

ANNUAL

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REPORT

The logo for Ascencio features a red, upward-curving swoosh above the word "ascencio" in a dark blue, lowercase sans-serif font. The letter "i" in "ascencio" has a red dot.

ascencio

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# l e t t e r t o t h e s h a r e h o l d e r s



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



↑ **Carl Mestdagh**  
Chairman of  
the board of directors

Dear shareholders,

It was such a pleasure during this past financial year to have been able once again to have family gatherings, meet up with friends and resume one's social activities.

The new normal...

The Covid crisis has led to some changes and accelerated some new trends.

The retail sector, which had already been undergoing a structural transformation for some years with the development of e-commerce, was also affected by the Covid crisis.

With Ascencio we have come through this period not just unscathed but actually strengthened by it.

Strengthened in terms of the pertinence of our strategy. Investing in the food sector and retail parks has enabled us to put together a resilient real estate portfolio offering our retailer tenants the necessary flexibility and an appropriate affordability ratio for the development of their activities. We are happy with the quality of our retailer tenants, who have shown agility in their business model and loyalty to our particularly well-located retail spaces.

Strengthened also by the development of our Company's human capital.

Our team grew during the trial that was Covid. It developed its skills, garnered experience and strengthened its ties with our clients.

Apart from this, the performance indicators for the management of our portfolio are all green, and the financial management of our balance sheet is excellent.

We would point out the occupancy rate of our real estate portfolio, which is close to 97%, the increase in its fair value, the issue of a first bond borrowing, the excellent interest rate hedging, and the reasonable level of indebtedness which will allow us to seize new opportunities.

During this past financial year, our team also launched a project to digitise our activities in order to increase our management efficiency and value creation still further.

In addition, defined an "ESG"<sup>1</sup> programme which we are deploying as an environmentally responsible company attentive to the challenges of our planet, the financial markets and the regulators.

Conscious as we are of the geopolitical difficulties and the current economic crisis, we believe we are armed to face the new challenges, relying on the indexation of rents, an essential characteristic of real estate investment.

Also, we will continue to optimise the management of our portfolio and will seize investment opportunities in line with our selective, value-creating strategy.

For the eighth year in a row, our dividend has increased. This year by 6.9%.

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

<sup>1</sup> Environmental, Social and Governance criteria of an organization.



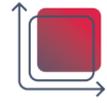
# About Ascencio

# A — Profile

**€47.8** MILLION  
RENTAL  
INCOME

ACTIVE IN 3  
COUNTRIES  
**Belgium,  
France  
& Spain**

LISTED ON  
EURONEXT  
BRUSSELS  
SINCE  
**2007**

 **450,037 m<sup>2</sup>**  
PORTFOLIO  
SURFACE AREA

 **€738.9** MILLION  
VALUE OF  
THE PORTFOLIO

 **96.5%**  
EPRA  
OCCUPANCY  
RATE

 **€334** MILLION  
MARKET  
CAPITALISATION

## OUR FOCUS: FOOD SUPERMARKETS AND RETAIL PARKS

Ascencio invests<sup>1</sup> in a niche sector: **out-of-town** retail and more specifically, supermarkets and retail parks.

The Company strives for excellence in the management of its property portfolio with the objective of generating consistent growth while ensuring the performance of its portfolio.

This is why Ascencio invests in food supermarkets or retail parks benefiting from an excellent **location**, paying particular attention to the **mix** of shops, the **flexibility** of the spaces, their ability to respond to the **omnichannel** nature of shopping and offering easy **access** and **parking**.

## MAIN CHARACTERISTICS OF OUT-OF-TOWN RETAIL

### RETAIL PARKS



Open air shopping



Retail mix



Good retail conversion rate



Accessibility and ample free parking



Good rental to revenue ratio for retailers



Size and flexibility of retail spaces

### FOOD SECTOR



Strategic locations



Meeting consumers' primary needs

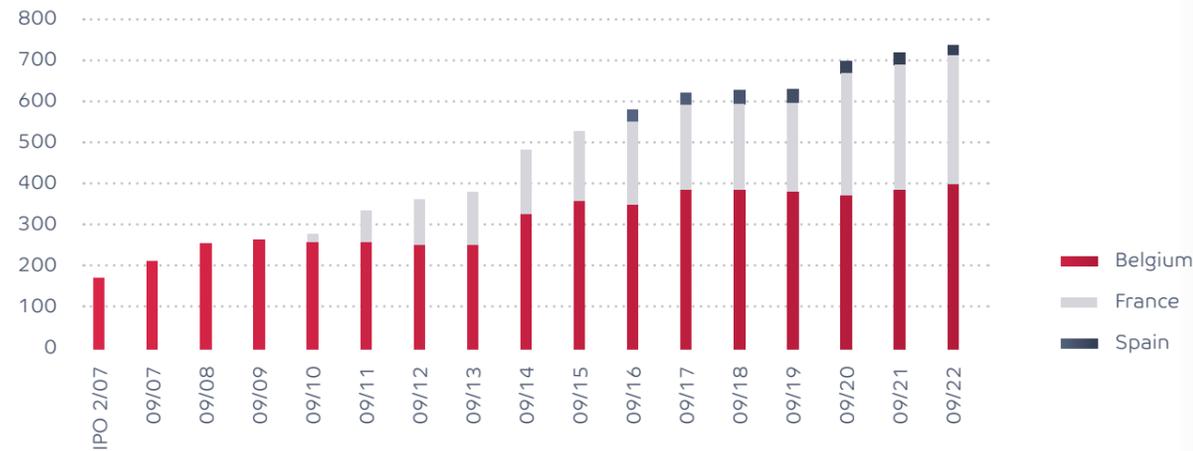


Limited impact of e-commerce



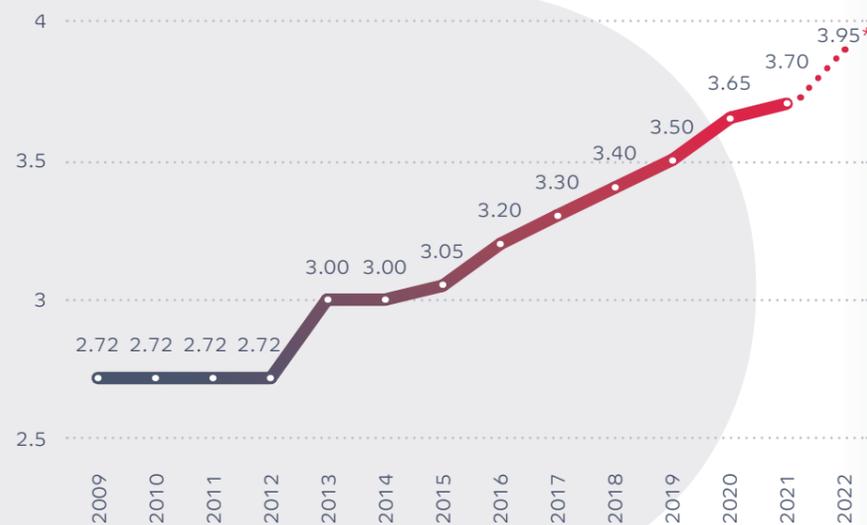
<sup>1</sup> Ascencio is a Regulated Public Real Estate Company (Société Immobilière Réglementée Publique or "SIRP", also referred to as a Belgian REIT (Real Estate Investment Trust) or "B-REIT") incorporated under Belgian law, subject to the Law of 12 May 2014 as amended by the Law of 22 October 2017 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"). In France, Ascencio has opted for a SIIC regime (Société d'Investissements Immobiliers Cotée) while in Spain, Ascencio SCA has opted for the SOCIMI status (Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario).

## PORTFOLIO GROWTH



## GROWTH IN GROSS DIVIDEND PER SHARE

\* For 2021/2022, this is the dividend proposal submitted for approval to the General Meeting to be held on 31 January 2023.



## OUR VALUES

### "Connected"

WITH OUR CUSTOMERS,  
OUR EMPLOYEES,  
OUR PARTNERS,  
OUR MARKETS

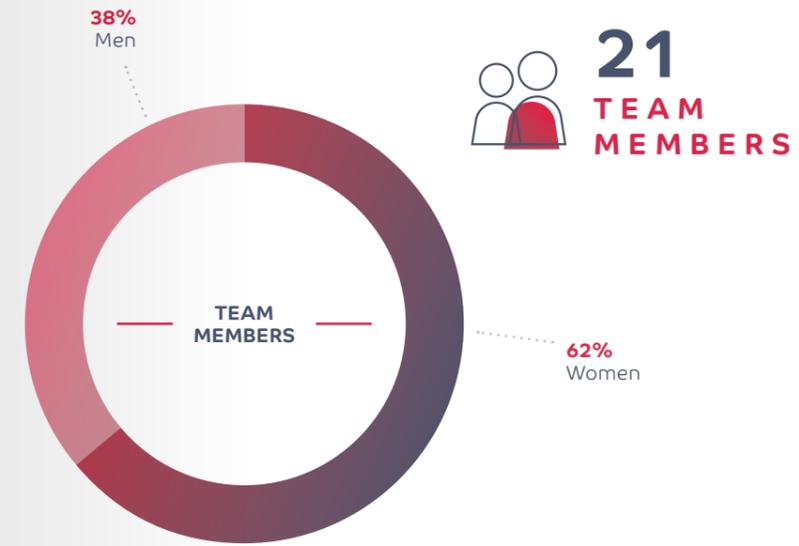
### "Ambition"

TO GROW, WHILE  
RESPECTING MARKET CYCLES

### "Positive Mind"

BECAUSE OUR PROJECTS AND ADVENTURES ARE  
ALWAYS MORE ATTRACTIVE THANKS TO THE POSITIVE  
ENERGY BROUGHT TO THEM BY OUR TALENTED TEAM

## OUR PRESENCE



## B — History

**2022** ←

Publication of a first Sustainability report, which earned Ascencio a Silver Award from the EPRA sBPR.

Takeover of the food retailer Mestdagh by Les Mousquetaires Group. At 01/01/2023 all the Mestdagh supermarkets of Ascencio's portfolio will go under the banner of Intermarché.

Completion of a first bond issue in the form of a private placement for a total amount of €25 million with an average maturity of 4 years.

Ascencio opted for the SOCIMI status in Spain.

**2021** ←

Acquisition of a supermarket and 4 adjacent retail units in the "Bellefleur" retail park in Couillet (Belgium).

**2020** ←

Acquisition of 5 supermarkets operated by Casino in the south-east of France for €85.2 million.

**2019** ←

Acquisition of 3 retail units in the "Parc des Drapeaux" retail park in Caen (France).

Ascencio entered the "FTSE EPRA Nareit Developed Europe Index".

**2018** ←

Acquisition of 6 retail spaces 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.

**2016** ←

Acquisition of the "Les Papeteries de Genval" (Belgium) shopping centre, which houses more than 30 brands.

First investment in Spain with the acquisition of 3 retail units (located in the best retail parks in Madrid, Barcelona and Valencia).

**2015** ←

Acquisition of the 15,000 m<sup>2</sup> "Bellefleur" retail park in Couillet (Belgium).

**2014** ←

Ascencio is licensed as a Public Regulated Real Estate Company ("public SIR" or "SIRP", also referred to as "Belgian REIT" or "B-REIT").

Capital increase of €81,502,605.

**2013** ←

Acquisition of around 30 retail units spread over 5 sites adjacent to the 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 by means of contribution in kind of 5 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 (France).

**2010** ←

Adoption of the SIIC status in France.

Acquisition of seven stores operating under the "Grand Frais" banner in France.

**2008**

Acquisition of a retail park in Jemappes (Belgium).

**2007** ←

Ascencio admitted to listing on the stock exchange.

Acquisition of a retail park located in Hannut (Belgium).

**2006**

Creation of Ascencio.

Authorisation as a real estate investment company with fixed capital ("SICAFI") in Belgium.

## C — STRATEGY

### RETAIL PROPERTY ON THE OUTSKIRTS: RETAIL PARKS AND SUPERMARKETS

The core of Ascencio's growth strategy is long-term investment in retail premises on the outskirts of towns, particularly supermarkets and retail parks.

This type of retail real estate has the characteristic of offering retail space adapted to the primary needs of consumers. They also benefit from easily accessible locations and flexible spaces to meet the needs of omnichannel retailing.

