Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI KEVIN Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI LA PIERRE DE L'ISLE Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI MAS DES ABEILLES Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI ZTF ESSEY LES NANCY Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI CANNET JOURDAN Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI DE LA COTE Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI DU ROND POINT Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI SEYNOD BARRAL Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI CLERMONT SAINT JEAN Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil

SUBSIDIARIES	Held directly	Held indirectly
SCI SAINT AUNES RETAIL PARC Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI LES HALLES DE CRECHES Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI LES HALLES DE LOZANNE Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI LES PORTES DU SUD Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI GUYANCOURT Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI TESTE DE BUCH Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SCI VIRIAT Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
SAU ASCENCIO IBERIA Calle Hermosilla 11 Planta 3A - 28001 Madrid - Spain	100%	Nihil

NOTE 40 — Fees of the statutory auditor

(€000s)	30/09/2021	30/09/2020
Audit of the financial statements	49	48
Other assignments	5	6
TOTAL	54	54

NOTE 41 — Events after the reporting period

Since the closing date of the financial year, COVID-19 has continued to disturb the smooth operation of economic activity, with infection figures climbing once more, leading the various governments to envisage taking renewed measures aimed at limiting contacts among people so as to curtail the spread of the virus. In this context, it is not unreasonable to think that activity in Ascencio's portfolio will again be somewhat affected during this coming financial year. For the last two years however, Ascencio has shown the resilience of its portfolio in times of health crisis and the limited impact it has had on its results.

On 18 October 2021, Ascencio concluded the effective sale of its downtown commercial property in Sint-Niklaas, which had been recognised at 30 September 2021 under assets held for sale in anticipation of this sale. This sale was carried out at a price level close to the last fair value valuation of the asset in portfolio. The result of the disposal will be reflected in the accounts for financial year 2021/2022.

Statutory auditor's report

REPORT OF THE STATUTORY AUDITOR TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

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 14 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 2021, 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 728 076 (000) EUR and the consolidated income statement a consolidated net profit for the year then ended of 45 652 (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 2021 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 714 million as at 30 September 2021 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 is valued at fair value. 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.
- 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.

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.

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 addressed the key audit matters?

- 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 5, Investment Property. 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, 17 December 2021,

The statutory auditor

Kathleen De Brabander

Deloitte Réviseurs d’Entreprises SRL
Represented by Kathleen De Brabander



Statutory
accounts

ASSETS (€000s)	30/09/2021	30/09/2020
ASSETS		
I NON-CURRENT ASSETS		
A Goodwill	0	0
B Intangible assets	0	0
C Investment properties	557,903	545,001 ^(*)
D Other tangible assets	46	1,034
E Non-current financial assets	10,650	11,257
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	95,058	85,449
TOTAL NON-CURRENT ASSETS	663,657	642,741
II CURRENT ASSETS		
A Assets held for sale	1,360	0
B Current financial assets	0	0
C Finance lease receivables	0	0
D Trade receivables	4,701	6,428
E Tax receivables and other current assets	48,028	48,636
F Cash and cash equivalents	1,704	2,909
G Deferred charges and accrued income	164	310
TOTAL CURRENT ASSETS	55,957	58,283
TOTAL ASSETS	719,614	701,024

(*) This amount has been restated due to the IFRS 16 restatement as described in Note 5.

EQUITY AND LIABILITIES (€000s)	30/09/2021	30/09/2020
EQUITY		
A Capital	38,659	38,659
B Share premium account	253,353	253,353
C Reserves	32,524	47,355
a. Legal reserve	0	0
b. Reserve for changes in fair value of properties	29,966	50,589 ^(*)
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-10,031	-10,031
e. Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied	-12,491	-12,964
m. Other reserves	25,079	19,762
D Net result for the financial year	45,652	9,246
TOTAL EQUITY	370,189	348,613
LIABILITIES		
I NON-CURRENT LIABILITIES	285,580	300,523
A Provisions	0	0
B Non-current financial debts	275,966	287,056
a. Credit institutions	241,129	262,552
b. Finance leases	170	290
c. Other	34,667	24,214 ^(*)
C Other non-current financial liabilities	8,340	12,636
D Trade debts and other non-current debts	0	0
E Other non-current liabilities	0	0
F Deferred tax liabilities	1,275	832
II CURRENT LIABILITIES	63,845	51,887
A Provisions	0	0
B Current financial debts	54,166	41,165
a. Credit institutions	7,000	0
b. Finance leases	120	120
c. Other	47,046	41,045 ^(*)
C Other current financial liabilities	0	0
D Trade debts and other current debts	7,508	7,293
a. Exit tax	0	0
b. Other	7,508	7,293
E Other current liabilities	0	0
F Accrued charges and deferred income	2,171	3,429
TOTAL LIABILITIES	349,426	352,411
TOTAL EQUITY AND LIABILITIES	719,614	701,024

(*) These amounts have been restated due to the IFRS 16 restatement as described in Note 5.