### DIALOGUE WITH RETAILERS

A regular dialogue with the retailers present on this market niche allow Ascencio to understand their business model and to answer to their needs.

### PROACTIVE ASSET MANAGEMENT

As a repository of recognised expertise in commercial property, Ascencio focuses on the proactive management of its existing assets and ensures that new quality investments are made. The objective of this approach is to generate regular growth in results, cash-flow and value per share. In addition to the usual due diligence reviews, potential assets are analysed from the point of view of the intrinsic qualities of the building (includ-

ing those related to its energy performance) but also its location, accessibility, catchment area, the quality of the tenants occupying it and, as mentioned above, the requirements for omnichannel shopping. In the interests of geographical consistency, Ascencio is now concentrating on areas located on the outskirts of Belgian, French and Spanish cities. In the future, Ascencio could extend its field of action to other European Union member countries after having analysed the opportunities in commercial, financial and tax terms.

### SECURING LONG-TERM DEVELOPMENT

Ascencio takes care to control its costs (real estate expenses and overheads) while also integrating the imperatives of sustainable development in all its renovation operations as well as the imperatives linked to the digitalisation of the Company in order to perpetuate its development in the long term.

In the same spirit, from a financial point of view, the Company adopts prudent interest rate hedging measures in order to avoid volatility in interest expenses and to improve the predictability of the EPRA result by maintaining a relatively low risk exposure (barring exceptional events).

### OFFERING STABLE DIVIDENDS

In accordance with the Company's legal regime, Ascencio distributes the bulk of its EPRA results to its shareholders in the form of cash or scrip dividends. Ascencio's objective is to offer them a stable and, if possible, steadily increasing dividend, without altering the risk profile of the Company. With this in mind, each new investment must offer financial prospects that have a positive influence on Ascencio's performance.

### MAINTAIN OF A HIGH OCCUPANCY RATES

In order to ensure the sustainability of its income, Ascencio strives to maintain the highest possible occupancy rate for its portfolio over the long term. To achieve this, the Company is pursuing a commercial policy aimed at anticipating the possible departure of certain tenants and at finding other brands likely to quickly take over vacated premises. The knowledge of its market and of the chains that operate in it is an essential skill of Ascencio.

### CHOOSING QUALITY TENANTS

To limit the risk of insolvency of its tenants, Ascencio favours leasing to national or international chains whose financial health is regularly assessed. Through regular contact with its tenants and by acquiring top quality properties leased to strong brands, Ascencio is able to consolidate its business on a long-term basis.

### ESG STRATEGY

Wishing to make environmental issues an integral part of its real estate strategy, Ascencio has worked over the past year to structure its ESG policy around its three constituent pillars, namely the environmental, social and governance aspects of its activities.

More specifically, as a listed real estate company active in retail, Ascencio defines its ESG strategy with the objective of improving the sustainability of its real estate portfolio, operations and activities.

The Company's ESG strategy is described on pages 121 to 127 of this annual report.

# Management report



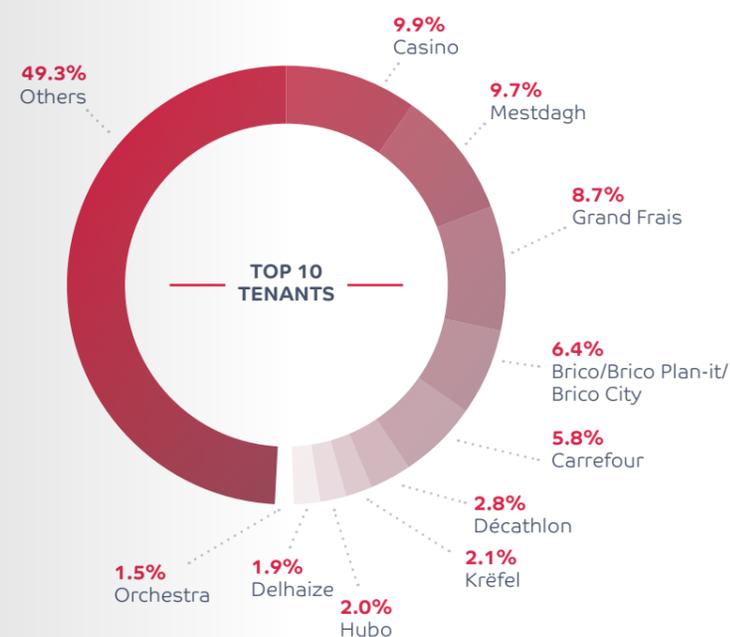
# A — Key figures

	30/09/2022	30/09/2021
<b>PROPERTY DATA</b>		
Fair value of investment properties (€000s)	738,933	713,601
EPRA occupancy rate	96.54%	96.05%
Gross yield of the portfolio	6.43%	6.40%
Average rent of the portfolio (€/m <sup>2</sup> )	115	109
<b>FINANCIAL DATA</b>		
<b>CONSOLIDATED RESULTS (€000s)</b>		
Rental income	47,849	46,285
EPRA Earnings	33,773	30,555
Net result	90,653	45,652
Gross dividend	26,054	24,405
<b>CONSOLIDATED RESULTS PER SHARE (€)</b>		
Weighted average number of shares in circulation	6,595,985	6,595,985
EPRA Earnings	5.12	4.63
Net result	13.74	6.92
Gross dividend <sup>1</sup>	3.95	3.70
Net dividend <sup>2</sup>	2.765	2.590
<b>CONSOLIDATED BALANCE SHEET</b>		
Equity (€000s)	437,011	370,353
Total number of shares in existence at balance sheet date	6,595,985	6,595,985
IFRS NAV per share (€)	66.25	56.15
EPRA NTA per share (€)	62.35	57.37
Debts and other liabilities included in the debt ratio (€000s)	337,237	346,227
Debt ratio <sup>3</sup>	44.88%	47.61%
<b>STOCK MARKET DATA</b>		
Closing price (€)	50.70	49.10
Stock market capitalisation (€000s)	334,416	323,863

<sup>1</sup> For 2021/2022, this is the dividend proposal subject to the approval of the general meeting of shareholders to be held on 31 January 2023.

<sup>2</sup> Based on withholding tax of 30%.

<sup>3</sup> 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.



**€3.95**  
GROSS DIVIDEND  
PER SHARE

**76.8%**  
PAY OUT  
RATIO

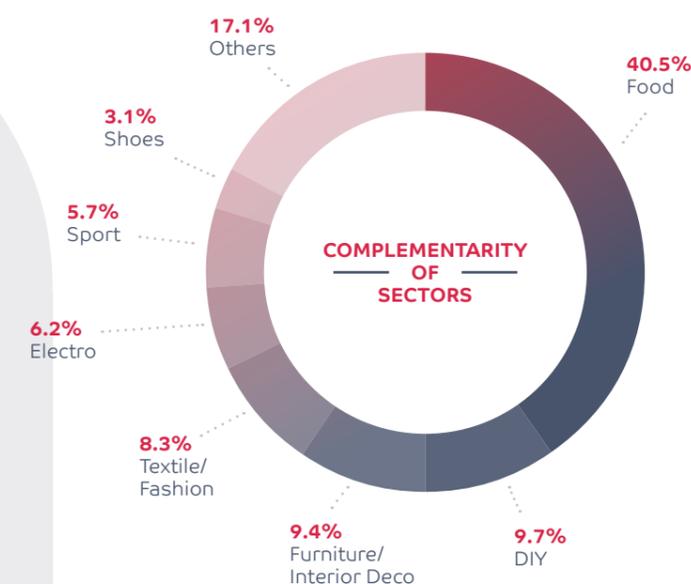
**€5.12**  
EPRA EARNINGS  
PER SHARE

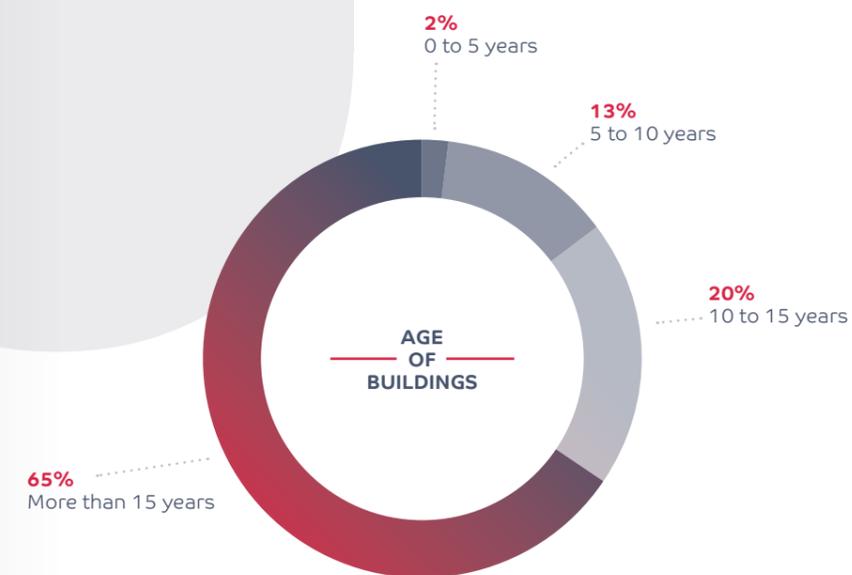
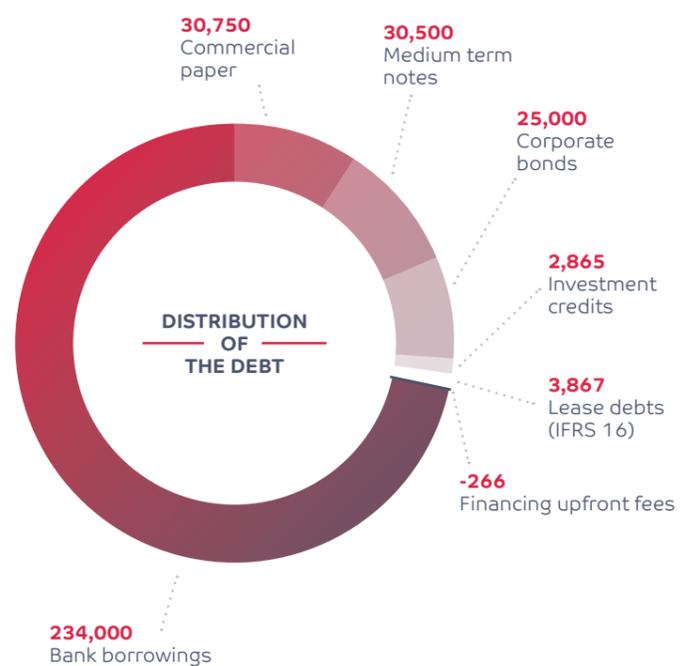
**1.80%**  
AVERAGE  
FINANCING COST

**3.3 years**  
DEBT  
DURATION

**95.5%**  
HEDGING  
RATIO

**€78.3 million**  
AVAILABILITY  
OF CREDIT LINES





(€000s)		30/09/2022	30/09/2021
Investment value (excl. projects in development)	[A]	766,988	740,035
Fair value (excl. projects in development)		734,551	709,666
Contractual rents	[B]	49,280	47,394
Estimated rental value of unoccupied properties		1,631	1,830
Total ERV		47,138	46,284
<b>Gross yield</b>	<b>= [B] / [A]</b>	<b>6.43%</b>	<b>6.40%</b>
<b>EPRA occupancy rate, %</b>		<b>96.5%</b>	<b>96.0%</b>

At 30/09/2022 Ascencio held a portfolio of 104 properties spread among Belgium, France and Spain, with a total surface area of 450,037 m<sup>2</sup>.

Its fair value<sup>1</sup> amounted to €738.6 million at 30/09/2022, compared with €713.6 million one year earlier.

	Surface (m <sup>2</sup> )		Fair value (€000s)		Gross yield (%)	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021
Belgium	289,918	288,884	393,826	384,011	6.95%	6.62%
France	147,195	147,194	313,936	300,790	5.92%	6.13%
Spain	12,253	12,253	30,850	28,800	5.16%	6.58%
<b>TOTAL</b>	<b>449,366</b>	<b>448,331</b>	<b>738,612</b>	<b>713,601</b>	<b>6.43%</b>	<b>6.40%</b>

Based on the contractual rents in force at 30/09/2022, the average rents per square metre are: €100/m<sup>2</sup> in Belgium, €139/m<sup>2</sup> in France and €197/m<sup>2</sup> in Spain.

<sup>1</sup> Excluding assets recorded in the context of the application of IFRS 16 and assets held for sale.



## B — Activities of financial year 2021/2022

### STRONG GROWTH IN OPERATING RESULTS

#### MACROECONOMIC CONTEXT

During the past financial year, the health crisis had only a minor impact on Ascencio's operating activities but the conflict between Russia and Ukraine broke out. It has major repercussions, notably a significant increase in inflation in the euro zone countries, with annual rates of around 12% for Belgium, 6% for France and 7% for Spain in October 2022.

In order to combat this rise in inflation, Central Banks have gradually ended their accommodative monetary policies implemented since the 2007/2008 financial crisis by progressively raising their reference interest rates (from 0% to 1,25%), which impacts the financing conditions and the companies' stock market valuations.

In this context, the food retail and out-of-town property market in which Ascencio operates has performed well. Indeed, after having suffered, at the time of the outbreak of the Covid-19 health crisis, from the negative perception of the commercial property market as a whole, Ascencio was able to demonstrate the resilience of its portfolio, which has the specificity of offering solutions to the primary needs of consumers (food, home furnishings, sports and leisure, etc.).

The type of commercial property proposed by Ascencio offers low rents to its tenants and high yields in its valuations; it is therefore less quickly and less strongly impacted in a context of inflation and significantly rising interest rates.

This is illustrated and commented on below in Ascencio's presentation of strong growth in its annual results 2021/2022 published at 30/09/2022. This growth can be seen both in the operating results (which

are up by 10.5% or €3.1 million on the previous financial year), and in the valuations of its property portfolio (up by 3.3% or €23.8 million) and its financial hedging instruments (up by €38.1 million).

#### OPERATIONAL ACTIVITY

Ascencio experienced sustained rental activity, once again confirming the attraction of retailers for out-of-town sites. In all, 38 leasing transactions were concluded (20 new leases signed and 18 leases renewed), representing a total of approximately 31,500 m<sup>2</sup>, about 7% of the real estate portfolio's surface area, at rents on average about 6% higher than the estimated rental value and 3% higher than previous rents for the units concerned.

This rental activity was carried out in particular:

##### — In Belgium:

- in Couillet "Bellefleur": 8 leases were renewed and 1 new lease was signed (Pro Duo);
- in Genval: 5 new leases were concluded (Okaïdi, Fox&Cie, Batopin, Madame Charlotte and Bombay Pékin);
- in Gosselies: 2 new leases (Aforest and Agrivaux) and an extension (BeOne) were signed;
- in Hannut: 3 new leases were signed (Pro Duo, Pronti and Bio Planet);
- in Messancy: 2 new leases were signed (Baby Kid for two commercial units and Cuisines Morel);
- in Morlanwelz: a new lease (Moon Coffee) and 2 renewals were signed;

##### — In France:

- in Chalon: a new lease subject to the condition precedent of obtaining the CDAC (Comme j'aime) and a renewal (Casa) were signed;
- in Crèches: 3 new leases were signed (Piwi'z, Vertbaudet and Deichmann);
- in Chanas: a new lease was signed (Sport 2000);
- in Rots: 3 renewals were concluded (Chauss Expo, Kiabi, Decathlon);
- in Saint-Aunès: 3 renewals were concluded (Subway, Chauss34, Khaan);

In addition, Ascencio concluded 12 short-term leases to maintain occupancy flexibility in buildings affected by short-term renovation or redevelopment projects. This high level of leasing activity enabled the Company to consolidate its property portfolio EPRA occupancy rate, which stood at 96.5% at 30/09/2022, compared to 96.0% at the end of the previous financial year.

In terms of investments, Ascencio carried out €1.5 million worth of work, mainly corresponding to the completion of the renovation programme for the Messancy (Belgium) façades, the start of the extension programme for the Ottignies (Belgium) supermarket and the completion of work to fit out areas to accommodate new tenants.

Ascencio also finalised the sale of its building in Sint-Niklaas (Belgium) for €1.5 million, for which a sale agreement had been signed in the course of the financial year 2020/2021. This sale, carried out in line with the fair value of the building, generated a realised loss of around €0.2 million, taking into account the transaction costs.

The client portfolio was marked by an important event, namely the takeover of SA Mestdagh by the Les Mousquetaires group, a major player in food retailing representing, among others, the Intermarché brand. The 23 Mestdagh supermarkets in Ascencio's portfolio will therefore be brought under this banner from 2023. Ascencio enthusiastically welcomes this new tenant that will eventually represent nearly 10% of the Company's consolidated rental income.

In terms of real estate valuations, the sustained rental activity in the retail property sector, and the increased interest of investors in this type of real estate, which benefits from comfortable market parameters (low rents and high yields), generate a significant positive impact on the value of Ascencio's consolidated portfolio. These trends have enabled the independent property experts to increase the market rental value on a case-by-case basis, in view of the rental values achieved on new lettings, and to reduce the capitalisation rate in view of the yields achieved on transactions in the market for comparable properties during the year. Ascencio's consolidated portfolio therefore experienced a positive change in value of €23.8 million (+3.3%) during the past financial year, compared with an increase of €9.8 million (+1.4%) in the previous financial year. It should be noted that these cumulative increases in value more than offset the decrease in value (-€20.5 million / -2.9%) that occurred in the 2019/2020 financial year as a result of the Covid-19 health crisis.

## ESG POLICY

Aware of the importance of further integrating environmental issues into its real estate strategy, Ascencio has worked to structure its ESG policy around its three constituent pillars, namely the environmental, social and governance aspects of its activities. The description of this new policy is illustrated in the ESG chapter of this 2021/2022 annual report. The successful implementation of this policy will also go hand in hand with the digital transformation of the Company, a process that started during this past financial year with the completion of a complete mapping of the systems currently used by the Company and a detailed analysis of its future needs, both in terms of managing its customer relations and managing the accounting and financial aspects related to its activity as an active listed company in many countries.

To support the development and implementation of this policy, Ascencio has strengthened its team during the past year by appointing a Director for Operations & ESG. Since 1 October 2022, this position has been held by Bernard Sergeant, a certified BREEAM Assessor with more than 25 years experience in managing technical building projects.

Ascencio's desire to develop and communicate this policy has already been illustrated by the publication in June 2022 of an initial report on performance indicators for the ESG aspects according to the EPRA sBPR guidelines, for which Ascencio has won several distinctions (Silver Award and Most improved Award) granted by the EPRA, the European Public Real Estate Association.

In the past year, Ascencio also took the following initiatives:

### — At the environmental level:

1. Starting with its French portfolio, the Company has started the process of installing a tool to collect energy consumption measurements from its buildings. The systematic recording and analysis of these measurements will provide the Company with a more objective view of the energy performance of its properties. This comprehensive audit and the monitoring of this performance over time will help the Company to establish a comprehensive action plan to reduce the carbon footprint of its portfolio over time and to produce the necessary reports illustrating the progress made in environmental performance.

2. Several programmes to install electric vehicle charging stations have been launched by Ascencio, both within its real estate portfolio in the retail parks of Messancy (Belgium) and Saint-Aunès (France) and at its head office in Gosselies (Belgium), to serve its tenants, staff and visitors to its sites. In addition, it is considering the wider deployment of charging stations across the other assets in its portfolio.

3. The Company has developed a programme to install photovoltaic panels on the roofs of buildings, which will enable the production of green electricity for use by its tenants, at levels below the current energy cost.

### — At the social level:

1. The organisation of a homeworking policy for its team, in order to balance homework and the presence of employees in the office, by providing them with the tools (telephone, PC, etc.) allowing them to work at home in good conditions;

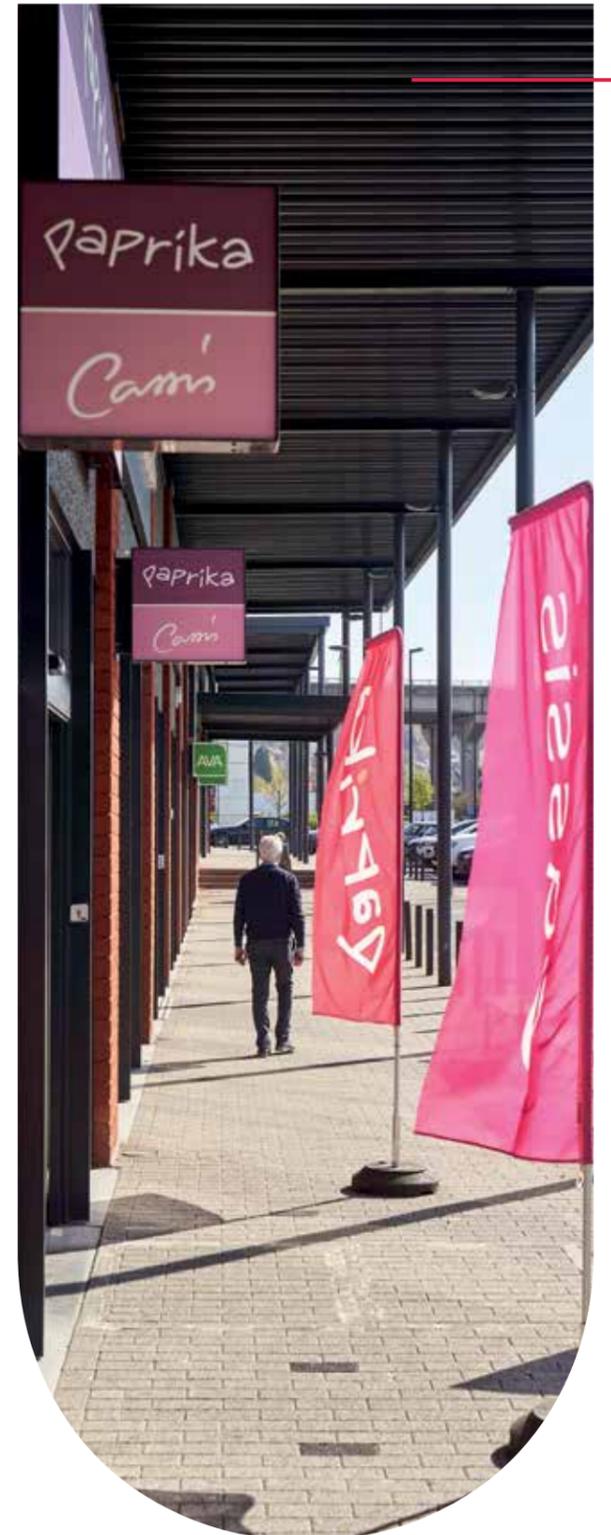
2. The implementation of a mobility policy for the team favouring electro-mobility: company vehicles are now hybrid or electric and the Company provides appropriate recharging solutions for team members, both at the office and at home;

3. The implementation of an internal and external training programme aimed at developing the skills of the employees. This particular attention paid by Ascencio to training was also illustrated by the reception during the past financial year of a business trainee as part of her end-of-study work. Through this type of initiative, the Company enables trainees to experience the business world and thus be better prepared for it at the end of their studies.

### — At the governance level:

1. The adaptation of the remuneration policy for the members of its executive committee, including in particular a criterion relating to the implementation of the ESG policy within the Company;

2. The creation of the position of Operations & ESG Director to support the development and implementation of the ESG policy within the property portfolio.



## FINANCIAL ACTIVITY

Ascencio continued to strengthen its debt structure by concluding several financing operations:

- the conclusion in December 2021 of a new 'Term loan' bank credit line, for an amount of €10 million, with the Caisse d'Épargne Hauts de France, for a period of 5 years;
- the successful completion in March 2022 of a first bond issue in the form of a private placement for a total amount of €25 million with an average duration of 4 years. This transaction is an important event for the Company as it allows it to further diversify its funding sources with major institutional investors and illustrates their confidence in Ascencio's real estate strategy and in the performance of its portfolio.
- the conclusion in September 2022 of two revolving bank credit line renewals for amounts of €20 million and €15 million respectively with BNP Paribas Fortis and ING, for terms of 7 years and 5.25 years.