(€000s)		30/09/2021	30/09/2020
I	Rental income	35,886	34,334
III	Rental related charges	-1,012	-1,635
NET RENTAL RESULT		34,874	32,700
V	Recovery of rental charges and taxes normally paid by tenants on let properties	5,408	5,382
VII	Rental charges and taxes normally paid by tenants on let properties	32	-5,580
VIII	Other revenue and rental related charges	0	5
PROPERTY RESULT		34,758	32,507
IX	Technical costs	-902	-425
X	Commercial costs	-162	-174
XI	Rental charges and taxes on unlet properties	-413	-327
XII	Property management costs	-1,773	-1,538
XIII	Other property charges	-52	-27
PROPERTY CHARGES		-3,302	-2,491
PROPERTY OPERATING RESULT		31,456	30,016
XIV	Corporate overheads	-3,925	-3,754
XV	Other operating income and charges	536	514
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		28,067	26,776
XVI	Net gains and losses on disposals of investment properties	0	-41
XVIII	Change in the fair value of investment properties	5,362	-16,667
OPERATING RESULT		33,429	10,068
XX	Financial income	739	796
XXI	Net interest charges	-5,695	-5,076
XXII	Other financial charges	-412	-319
XXIII	Change in fair value of financial assets and liabilities	5,704	316
FINANCIAL RESULT		336	-4,283
SHARE IN THE RESULT OF HOLDINGS INCORPORATED USING THE EQUITY METHOD		12,527	3,603
PRE-TAX RESULT		46,292	9,389
XXV	Corporate tax	-640	-143
XXVI	Exit Tax	0	0
TAXES		-640	-143
NET RESULT		45,652	9,246
BASIC NET RESULT AND DILUTED (€/SHARE)		6.92	1.40

STATEMENT OF COMPREHENSIVE INCOME (€000s)		30/09/2021	30/09/2020
I	NET RESULT	45,652	9,246
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	0	19
H	Other comprehensive income ^(*)	-2	-172
TOTAL COMPREHENSIVE INCOME		45,650	9,092

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

PROPOSED APPROPRIATION (€000s)		30/09/2021	30/09/2020
A	NET RESULT	45,652	9,246
B	TRANSFERS TO/FROM RESERVES	21,247	-14,830
1.	Transfer to/from reserves of net change in fair value of property assets (-/+)	9,835	-20,520
6.	Transfer from reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (+)	5,704	316
10.	Transfer to/from reserves	5,708	5,374
C	REMUNERATION OF CAPITAL (ART. 13, SECTION 1, PARA. 1, INDENT 1)	24,240	23,883
D	REMUNERATION OF CAPITAL - OTHER THAN C	165	192

OBLIGATION TO DISTRIBUTE AS PER ROYAL DECREE OF 13 JULY 2014, AS AMENDED BY THE ROYAL DECREE OF 23 APRIL 2018, ON B-REITS	30/09/2021 (€000s)	30/09/2020 (€000s)
STATUTORY NET RESULT	45,652	9,246
(+) Depreciation	82	79
(+) Reductions in value	30	356
(+/-) Other non-monetary items (Change in value of financial participation)	-4,473	3,853
(+/-) Other non-monetary items (change in value of financial instruments)	-5,704	-316
(+/-) Other non-monetary items (change in value of deferred tax debts)	443	-71
(+/-) Net gains/(losses) on disposals of property assets	0	41
(+/-) Change in fair value of property assets	-5,362	16,667
= CORRECTED RESULT (A)	30,667	29,854
(+/-) Capital gains and losses realised ^(*) on property assets during the financial year	0	100
(-) Capital gains realised ^(*) on property assets during the financial year, exonerated from the distribution obligation, subject to reinvestment within 4 years	0	-100
= NET CAPITAL GAINS ON THE REALISATION OF PROPERTY ASSETS NON-EXONERATED FROM THE DISTRIBUTION OBLIGATION (B)	0	0
TOTAL ((A + B) x 80%)	24,534	23,883
(-) REDUCTION IN BORROWINGS	-294	0
OBLIGATION TO DISTRIBUTE	24,240	23,883
AMOUNT DISTRIBUTED	24,405	24,075
% DISTRIBUTED OF CORRECTED RESULT TAKING INTO ACCOUNT THE DEBT DECREASE	80.35%	80.64%

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

(€000s)	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	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 before IFRS 16 restatement	38,659	253,353	50,940	-10,031	-12,964	19,762	9,246	348,965
Impact IFRS 16 (01/10/2019)*			-352					-352
BALANCE AT 30/09/2020	38,659	253,353	50,588	-10,031	-12,964	19,762	9,246	348,613

* This amount corresponds to the IFRS 16 restatement as described in Note 5.