Consequently, Ascencio had unused and therefore available financing lines totalling €78.3 million at 30 September 2022, enabling the Company to finance the dividend to be distributed during the first quarter of 2023, to cover its operating needs and the investments to be made within its portfolio, and finally to have sufficient financial capacity to participate in the financing of investment operations that may come to fruition. At 30 September 2022, the conclusion of these financing transactions gives the Company a debt structure with an average residual term of 3.3 years, compared with 3.7 years at 30 September 2021.

As part of the management of its portfolio of interest rate hedging instruments, the Company carried out several restructurings of its portfolio during the past financial year (due to the recent sharp rise in interest rates), and to reinvest the proceeds of these restructurings in new IRS-type derivative instruments with forward start dates to increase the hedging ratio over the long term. At 30 September 2022, the hedging ratio was 95.5%, above the minimum target (75%) that the Company has set itself.

Thanks to its debt and interest rate hedging structures, the average cost of financing for the past financial year was 1.80%, stable compared to the 1.81% recorded in the previous financial year.

At the regulatory level, Ascencio took an important step in June 2022 by opting for the SOCIMI status in Spain, applicable from the beginning of the last financial year. This status, equivalent to that of SIR in Belgium and SIIC in France, which Ascencio has already benefited for several years, will enable the Company, from the beginning of the 2021/2022 financial year, to avoid being subject to tax friction within its Spanish activities. This new status should eventually favour the development of its activities in this market.



## COMMENTS ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

### ANNUAL CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR 2021/2022

CONSOLIDATED RESULTS (€000s)	30/09/2022	30/09/2021
<b>RENTAL INCOME</b>	<b>47,849</b>	<b>46,285</b>
Rental-related charges	684	-1,371
Recovery of property charges	681	602*
Taxes and charges not recovered	-108	-89*
Other revenue and expenditure relating to rental	-239	32*
<b>PROPERTY RESULT</b>	<b>48,867</b>	<b>45,460</b>
Property charges	-4,004	-4,154*
Corporate overheads	-4,481	-4,057
Other income and operating costs	-1	-12
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>40,381</b>	<b>37,236</b>
<b>Operating margin<sup>1</sup></b>	<b>84.4%</b>	<b>80.4%</b>
Financial income	134	0
Net interest charges	-5,710	-5,881
Other financial charges	-554	-427
Taxes	-477	-372
<b>EPRA EARNINGS</b>	<b>33,773</b>	<b>30,555</b>
Net gains and losses on disposals of investment properties	-159	0
Change in the fair value of investment properties	23,800	9,835
<b>Portfolio result</b>	<b>23,641</b>	<b>9,835</b>
Change in fair value of financial assets and liabilities	38,135	5,704
Deferred tax	-4,896	-443
<b>NET RESULT</b>	<b>90,653</b>	<b>45,652</b>
<b>EPRA EARNINGS PER SHARE</b>	<b>5.12</b>	<b>4.63</b>
<b>EARNINGS PER SHARE (EPS)</b>	<b>13.74</b>	<b>6.92</b>
<b>TOTAL NUMBER OF EXISTING SHARES</b>	<b>6,595,985</b>	<b>6,595,985</b>

\* Ascencio made a number of reclassifications within several income statement headings in the 2021/2022 financial year. For comparability purposes, these reclassifications have also been recorded in FY 2020/2021 without impacting on either EPRA Earnings or Net Result.

Rental income for the financial year, before the COVID impact, amounted to €47.85 million, up by 3.4% on the €46.29 million of financial year 2020/2021.

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

The following table shows rental income by country:

RENTAL INCOME (€000s)	30/09/2022		30/09/2021	
Belgium	26,152	55%	25,011	54%
France	19,781	41%	19,314	42%
Spain	1,917	4%	1,960	4%
<b>TOTAL</b>	<b>47,849</b>	<b>100%</b>	<b>46,285</b>	<b>100%</b>

This growth in income, in both Belgium and France, is the result of the combined effect of high inflation, which is gradually being reflected in the indexation of rents, and good rental management of the properties, enabling them to be maintained at a high level of occupancy. The decrease in rental income in Spain is the result of the rental vacancy in the Valencia building, covered by a rental guarantee until 30 June 2022 but no longer generated income in the last quarter of the financial year. Excluding changes in the scope of consolidation, like-for-like growth in rental income was 2.4% compared to the previous year.

**Rental-related charges** were negative during the year (-€0.7 million), compared with a positive total expense of €1.4 million in the comparable period of the previous financial year. This heading of the income statement mainly records:

- the impact of rent rebates selectively granted to tenants who were severely affected by the mandatory closures imposed as part of the management of the COVID pandemic. While allowances had been effectively granted during the previous financial year or prudently estimated for current or future discussions (+€1.3 million in all), this impact turned out to be more limited than initially expected, thus generating reversals of provisions during the year (-€0.5 million);

- the impact of impairments and reversals of impairments on trade receivables, the net balance of which for the year ended 30 September 2022 amounted to income of -€0.2 million (compared with a charge of +€0.1 million in the previous financial year).

These various elements, together with the recovery of property charges and taxes and charges not recovered, mean that the **property result** for the year to 30 September 2022 was €48.87 million, up by 7.5% on the previous year's figure of €45.46 million.

**Property charges** decreased slightly compared to the previous year (-3.6%), mainly due to lower technical costs.

**Corporate overheads** increased by 10.5% compared to the previous year. This increase is mainly due to the combined effect of (i) the strengthening of the team over the last two financial years, (ii) the increase in travel costs due to a return to normal frequency of business trips after the health crisis period and (iii) the increase in fees incurred in the study of investment projects that have not materialised and in the process of obtaining the SOCIMI tax status in Spain.

After deducting these property and general costs, the **operating result before result on portfolio** was €40.38 million, up by 8.5% on the previous year's €37.24 million.

The **operating margin**<sup>2</sup> was 84.4% (previous year: 80.4%).

**Financial income** includes realised gains totalling €0.1 million (compared to €0,0 million for the previous financial year) after the resale of derivative instruments at values higher than their carrying amounts as part of the restructuring of the portfolio of hedging instruments.

**Interest and other financial charges**, including upfront fees and cash flows generated by interest rate hedging instruments, totalled €6.26 million for the year to 30 September 2022, stable compared to the €6.31 million of the previous year. This stability is the result of the combined effect of the stability of the average debt (€329.5 million compared to €334.1 million for the previous financial year) and the average cost of financing<sup>3</sup> (1.80% compared with 1.81%) steady during the two years considered.

The **tax charges** increased compared to financial year 2020/2021 due to the combined effect of (i) an increase of these charges in France due to the good operating performance of this portfolio and the absence of tax credits in the past year, and (ii) deferred tax charges on the Spanish assets (Ascencio Iberia having opted for Socimi status applicable from the beginning of the current financial year). On this basis, **EPRA Earnings** came to €33.77 million for the year to 30 September 2022, up by 10.5% on the €30.56 million generated in the previous financial year. EPRA Earnings per share therefore increased to €5.12, compared to €4.63 at 30 September 2021.

The past financial year has been very favourable in terms of **revaluations** for the Company, both in terms of the **fair value of the properties**, which increased significantly excluding investments by +€23.8 million (compared to +€9.8 million at 30 September 2021), and in terms of the **fair value of the hedging instruments** (+€38.1 million compared to +€5.7 million for the previous year). The Company made a reassessment of its **deferred tax** liabilities in both its French and Spanish operations, resulting in an additional charge of €4.9 million (previous year: €0.4 million).

Taking into account these revaluations and the loss realised on the disposal of the Sint-Niklaas (Belgium) asset, the **consolidated net result** for the year amounts to €90.65 million, a significant increase of 99% compared to the €45.65 million of the year ended 30 September 2021.

<sup>2+3</sup> Alternative Performance Measure (APM). See glossary at the end of the financial report.

## CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2022

CONSOLIDATED BALANCE SHEET (€000s)	30/09/2022	30/09/2021
<b>ASSETS</b>	<b>783,312</b>	<b>728,076</b>
Intangible assets	24	0
Investment properties	738,933	713,601
Other non-current assets	31,549	1,400
Assets held for sale	0	1,360
Current financial assets	885	0
Trade receivables	4,956	5,773
Cash and cash equivalents	4,356	3,707
Other current assets	2,611	2,236
<b>EQUITY AND LIABILITIES</b>	<b>783,312</b>	<b>728,076</b>
Equity	437,011	370,353
Non-current financial debts	268,677	278,822
Other non-current liabilities	2,476	10,275
Deferred tax	6,170	1,275
Current financial debts	58,038	55,060
Other current liabilities	10,939	12,291
<b>DEBT RATIO<sup>(1)</sup></b>	<b>44.9%</b>	<b>47.6%</b>

(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.

### ASSETS

The **intangible assets** heading includes the capitalisation of expenses related to the digitisation project undertaken by the Company. This project, which started in the past financial year and is designed to review all of the Company's internal systems and processes, is expected to be implemented progressively over the next few years.

**Investment properties** accounts for 94% of the Company's assets, its total fair value (including investments and development projects) amounted to €738.9 million at 30 September 2022, compared with €713.6 million at the end of the previous financial year. It should be noted that, in accordance with IFRS 16, this heading includes the rights of use held by the Company in the form of emphyteuses, for a revalued amount of €4.1 million.

This portfolio value is broken down by country in which the Company is active as follows:

Investment properties	Fair value 30/09/2022		EPRA occupancy rate 30/09/2022	Fair value 30/09/2021		EPRA occupancy rate 30/09/2021
	(€000s)	(%)	(%)	(€000s)	(%)	(%)
Belgium	394,146	53.3%	96.1%	384,011	53.8%	94.3%
France	313,936	42.5%	98.3%	300,790	42.3%	99.6%
Spain	30,850	4.2%	83.5%	28,800	4.0%	82.8%
<b>TOTAL</b>	<b>738,932</b>	<b>100%</b>	<b>96.5%</b>	<b>713,601</b>	<b>100%</b>	<b>96.0%</b>

The value of the portfolio is evolving positively in all three countries, due to the investments made there but above all due to the positive changes in value recorded; these amounted to +2.2%, +4.4% and +7.1% respectively for the Belgian, French and Spanish portfolios. This overall positive trend further illustrates the pertinence of Ascencio's investment strategy in resilient commercial property in markets with sufficient depth.

At 30 September 2022, the portfolio EPRA occupancy rate was 96.5%, up from 96.0% at 30 September 2021. Looking at this overall development by country, the following trends can be observed:

1. In Belgium, the EPRA occupancy rate rose from 94.3% to 96.1%, due to new rentals in Messancy, Jodoigne, Gosselies, Hannut and Genval.
2. In France, the EPRA occupancy rate decreased from 99.6% to 98.3% due to the departure of two tenants in the Chanas and Bourgoin-Jallieu buildings; the vacant space in Chanas has already been re-let and the effective date is expected to be in the next few weeks.
3. In Spain, the EPRA occupancy rate increased from 82.8% to 83.5% due to a change in valuation parameters, despite the fact that the rental situation remained unchanged during the year with a vacancy of approximately 3,900 m<sup>2</sup> in the Valencia property. However, this area had been subject to a revenue guarantee until 30 June 2022 and has therefore only affected the Company's results since the beginning of the last quarter of the past financial year.

In terms of investments within its portfolio, Ascencio carried out €1.5 million of works, mainly corresponding to:

- The completion (€0.6 million) of the façade modernisation programme for the retail park in Messancy (Belgium). The completion of these works has enabled Ascencio to increase the occupancy rate of this park by welcoming several tenants.
- The start-up (€0.4 million) of the Ottignies (Belgium) supermarket extension programme, with a total budget of €1.8 million and an expected completion date in the second quarter of the 2022/2023 financial year. The extended building is already the subject of a new occupancy agreement with Carrefour-Mestdagh (soon to be Intermarché).
- The development of areas to accommodate new tenants, such as in Belgium in Gerpinnes (Vanden Borre Kitchen), Gosselies (Aforest and Agrivaux), Hannut.

No new acquisitions or disposals were made within the investment property portfolio during the past year.

**Other non-current assets** mainly comprise hedging instruments maturing in more than one year and benefiting from positive valuations, which have increased significantly over the past year. Thus, the total value of these instruments reached €31.0 million at 30 September 2022, compared to €0.9 million at 30 September 2021. These increases in the value of the hedging instruments were generated by the significant increase in interest rates during the past year.

At 30 September 2021, **assets held for sale** included the building in Sint-Niklaas (Belgium), which was in the process of being sold at that date. Since this transaction was finalised during the past financial year, the asset was removed from the balance sheet and therefore no longer appears in the accounts at closing date.

**Current financial assets** include the positive fair values of hedging instruments with maturities within the next financial year.

The balance of **trade receivables** at 30 September 2022 was €4.9 million, lower than the previous year-end balance of €5.8 million. This decrease is mainly due to the resumption of normal payment behaviour by tenants after the Covid period.

The headings **cash and cash equivalents** and **other current assets** remain relatively stable and do not call for specific comments.

## EQUITY AND LIABILITIES

At 30 September 2022, total **equity** stood at €437.0 million, significantly up from the €370.4 million at the end of the previous financial year, taking into account the €24.4 million dividend paid to shareholders during the first half of the past financial year. This significant increase is linked to the excellent net result (€90.7 million) generated by the Company during the past year. On this basis, the IFRS NAV per share amounts to €66.25 (as against €56.15 at 30 September 2021), while the EPRA NTA per share amounts to €62.35, compared to €57.37 at the end of the previous financial year.

On the liabilities side, **financial debts** (non-current and current) amounted to €326.7 million, compared to €333.9 million at 30 September 2021. In addition to the financing lines actually used, amounting to €323.1 million, including outstanding bank loans but also issued institutional debts (treasury notes, medium term

notes and bonds), financial debts include lease liabilities amounting to €3.9 million recorded under IFRS 16, as well as financing up front fees for a negative amount still to be amortised of €0.3 million.

The balance of **other non-current financial liabilities** decreased significantly compared to the previous year (from €10.3 million to €2.5 million). This change is linked to the significant increase in value of the hedging instruments during the past financial year; all of them now have positive values which have been reclassified as assets on the Company's balance sheet.

As explained above, the item **deferred tax liabilities** increased significantly compared to the previous financial year (€6.2 million compared to €1.3 million).

The consolidated debt ratio is 44.9% at 30 September 2022 (EPRA LTV: 44,4%), down significantly from 47.6% at 30 September 2021 (EPRA LTV: 47,1%). This ratio allows the Company to benefit from a solid balance sheet structure enabling it to finance its operations and even to have an appreciable margin to consider new investments.

## CONSOLIDATED DATA PER SHARE

	30/09/2022	30/09/2021
<b>NUMBER OF SHARES</b>		
Weighted average number of shares	6,595,985	6,595,985
Total number of existing shares	6,595,985	6,595,985
<b>CONSOLIDATED RESULT PER SHARE (EUR)</b>		
EPRA Earnings	5.12	4.63
Earnings per share (EPS)	13.74	6.92
	30/09/2022	30/09/2021
Net asset value (NAV) IFRS (€000s)	437,011	370,353
<b>NAV IFRS per share (EUR)</b>	<b>66.25</b>	<b>56.15</b>
Restatements:		
Deferred tax (€000s)	6,170	1,275
Fair value of hedging instruments (€000s)	-31,928	6,779
<b>EPRA NTA (€000s)</b>	<b>411,254</b>	<b>378,406</b>
<b>EPRA NTA per share (EUR)</b>	<b>62.35</b>	<b>57.37</b>



## APPROPRIATION OF RESULTS FOR FINANCIAL YEAR 2021/2022

In view of the results for the financial year 2021/2022, the statutory manager Ascencio SA will propose to the ordinary general meeting of shareholders of 31 January 2023 that it approves the statutory annual accounts at 30 September 2022 (a summary of which is provided in the section headed "Statutory annual accounts" of this annual report) and the distribution of a gross dividend of €3.95 per share.

Based on this proposal, the statutory net result would be allocated as shown in the table below:

PROPOSED APPROPRIATION (€000s)	30/09/2022	30/09/2021
<b>A NET RESULT</b>	<b>90,653</b>	<b>45,652</b>
<b>B TRANSFERS TO/FROM RESERVES</b>	<b>64,599</b>	<b>21,247</b>
1. Transfer to/from reserves of net change in fair value of property assets (-/+)	23,800	9,835
6. Transfer from reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (+)	38,135	5,704
10. Transfers to/from reserves	2,665	5,708
<b>C REMUNERATION OF CAPITAL (ART. 13, SECTION 1, PARA. 1)</b>	<b>18,954</b>	<b>24,240</b>
<b>D REMUNERATION OF CAPITAL - OTHER THAN C</b>	<b>7,100</b>	<b>165</b>

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

	30/09/2022	30/09/2021
EPRA Earnings per share (EUR)	5.12	4.63
Gross dividend <sup>1</sup> per share (EUR)	3.95	3.70

<sup>1</sup> For 2021/2022, this is the dividend proposal subject to the approval of the general meeting of shareholders to be held on 31 January 2023.

The proposed dividend complies with the requirement of article 13, § 1, paragraph 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)	30/09/2022 (€000s)	30/09/2021 (€000s)
<b>STATUTORY NET RESULT</b>	<b>90,653</b>	<b>45,652</b>
(+) Depreciation	35	82
(+) Reductions in value	114	30
(+/-) Other non-monetary items (Change in value of financial participation)	-8,607	-4,473
(+/-) Other non-monetary items (change in value of financial instruments)	-38,135	-5,704
(+/-) Other non-monetary items (change in value of deferred tax debts)	3,932	443
(+/-) Net gains/(losses) on disposals of property assets	159	0
(+/-) Change in fair value of property assets	-14,229	-5,362
<b>= CORRECTED RESULT (A)</b>	<b>33,923</b>	<b>30,667</b>
(+/-) Capital gains and losses realised <sup>(*)</sup> on property assets during the financial year	0	0
(-) Capital gains realised <sup>(*)</sup> on property assets during the financial year, exonerated from the distribution obligation, subject to reinvestment within 4 years	0	0
(+) Capital gains realised on property assets previously exonerated from the distribution obligation and not reinvested within 4 years	0	0
<b>= NET CAPITAL GAINS ON THE REALISATION OF PROPERTY ASSETS NON-EXONERATED FROM THE DISTRIBUTION OBLIGATION (B)</b>	<b>0</b>	<b>0</b>
<b>TOTAL ((A + B) x 80%)</b>	<b>27,138</b>	<b>24,534</b>
(-) REDUCTION IN BORROWINGS	-8,184	-294
<b>OBLIGATION TO DISTRIBUTE</b>	<b>18,955</b>	<b>24,240</b>
<b>AMOUNT DISTRIBUTED</b>	<b>26,054</b>	<b>24,405</b>
<b>PAY-OUT RATIO<sup>(**)</sup></b>	<b>76.8%</b>	<b>79.6%</b>

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

(\*\*) Amount distributed as compared to the corrected result.



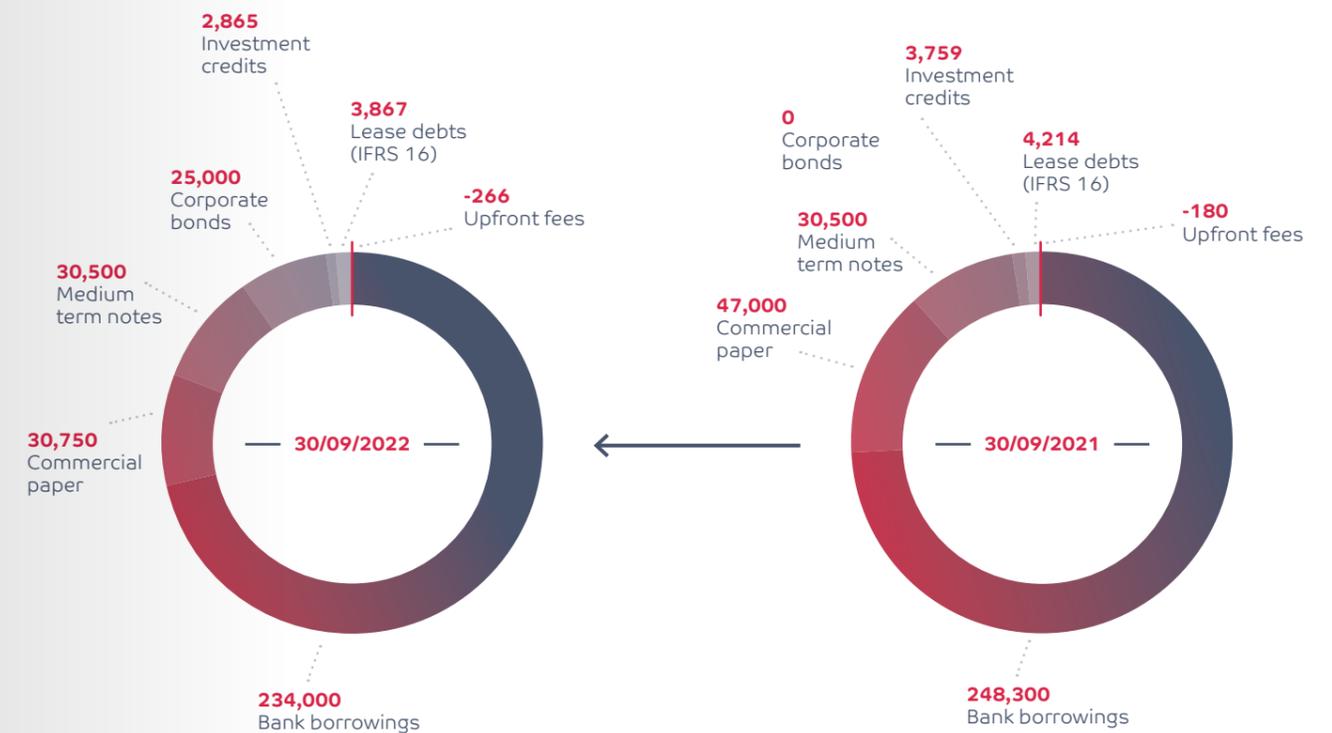
The following table shows the non-distributable equity in accordance with article 7:212 of the Code of Companies and Associations:

(€000s)	30/09/2022	30/09/2021
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 (+)	66,498	39,826
Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties (-)	-9,923	-10,031
Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (+/-)	31,191	-6,943
<b>Equity not distributable under article 7:212 of the Code of Companies and Associations</b>	<b>379,778</b>	<b>314,865</b>
<b>Statutory equity after distribution</b>	<b>415,024</b>	<b>345,783</b>
<b>Remaining margin after distribution</b>	<b>35,246</b>	<b>30,919</b>

## FINANCING AND INTEREST RATE HEDGING

During the past financial year, Ascencio continued its strategy of diversifying its sources of financing, successfully tapping the bond market for the first time. This type of financing, like the issue of medium term notes and commercial paper, allows Ascencio to develop its presence and visibility on the financing markets with institutional investors and to reduce the weighting of its exclusively bank financing. Nevertheless, this diversification effort does not call into question the importance Ascencio places on developing strong relationships with its banking partners, who are key partners for the Company both in terms of its financing on a constant basis and in the event of additional financing needs.

Taking into account the refinancing mentioned above, i.e. the conclusion of three bank lines for a total amount of €45 million and a bond issue of €25 million, Ascencio benefits at 30 September 2022 from secured financing lines for a total amount of €401.4 million, of which €323.1 million are used, either by being effectively drawn down (€292.4 million) or by being reserved as a back-up for the commercial paper programme used to the extent of €30.7 million. The balance of unused and therefore available lines amounts to €78.3 million, allowing the Company to finance the dividend to be distributed during the first quarter of 2023, to cover its operating needs and the investments to be made within its portfolio, and finally to have sufficient financial capacity to participate in the financing of investment operations that may materialise.