(€000s)	Reserves*						Result for the financial year	Total equity
	Capital	Share premium account	C.b.	C.c.	C.e.	C.m.		
BALANCE AT 30/09/2020	38,659	253,353	50,588	-10,031	-12,964	19,762	9,246	348,613
Distribution of dividends							-24,075	-24,075
Appropriation to reserves			-20,520		316	5,374	14,830	0
Capital increase								0
Net result							45,652	45,652
Other elements recognised in the global result			-2					-2
Reclassification of reserves			-100		157	-57		0
Adjustment to reserves								0
BALANCE AT 30/09/2021	38,659	253,353	29,966	-10,031	-12,491	25,079	45,653	370,188

* 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 European 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.

		30/09/2021	30/09/2020
Net interest charges (heading XXI excluding IFRS 16) (€000S)		5,738	5,193
Commissions on undrawn balances under credit facilities		330	251
Opening commission and charges for credit facilities		44	31
Change in fair value of caps		8	0
TOTAL COST OF FINANCIAL DEBTS	= A	6,120	5,474
WEIGHTED AVERAGE DEBT FOR THE PERIOD	= B	338,491	297,793
AVERAGE COST OF DEBT	= A / B	1.81%	1.84%

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)		30/09/2021	30/09/2020
Fixed-rate financial debts		96,517	87,029
Financial debts converted into fixed-rate debts by means of IRS		173,000	180,500
Financial debts converted into capped-rate debts by means of caps		10,000	0
TOTAL FIXED RATE OR CAPPED FINANCIAL DEBTS	= A	279,517	267,529
TOTAL VARIABLE RATE FINANCIAL DEBTS		59,424	61,498
TOTAL FINANCIAL DEBTS	= B	329,669	329,027
HEDGING RATIO	= A / B	84.8%	81.3%

OPERATING MARGIN

Definition —

This is the operating result before portfolio income 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.

		30/09/2021	30/09/2020
Operating result before result on portfolio (€000S)	= A	37,236	35,551
Rental income (€000S)	= B	46,285	44,555
OPERATING MARGIN	= A / B	80.4%	79.8%

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• Risk factors

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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.

In this chapter, for each risk to which Ascencio is exposed, the potential impact of the risk identified is described.

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.

Risks linked to Ascencio's sector of activity

SHORT-TERM ECONOMIC SITUATION

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, and promotes the profile of its major retail parks, particularly through online marketing. Ascencio's portfolio is also well diversified, with food stand-alones on the one hand and retail parks dedicated to consumers' essential needs on the other.

Description of the risk —

THE COMMERCIAL PROPERTY RENTAL MARKET

Weakening of demand for retail property, oversupply and deterioration of clients' financial situation.

Changing consumer habits and the growth of e-commerce are exacerbating factors.

The COVID-19 pandemic is also an exacerbating factor.

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 rent indexation.
4. Tenants' insolvency and/or bankruptcy.
5. Fall in the fair value of the properties and consequently in the net asset value per share ("NAV").

THE COMMERCIAL PROPERTY INVESTMENT MARKET

The investment market in commercial property could see a fall in demand on the part of property investors. This would have the effect of reducing the market price observed by the independent appraisal experts for real estate assets comparable with those held by Ascencio.

1. Fall in the fair value of the properties and consequently in the net asset value per share ("NAV").



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.

The COVID-19 pandemic is an exacerbating factor.

RISK OF NEGATIVE CHANGE IN FAIR VALUE OF REAL ESTATE ASSETS

Property market values are subject to variations and depend on various factors, some of which are beyond Ascencio's control, such as Consumer habits and the growth of e-commerce.

The COVID-19 pandemic is an exacerbating factor.

RISK OF IMPAIRMENT, DETERIORATION AND OBSOLESCENCE 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.

Nonetheless, increasing demands and legislation regarding the energy performances of buildings entail increased responsibilities for lessors and property owners. See also Environmental, Social and Governance Risks hereunder.

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. In this regard, the reader is referred to the financial table drawn up in accordance with Article 7:212 of the Code of Companies and Associations.

- 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.
- 4. Fall in price and in potential attractiveness of properties in the event of sale.

CLIENTS

Ascencio conducts responsible dialogues with its retailer clients with a view to supporting them in their projects and helping them where necessary and possible from a perspective of a solid, long-term relationship.

Description of the risk —

RISK OF TENANTS' INSOLVENCY

Risk of non-payment of rentals and bankruptcy of tenants.

The COVID-19 pandemic is an exacerbating factor.