At 30 September 2022, the conclusion of these financing transactions gives the Company a debt structure with an average residual term of 3.3 years, compared with 3.7 years at 30 September 2021. This financing structure is broken down by nature and residual maturity as follows:

(€000s)	30/09/2022		30/09/2021	
	Current	Non-current	Current	Non-current
Bank borrowings	26,500	207,500	7,000	241,300
Commercial paper	30,750	0	47,000	0
Medium term notes	0	30,500	0	30,500
Corporate bonds	0	25,000	0	0
Investment credits	743	2,121	894	2,865
<b>Financial debts</b>	<b>57,993</b>	<b>265,121</b>	<b>54,894</b>	<b>274,665</b>



The table shows that, after concluding the above-mentioned refinancing, the amounts drawn on bank loans maturing in the next financial year 2022/2023 amount to €26.5 million. This balance relates to four separate credit lines (with a total nominal amount of €40 million) with three financial institutions. As part of its proactive refinancing management, Ascencio has already started discussions with these counterparties with a view to reaching balanced agreements, as regards both terms and timing of refinancing.

In terms of interest rate risk management, Ascencio's policy for its financial debt is to maintain, on a constant basis, an average hedging ratio of over 75% over a period of around 5 years. This interest rate hedging is ensured both by the conclusion of fixed-rate borrowings and by the conclusion of financial derivatives (CAP or FLOOR options) or interest rate swaps (IRS). This policy allows Ascencio to reduce the volatility of its financial charges to market interest rate fluctuations and to have a better visibility on its forecast financing cost.

In order to comply with this strategy, the Company has restructured its hedging derivatives portfolio several times during the past year. The purpose of these restructurings was to monetise several instruments with a positive market value (due to the recent sharp rise in interest rates) which ran over the 2022/23/24 financial years, as these already had a sufficient hedge ratio, and to reinvest the proceeds of these restructurings in the conclusion of new IRS-type derivative instruments with deferred start dates over the 2025 and subsequent financial years.

At 30 September 2022, these objectives have been achieved, as the hedging ratio stood at 95.5% and the hedging ratio on the forecast debt remains above 75% until the end of the 2026/2027 financial year.



Thanks to its debt structure and taking into account its portfolio of hedging instruments, Ascencio's average cost of financing was 1.80% over the past year, stable compared to the 1.81% recorded during the previous year.

# C — 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](http://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).

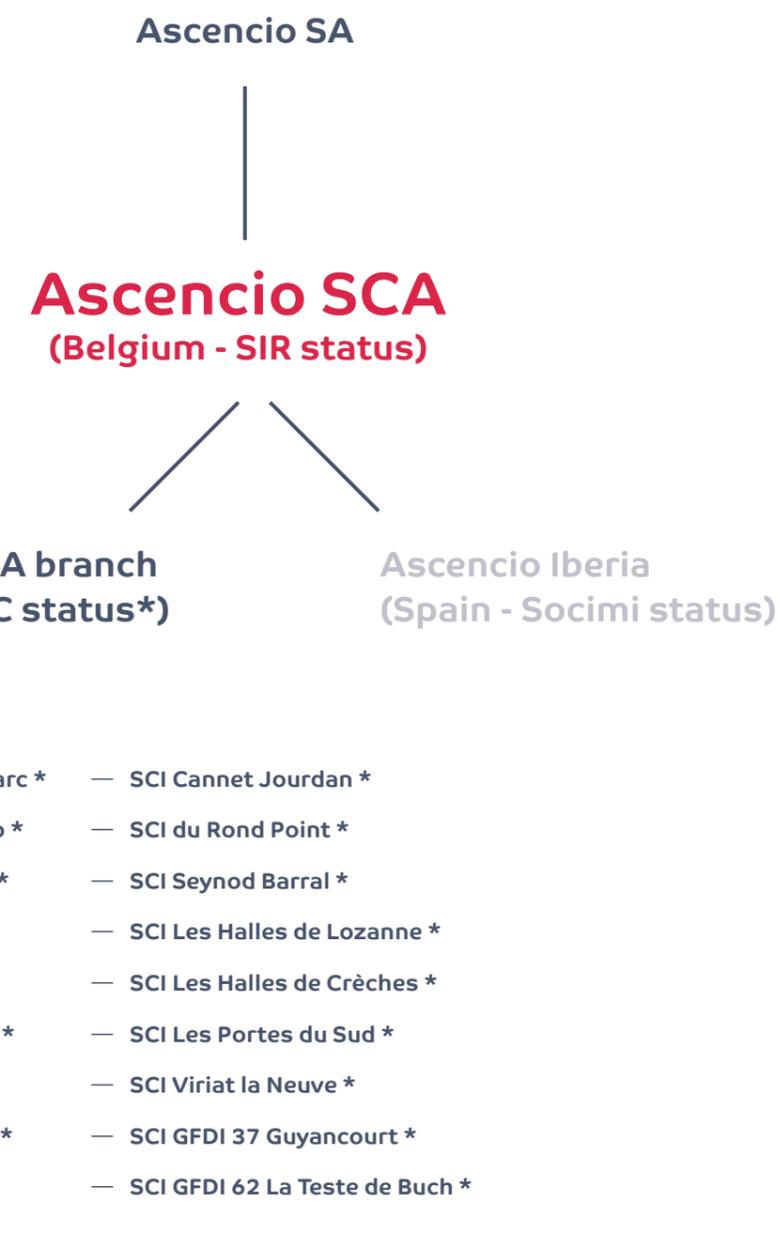
Ascencio’s consideration of its governance is constantly evolving and the Company would like to give a snapshot evaluation on this subject. Ascencio’s rules of governance take account of the specific organisational characteristics of B-REITs, the form chosen by Ascencio, the close ties it intends to 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 SCA and of its statutory manager, Ascencio SA. It can be consulted on the Company’s website: [www.ascencio.be](http://www.ascencio.be).

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

- 42 — Corporate governance
- 44 — Management structure of the Company
- 45 — Shareholding structure
- 46 — The statutory manager and its body: the board of directors
- 54 — The committees
- 59 — Diversity policy
- 60 — Remuneration report
- 69 — Remuneration report for financial year 2021-2022
- 72 — Settlement of conflicts of interest
- 76 — Internal control

- 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.



## MANAGEMENT STRUCTURE OF THE COMPANY

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

### ASCENCIO'S CORPORATE GOVERNANCE STRUCTURE COMPRISES:

- the shareholders, limited partners;
- management bodies of the statutory manager of Ascencio SCA, namely Ascencio SA:
  - 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 SA**  
**General partner**



**The B-REIT Ascencio SCA**

**The shareholders Limited partners**



## SHAREHOLDING STRUCTURE

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

Shareholders have access to the “Investors” section of the Company’s website (www.ascencio.be), where they can find all the information needed to take informed decisions. They can also download the documents needed to take part in voting in the Company’s general meetings of shareholders.

At 30 September 2022 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 meetings 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 pass above or below the legal threshold of 5%. The Company has not established a statutory threshold lower than the legal one<sup>1</sup>.

The Company’s obligations and shareholders’ rights in relation to the general meeting of shareholders are set out extensively, from the notice of meeting to participation and voting, in the “Investors” section of Ascencio’s website (www.ascencio.be). This information remains accessible on the said site.

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

Carl, Eric and John Mestdagh and companies controlled by them	10.38%	684.578
AG Finance SA	9.96%	656.951
Free float	79.66%	5,254,456
<b>TOTAL</b>	<b>100%</b>	<b>6,595,985</b>

<sup>1</sup> Article 16 of Ascencio SCA’s articles of association.

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

In accordance with the articles of association, as statutory manager, Ascencio SA is empowered, in particular:

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

Resolutions of the Company's general meeting of shareholders, including amendments to the articles of association, are valid only if passed with the Manager's agreement.

Ascencio SA is represented in Ascencio SCA by a permanent representative, Vincent H. Querton. The permanent representative is responsible, in the name and on behalf of the Company, for implementing the resolutions passed by the statutory manager's board of directors.

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The functions and powers of the manager of the Company are exercised by the board of directors of Ascencio SA or under its responsibility.

**The board of directors of the statutory manager is responsible for performing all such acts as may be necessary or conducive to the fulfilment of the corporate object of Ascencio SCA, including:**

- taking important decisions, notably those regarding strategy, investments and divestments, quality and occupancy of properties, financial conditions, long-term financing; approving the operating budget; and deciding on any initiatives submitted to the board of directors;
- putting in place the structures and procedures necessary for the Company's smooth operation and shareholders' trust, notably mechanisms for preventing and managing conflicts of interest and internal control mechanisms; dealing with conflicts of interest;
- approving the annual accounts and drawing up the semi-annual accounts of Ascencio SCA; drawing up the Management Report to the general meeting of shareholders; approving merger projects; ruling on the use of authorised capital and calling ordinary and extraordinary general meetings of shareholders;
- keeping a close watch on the rigour, accuracy and transparency of communications to shareholders, financial analysts and the public, e.g. prospectuses, annual and half-yearly reports and press releases;
- making sure that the reference shareholders make judicious use of their position and ensuring dialogue between property developers 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 in its various actual and potential markets;
- the impact of the crisis linked to the Coronavirus (Covid-19) pandemic and the post-Covid situation;
- the Company's financing and hedging policy;
- the report of the effective managers 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 SA met nine times.

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

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 SA are appointed in accordance with the principles summarised below:**

- the Board is composed of a majority of non-executive directors;
- the Board has at least three 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 Board is composed of a majority of directors not linked to property developers;
- the Board is composed of a majority of non-shareholder directors (other than property developers).

For as long as AG Insurance SA ("AGI"), a company forming part of the Ageas Group, of which AG Real Estate ("AGRE") also forms part, holds shares in Ascencio SCA representing at least 8% of the total shares issued, the board of directors shall include two directors nominated by AGRE. This number will be reduced to one if the shares held by AGI should represent less than 8% but at least 5% of the total shares issued. The downward crossing of these thresholds shall entail the right to require the resignation of one of the AGRE-nominated directors or of the only such director as the case may be.

The nomination and remuneration committee, composed of two independent directors and the Chairman of the Board, sees to it that a permanent balance is maintained among the executive director, the independent non-executive directors and the other non-executive directors, while at the same time taking account of the principles of continuity and diversity. In accordance with the 2020 Code, the board of directors regularly evaluates, on the initiative of the nomination and re-

muneration 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 4 years and may be re-elected. They may be dismissed *ad nutum*, without compensation.

NAME	STATUS	INDEPENDENT	START OF TERM OF OFFICE	END OF TERM OF OFFICE
Carl Mestdagh	Chairman of the board of directors of the statutory manager - non-executive		May 2008 <sup>2</sup>	June 2025
Serge Fautré	Vice-Chairman		June 2012	June 2025
Vincent H. Querton	Managing Director - Executive		October 2017	June 2025
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 2024
Alexandra Leunen	Non-executive Director	X	March 2018	June 2023
Olivier Beguin	Non-executive Director		March 2018	June 2026
Amand-Benoît D'Hondt	Non-executive Director		December 2018	June 2022
Jean-Louis Watrice	Non-executive Director	X	June 2021	June 2025
Gérard Lavinay	Non-executive Director	X	June 2022	June 2024

<sup>2</sup> As a natural person or via CAI sprl.

## CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS DURING FINANCIAL YEAR 2021/2022

The terms of office of Olivier Beguin, Amand-Benoît D'Hondt, Alexandra Leunen and Stéphanie Boniface expired at the end of the ordinary general meeting of shareholders of 10 June 2022.

Having established that the following directors meet each and every one of 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 28 June 2022 unanimously resolved to renew the terms of office of:

- Stéphanie Boniface, as an independent director, for a term of two years, i.e. until the ordinary general meeting called to approve the accounts for the year ending 31 December 2023.
- Alexandra Leunen, as an independent director, for a term of one year, i.e., until the ordinary general meeting called to approve the financial statements for the year ending 31 December 2022.

The general meeting of shareholders of 28 June 2022 also resolved unanimously to renew the term of office of Olivier Beguin as a non-executive director related to the property developers Carl, Eric and John Mestdagh for a period of four years, ending at the end of the ordinary general meeting of 2026.

Finally, the general meeting of shareholders of 28 June 2022 unanimously decided to appoint Gérard Lavinay as an independent director for a term of two years, i.e. until the ordinary general meeting called to approve the accounts for the year ending 31 December 2023.

The term of office of Amand Benoît d'Hondt also expired and was not renewed at his request.

## 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 and 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 Mestdagh<sup>3</sup> is Chairman of the board of directors of Mestdagh SA and Executive Chairman of Equilis Europe SA. 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

<sup>3</sup> As a natural person or via CAI sprl.



**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 Proximus, 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 (UPS) and a Director of Société de la Tour Eiffel.

- 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 (JLL) 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



**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 VUB (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 Brigode 183  
59650 Villeneuve D'Ascq  
France

Stéphanie Boniface has extensive expertise in the French retail property market. After completing a master's degree in business management and administration at the University of Lille Law School, Stéphanie Boniface worked for the Sedaf Group as a commercial property consultant. She then joined property company Immochan (now 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 2024
- 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 real estate 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 2026
- Shares held in Ascencio: 327



**ALEXANDRA LEUNEN**

Independent  
non-executive Director  
— Rue Van Hammée 41  
1030 Brussels

Alexandra Leunen has proven experience in digital transformation and the Lean UX approach (Manager of the UX Department of Anais Digital - 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 2023
- 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. He 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



**AMAND-BENOÎT D'HONDT**

Non-executive  
Director  
— AG Real Estate SA  
Avenue des Arts 58  
1000 Brussels

Amand-Benoît D'Hondt has an international career behind him with wide experience of real estate, finance and legal affairs. He has been Head of Indirect, Alternative & Healthcare Investments with AG Real Estate since 2015. 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. From 2013 to 2015 he was COO & General Counsel of DTH Capital, 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



**GÉRARD LAVINAY**

Independent  
non-executive Director  
— Ch. de St-Zacharie 236  
13790 Peynier  
France

Gérard Lavinay began his career with Euromarché in 1980. He held several positions in this food hypermarket chain which was acquired by the Carrefour group in 1991, first in the stores and later in logistics. From 1998 onwards, he held various management positions within the Carrefour Group in several Northern European countries and at the head office, where he was in charge of the supply chain, information systems and international purchasing. After a last mission at the head of Carrefour Italy, he is currently Chairman of Page Conseil.

- Start of term of office: June 2022
- Term of office expires: June 2024
- 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, Olivier Beguin and Jean-Louis Watrice. Two of them are independent directors who meet 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 auditing and accounting matters. 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 statutory manager at its next meeting. It met four times during the past financial year.

**The main responsibilities of the audit committee are as follows:**

- monitoring the financial reporting process;
- monitoring the effectiveness of internal control, internal audit and risk management systems;
- overseeing the statutory audit of the annual accounts and the consolidated accounts, including following up on questions and recommendations raised or made by the auditor;

- examining and monitoring the independence of the statutory auditor, in particular with regard to 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 arising in the course of its statutory audit. The audit committee informs the board of directors of this report.

**During the past year, the audit committee addressed the following matters in particular:**

- quarterly, half-yearly and annual accounting situations and related financial communication;
- financing and interest rate hedging policy;
- examination of key performance indicators;
- budget and outlook;
- report of the independent internal auditor;
- internal control policy and the report of the effective managers on internal control;
- summary of disputes and appropriate provisions;
- report on risk, and more specifically on cybersecurity risk;
- 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](http://www.ascencio.be)). These regulations have been adapted during the past financial year to include competences in the area of ESG.

### 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 three 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, 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:

- 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;
- 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;
- 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;
- 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:

- 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;
- 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;

- 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;
- 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;
- commenting on the remuneration report in the ordinary general meeting of shareholders of the Company;
- 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:

- evaluating the functioning, performance and effectiveness of the board of directors and its committees and their interactions with the board of directors;
- ensuring that these evaluations are carried out regularly, at least once every three years;
- putting in place a smooth evaluation process and appropriate questionnaires;
- submitting to the board of directors the conclusions of these evaluations and the measures for improvement proposed;
- 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, including ESG criteria and objectives;
- making its recommendations to the board of directors on the hiring and remuneration of the new Director of Operations and ESG;
- evaluating performance objectives and the award criteria linked to effective managers' variable remuneration;
- preparing the remuneration report.

The internal regulations of the nomination and remuneration committee are available on Ascencio's website ([www.ascencio.be](http://www.ascencio.be)).

## THE INVESTMENT COMMITTEE

The investment committee is composed of the Chairman of the board (Carl Mestdagh), three non-executive directors (Patrick Tacq, Stéphanie Boniface and Olivier Beguin) and the members of the executive committee.

The investment committee may also invite to its meetings any person whose presence it considers useful.

The investment committee meets as often as required to carry out its duties. 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 purpose of establishing the investment committee was to optimise the Company's decision-making process regarding investment and divestment cases.

The investment committee performs its duties under the supervision and responsibility of the board of directors.

The investment committee carries out its mission in strict compliance with the rules of good 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.

The internal regulations of the investment committee are available on the Ascencio website ([www.ascencio.be](http://www.ascencio.be)).

## THE EXECUTIVE COMMITTEE

Within the framework of the strategy and general policy defined by the board of directors, the executive committee performs the following functions:

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

The members of the executive committee work closely together 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 to be presented to the board of directors of the statutory manager and report on their management.

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 B-REIT 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 B-REIT 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 Scheirlinckx<sup>4</sup>, 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 (Moulinart SA) 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, developer of the L'Esplanade and Médiacité shopping centres) and lastly as sales manager of a shopping centre management company (Devimo Consult).

<sup>4</sup> For SPRL 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 Solvay Business School's Real Estate Executive Programme.

— **Jean-Luc Stavaux**<sup>5</sup>

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).

— **Bernard Sergeant, Director Operations & ESG**

Bernard joined Ascencio in 2022 and replaces Jean-Luc Stavaux on the executive committee.

Bernard is an engineer by training. He has long and successful international experience in project and client management.

Bernard Sergeant started his professional career in a general contracting company as a project manager with IBO (International Building Organisation). He then worked for two years for the engineering firm COWI Consult as Head of Rational Energy Use, seconded to the European Commission. Then, for more than 26 years, Bernard worked at Jones Lang Lasalle where he was responsible for several departments: Management, Project Management and Business Development. His professional career has given him a wide range of experience in all facets of the commercial real estate world.

He studied Industrial Construction Engineering at the KIH De Nayer (graduated with distinction in 1989).

— **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 real estate law, Stéphanie Vanden Broecke joined the Lhoist Group in 2003 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).

**THE 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.

<sup>5</sup> For SPRL Jean-Luc Stavaux.

**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.

The means implemented in the area of diversity include complementarity of skills, knowledge and expertise and diversity of educational background, knowledge, gender, age, experience, nationality, etc. sought in the composition of the board of directors and the executive committee.

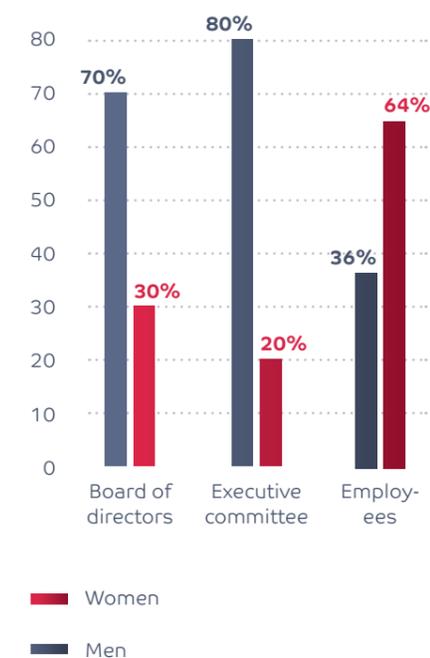
This translates into a balanced composition of the board of directors in terms of skills, knowledge and experience. The composition of the board of directors (three women and seven men) conforms sufficiently to the legal provisions relating to gender diversity (article 7:86 of the Code of Companies and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

The members of the executive committee also form a balanced team, each with the required expertise. This can be seen from the curriculum vitae of each of the members, which is 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 (36% men - 64% women);
- compliance with gender quotas on the board of directors;
- the replacement of a Director in accordance with the complementarity of skills, experience, age and knowledge within the management bodies without consideration of gender;
- the implementation of training on "job orientation" and "personal development" with a view to the development of the team, individually and collectively.



## REMUNERATION REPORT

### INTRODUCTION

The remuneration report has been prepared 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 31 January 2022, the ordinary general meeting of shareholders of Ascencio SCA approved, by separate vote, the amendments made to the remuneration policy, including the express approval of the derogation from article 7:91, paragraph 2, of the Code of Companies and Associations. The amended version of the remuneration policy is available on the Ascencio website ([www.ascencio.be](http://www.ascencio.be)). This remuneration policy applies from 1 October 2021.

### REMUNERATION POLICY

The remuneration policy was updated by the board of directors of Ascencio SA as statutory manager of the SIR Ascencio SCA at the proposal of the nomination and remuneration committee.

The remuneration policy of Ascencio SCA, its manager, its branch and its subsidiaries (hereinafter “Ascencio”) is established in accordance with the Code of Companies and Associations, the Law of 12 May 2014 on Regulated Real Estate Companies (“SIR Law” 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.

In order to keep abreast of market remuneration, the Company participates in benchmarking sessions organised by specialist consultants. It also consults these specialists occasionally, outside of any benchmarking operation.

This remuneration policy is an integral part of Ascencio SCA’s corporate governance charter and can be consulted on the Company’s website.

The remuneration policy is approved by the general meeting of shareholders. It is submitted to the general meeting of shareholders for approval whenever there is a significant change and in any case at least 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 SA

### DECISION-MAKING PROCESS

The method of remuneration of the statutory manager is described in Ascencio SCA’s articles of association. It can therefore be amended only by a resolution to amend the articles of association passed by the general meeting of shareholders of Ascencio SCA.

### 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 as a function of 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 the Company’s general meeting of shareholders.

The calculation of the manager’s share is subject to checks by the statutory auditor.

The interests of Ascencio SA, 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 SA

#### DECISION-MAKING PROCESS

The remuneration of the non-executive directors of Ascencio SA is determined by the general meeting of shareholders of Ascencio SA, at the proposal of its board of directors, which in turn is based on the proposals of the nomination and remuneration committee.

This remuneration is for account of Ascencio SCA. This distribution of powers, established by law, ensures the absence of actual or potential conflicts of interest at this level.

### BREAKDOWN OF REMUNERATION

#### The 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 SA for a maximum term of 4 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 prior notice indemnity.

## THE CHIEF EXECUTIVE OFFICER (CEO)

The managing director of Ascencio SA, the only executive Director, performs the function of CEO. He is also the permanent representative of the statutory manager and a “dirigeant effectif” (effective manager) of Ascencio SCA in the meaning of article 14 § 3 of the Law on Regulated Real Estate Companies.

He performs his functions with the status of an independent natural person.

The office of the CEO in his capacity as an executive director of Ascencio SA is not remunerated.

### DECISION-MAKING PROCESS

The remuneration of the CEO is determined by the board of directors of Ascencio SCA 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 are 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 decides on his remuneration. Finally, the legal provisions on 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 SCA. This remuneration consists of a fixed and a variable part.

**The fixed remuneration** is determined on the basis of comparisons with fixed remuneration in the market for comparable positions in companies of comparable size. It is paid irrespective of results and is not indexed.

**Variable remuneration** (in cash only) rewards quality performance that meets expectations in terms of results, professionalism and motivation. Such variable remuneration may only be granted provided that (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.

In application of the above principles and at the proposal of the nomination and remuneration committee, the variable remuneration consists of two parts:

#### — Short-term variable remuneration of the CEO

##### *Target short-term variable remuneration*

The target amount of the CEO’s short-term variable remuneration (i.e. the amount linked to the achievement of 100% of the objectives) may not be more than 25% of total annual remuneration. The objectives cover a reference period of one year (1 October to 30 September).

##### *Criteria for evaluating short-term variable remuneration*

The criteria for assessing the CEO’s performance and their weighting for the short-term variable remuneration have been set as follows, divided into two parts:

- **First component**, 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
<b>Corporate criterion</b> EPRA Earnings per share and strategy implementation	Financial criteria to be compared with the market
<b>Real estate criterion</b> Property performance of the portfolio	This criterion includes in particular the following financial and quantitative criteria: occupancy rate, like-for-like portfolio value, like-for-like rental income and portfolio growth
<b>Financial criterion</b> Cost of financing costs, diversification of financing sources and hedging instruments	Financial and quantitative criteria to be compared with the market
<b>Criterion linked to human resources management</b> Implementation of development plans and management aimed at attracting & developing talents	Qualitative and quantitative criteria
<b>Criterion linked to the Company’s communication and marketing</b> Development of the corporate identity and communication to all stakeholders	Qualitative and quantitative criteria

- **Second component**, representing 20% of target variable remuneration: **complementary individual objectives** relating to the aforementioned objectives in line with the specific responsibilities of the CEO are established annually at the proposal of the nomination and remuneration committee. These are detailed each year in the remuneration report.