RISK OF RENTAL VACANCY

Unforeseen circumstances such as bankruptcies, moves, pandemic, 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.

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. Ascencio also applies an appropriate conservative hedging policy in order to limit its risk. The reader is referred to the note on financial risks for further details.

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.

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.

Description of the risk —

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. This debt is hedged.

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).

Furthermore most of the loan agreements include a change of control clause. This provides that in the event of a change of control of Ascencio the lenders would be entitled to cancel the loans and demand early repayment.

Potential impact —

- 1. Increase in financial charges in the case of a hike in interest rates on the unhedged portion of variable rate borrowings, leading to a fall in the NAV per share.
- 2. Deterioration of the Company's earnings due to the fall in the fair value of financial instruments if interest rates were to fall.

- 1. Possible cancellation of loan agreements and consequent additional cost of refinancing or sale of assets on non-optimal terms.



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, retail licensing 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

Ascencio has a special status in Belgium and France which is reflected notably in tax transparency for certain activities. The status is that of Société Immobilière Réglementée (SIR) (Regulated Property Company or "Belgian REIT") in Belgium and Société d'Investissement Immobilier Cotée (SIIC) (Listed Real Estate Investment Company) in France.

CHANGES IN RETAIL LICENSING LEGISLATION

Establishing a retail business is subject to authorisation (issue of a socio-economic permit).

The conditions for obtaining these administrative authorisations are crucial to Ascencio.

The difficulties that Ascencio could encounter in obtaining these authorisations would affect its ability to quickly re-let vacant units.

Potential impact —

- 1. Loss of approval and hence of tax transparency regime in the event of non-compliance with the legal SIR/SIIC (B-REIT) 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.

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RISK RELATING TO INTERNAL CONTROL

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, retail premises location 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 —

AN INAPPROPRIATE INTERNAL CONTROL SYSTEM MIGHT PREVENT THE PARTIES CONCERNED (INTERNAL AUDITOR, COMPLIANCE OFFICER, RISK OFFICER, EXECUTIVE COMMITTEE, AUDIT COMMITTEE AND 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) RISKS

ESG criteria are a set of non-financial criteria allowing the socially responsible dimension of a business to be analysed.

Description of the risk —

SUSTAINABILITY OF THE PROPERTIES

The attractiveness of the properties in the portfolio depends largely on their sustainability (location, energy performance, proximity to means of transport, etc.) and their resilience to climate change. Shortcomings in this respect would be likely to deter potential tenants/operators or possible buyers.

Potential impact —

- 1. Rental vacancy.
- 2. Fall in the fair value of the properties
- 3. Fall in price and in potential attractiveness of properties in the event of sale.

CSR TRANSPARENCY

Corporate social responsibility (CSR), uppermost in the minds of the general public and of private and institutional investors.

CSR covers a wide range of aspects such as the effects of the Company's business on the environment, the community and governance.

There may be a risk of perceived lack of transparency as regards some of these aspects.

- 1. Deterioration in the Company's reputation with various stakeholders.
- 2. Less easy access to capital markets (debt and equity).



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- **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 Vandembroucke, 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).

HEAD 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 Articles 7:129 and 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 7:142 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 S.C.A.

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.

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 SPRL	Greet Hex	Avenue Marnix 23 1000 Brussels
	Cushman & Wakefield SPRL	Emeric Inghels	Avenue des Arts 58 1000 Brussels
	CBRE SA	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	Jose Ortega 4 Gasset 29 - 6ªPlanta 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 property assets 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 making available property assets, 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). It must also:

- pursue a strategy aimed at holding its assets in the long term;
- give preference to active management in the exercise of its activities;
- be listed on the stock exchange and maintain a free float of at least 30% of its shares;
- comply 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 —

European 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.

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.

TAX REGIME

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 S.A. (société anonyme, or public limited company) or another form of company limited by shares admissible for trading on a European 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 system;
- 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 corporate tax.



Declarations

PERSON RESPONSIBLE

The Statutory Manager of Ascencio S.C.A., Ascencio S.A., 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 in accordance with reality 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 S.A. 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 2021.

DECLARATION REGARDING THE DIRECTORS AND EXECUTIVE 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 S.C.A. 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 body: The Board of Directors - The directors" in this annual 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.



RAISON SOCIALE	ASCENCIO SCA
STATUT	Société Immobilière Réglementée (Regulated Property Company or "Belgian REIT")
HEAD OFFICE	Avenue Jean Mermoz 1 Bât H Bte 4 6041 Gosselies - Belgium
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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 SA
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	€709,666,227
NUMBER OF PROPERTIES	104
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)

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

Is the highest rental that could be achieved in a normal market transaction for a typical, standard-sized property relative to demand in its market sector, of the highest quality and specification 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.





For any additional information

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