#### — Medium-term variable remuneration

##### *Target medium-term variable remuneration*

The target amount of the medium-term variable annual remuneration (i.e. the amount linked to the 100% achievement of the objectives) may not be more than 7% of the CEO’s total annual remuneration. The objectives cover a reference period of one year (1 October to 30 September), but payment is deferred (see below).

##### *Criteria for the evaluation of the medium-term variable remuneration*

The criteria for assessing the CEO’s performance in relation to the mid-term variable remuneration have been set as follows and are common to all members of the executive committee.

Criteria	Evaluation method
<b>Implementation of the ESG strategy</b>	Qualitative, financial and quantitative criteria to be measured against the market
<b>Digitisation of the Company</b>	Qualitative and quantitative criteria
<b>Human Resources Management - Long term development including succession planning</b>	Qualitative and quantitative criteria

**Miscellaneous expenses:** Ascencio bears the operating expenses reasonably incurred by the CEO in the performance of his duties, upon presentation of supporting documentation and, if the nature and amount so require, subject to the prior approval of the Chairman of the Board. These expenses may not exceed a budget set each year by the board of directors of Ascencio SA.

Apart from the provision of a laptop and a tablet, the CEO does not receive any other benefits 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 SCA. Any remuneration for these mandates will be included in the remuneration report. Unless otherwise stipulated between the parties, the end of the agreement binding the CEO and Ascencio SCA shall entail the end of the offices performed by the CEO in subsidiaries of Ascencio SCA and in its branch.

## END-OF-SERVICE INDEMNITY

In the event of early termination of the agreement between the CEO and Ascencio SCA on Ascencio SCA'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 12 months' remuneration, corresponding to the monthly average of the fixed and variable remuneration received in performance of the agreement between him and Ascencio SCA 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 these other members of the executive committee, at the proposal of the nomination and remuneration committee, which will itself have previously consulted the CEO on this subject.

### BREAKDOWN OF REMUNERATION

**The fixed remuneration** is determined on the basis of information on remuneration levels for comparable functions and for comparable profiles in comparable companies, in particular financial and real estate companies. This information is collected by the nomination and remuneration committee.

Fixed remuneration is paid monthly in arrears and is subject to indexation in January.

**Variable remuneration** (in cash only) rewards quality performance that meets expectations in terms of results, professionalism and motivation.

In application of the above principles and at the proposal of the nomination and remuneration committee, the variable remuneration consists of two parts:

#### — Short-term variable remuneration of other members of the executive committee

##### *Target short-term variable remuneration*

The target amount of short-term variable compensation for the other members of the executive committee (i.e. the amount linked to the achievement of 100% of the objectives) may not be more than 15% of the total annual compensation of other members of the executive committee. The objectives cover a reference period of one year (1 October to 30 September).

##### *Criteria for evaluating short-term variable remuneration*

The criteria for assessing the performance of the other members of the executive committee and their weighting in relation to short-term variable remuneration have been set as follows, divided into two parts:

— **First component, representing 25%** of the target short-term variable remuneration: criteria linked to the performance of the Company (these objectives are common to all members of the executive committee). They are identical to those listed above for the CEO.

— **Second component, representing 75%** of the target short-term variable remuneration. These are complementary individual objectives related to the aforementioned objectives. They are a combination of basic objectives linked to their operational responsibilities and specific and priority objectives. They are financial and/or qualitative. Financial objectives generally include the occupancy rate, growth, EPS, operating margin and special projects.

Non-financial criteria can vary from year to year depending on priorities and typically cover areas that can be categorised as efficiency, leadership and initiative projects. These objectives are detailed each year in the remuneration report.

#### — Medium-term variable remuneration of other members of the executive committee

##### *Target medium-term variable remuneration*

The target amount of the medium-term variable compensation (i.e. the amount linked to the achievement of 100% of the objectives) may not be more than 7% of the total annual remuneration of other members of the executive committee. The objectives cover a reference period of one year (1 October to 30 September) but payment is deferred (see below).

##### *Criteria for the evaluation of the medium-term variable remuneration*

The criteria for assessing the performance of the other members of the executive committee with respect to the medium-term variable remuneration are identical to those listed for the CEO above.

**Miscellaneous expenses and benefits in kind:** the other members of the executive committee working under an employment contract are provided with a company car and the accessories usually associated with it. They are also provided with a mobile phone, a laptop and an entertainment allowance. The employer makes contributions to health insurance and group insurance policies.

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

The other members of the executive committee are remunerated under management contracts or employment contracts. These contracts are concluded for an indefinite period.

The open-ended employment contracts concluded with the other members of the executive committee do not include specific termination provisions. The statutory notice periods apply.

### The management contracts provide for the following notice options:

- unilaterally, with a notice period of 4 to 12 months depending on the function;
- without notice or compensation in the event of termination for serious breach.

## OTHER RULES RELATING TO THE VARIABLE REMUNERATION OF THE CEO AND OTHER MEMBERS OF THE EXECUTIVE COMMITTEE

### METHODS USED TO DETERMINE WHETHER THE VARIOUS PERFORMANCE CRITERIA HAVE BEEN MET

The evaluation of the performance criteria is discussed and analysed at a session of the nomination and remuneration committee. Variable remuneration can only be granted if the performance targets have been met over the relevant reference period.

At the end of the financial year, the extent to which the financial criteria have been met is monitored by means of the accounting and financial data which are analysed in the audit committee.

The assessment of the non-financial criteria is made by the nomination and remuneration committee on the basis of a reasoned proposal by the Chairman of the board of directors (for the performance of the CEO), and on the basis of a reasoned proposal by the CEO in consultation with the Chairman of the board of directors (for the performance of the other members of the executive committee).

The nomination and remuneration committee then submits its opinion and proposal for variable remuneration to the board of directors for decision.

### UPPER LIMIT TO WHICH VARIABLE REMUNERATION IS SUBJECT

Both the short-term and the medium-term variable compensation can amount to a maximum of 120% of the proposed target amount (i.e. the amount linked to the achievement of 100% of the objectives). This rule applies to all members of the executive committee.

## PAYMENT OF VARIABLE REMUNERATION

Article 7:91, paragraph 2, of the Code of Companies and Associations provides for a specific regime concerning the deferred payment of variable remuneration. Thus, unless otherwise provided in the articles of association or expressly approved by the general meeting of shareholders, at least one quarter of the variable remuneration must be based on predetermined and objectively measurable performance criteria over a period of at least two years, and at least one quarter must be based on predetermined and objectively measurable criteria over a period of at least three years.

Ascencio derogates from this rule for all members of the executive committee and has requested an express agreement to this effect at its general meeting of shareholders on 31 January 2022.

Ascencio opts for a system in which:

(i) the short-term variable remuneration is paid in the month of December following the recognition of the achievement of the short-term objectives (accounts closed on 30 September); and

(ii) the payment of the medium-term variable remuneration is staggered over time, namely:

— 50% of this remuneration is paid in December of the year following the year for which the remuneration is awarded;

— 50% of this remuneration is paid in December of the second year following the year for which the remuneration is awarded.

In this way, deferred payment is fully aligned with the business strategy and operational efforts that need to be made in the short term are immediately rewarded.

The vision of the members of the executive committee is also maintained in the long term and remains motivated by a deferred payment of the variable remuneration, provided that the corresponding performance targets are met.

If the contract is terminated by either party, the members of the executive committee will continue to be entitled to the remuneration already earned but not yet paid (short and medium term).

## OTHER EMPLOYEES

The board of directors has entrusted the nomination and remuneration committee with the review and approval of the CEO's annual proposals for the overall (not individual) fixed and variable remuneration budget for Ascencio employees.

The board of directors has delegated to the CEO and the members of the executive committee the review and decision making authority for Ascencio's individual fixed and variable remuneration and fringe benefits (e.g. luncheon vouchers, car, mobile phone, etc.) according to the level of responsibility and experience of each individual.

The variable remuneration of employees consists of a part linked to individual objectives and a part linked to collective performance objectives (CCT 90 bonus plan). EPRA earnings and the occupancy rate thus determine the extent to which the collective variable remuneration is allocated.

## CONTRIBUTION OF THE REMUNERATION POLICY TO THE BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABLE VALUE CREATION WITHIN 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 members 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 Director leaves the board and for at least three years from their allocation. Non-executive directors do not benefit from stock options.

**EXPLAIN** - Ascencio departs from this principle and does not allocate remuneration in shares to non-executive directors. In view of the current amounts of remuneration and the independent status of the non-executive directors, Ascencio is of the opinion that granting them part of their remuneration in shares would not necessarily contribute to the 2020 Code's objective of causing these directors to act with a long-term shareholder's perspective. Ascencio's general policy and its way of operating already conform to the objective of recommendation 7.6 of the 2020 Code which aims to promote the creation of long-term value and a balance between the legitimate interests and expectations of the shareholders and of all stakeholders. These principles are enshrined in the charter of governance and the internal rules 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 by the CEO or by 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 remuneration 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 2021-2022

The remuneration report provides an overall view of remuneration, including all benefits granted or due during financial year 2021-2022 to the statutory manager, the directors, the CEO and other members of the executive committee.

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

### REMUNERATION OF THE STATUTORY MANAGER: ASCENCIO SA

For the past financial year the manager's remuneration amounted to €1,042,000.

### 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 per year 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.

Directors' remuneration will be paid in June 2023 following the ordinary general meeting of shareholders of the statutory manager and is detailed as follows:

		Annual fixed remuneration (in euros)	Attendance fees					Total (in EUR)	
			Board of directors	Audit committee	Investment committee	Nomination and remuneration committee	Committee of independent directors		Working group
<b>Mestdagh Carl</b>	Chairman of the board of directors	15,000	12,000	-	-	6,000	-	-	<b>33,000</b>
<b>Fautré Serge</b>	Vice-Chairman of the board of directors	6,000	10,500	-	-	-	-	-	<b>16,500</b>
<b>Deklerck Laurence</b>	Non-executive Director	6,000	13,500	6,000	-	6,000	-	-	<b>31,500</b>
<b>Tacq Patrick</b>	Non-executive Director	6,000	10,500	-	7,500	4,500	-	-	<b>28,500</b>
<b>Beguín Olivier</b>	Non-executive Director	6,000	10,500	1,500	6,000	-	-	-	<b>24,000</b>
<b>Boniface Stéphanie</b>	Non-executive Director	6,000	13,500	-	9,000	-	-	-	<b>28,500</b>
<b>Leunen Alexandra</b>	Non-executive Director	6,000	13,500	-	-	-	-	-	<b>19,500</b>
<b>D'Hondt Amand-Benoit<sup>1</sup></b>	Non-executive Director	4,500	6,000	4,500	4,500	-	-	-	<b>19,500</b>
<b>Watrice Jean-Louis</b>	Non-executive Director	6,000	13,500	6,000	-	-	-	-	<b>25,500</b>
<b>Lavinay Gérard<sup>2</sup></b>	Non-executive Director	1,500	1,500	-	-	-	-	-	<b>3,000</b>
<b>Total directors (in euros)</b>		<b>63,000</b>	<b>105,000</b>	<b>18,000</b>	<b>27,000</b>	<b>16,500</b>	-	-	<b>229,500</b>

<sup>1</sup> Term of office ended 10 June 2022.

<sup>2</sup> Term of office started 28 June 2022.

## REMUNERATION OF THE EXECUTIVE COMMITTEE

(in euros)	Remuneration <sup>1</sup>	Variable remuneration <sup>2</sup>	Group insurance	Benefits in kind	Total remuneration
<b>CEO</b>					
Vincent H. Querton	€211,500	€80,000	NA	€7,000	€298,500
spri AN&MO	€111,250	€50,000	NA	NA	€161,250
<b>Total CEO</b>	<b>€322,750</b>	<b>€130,000</b>	<b>NA</b>	<b>€7,000</b>	<b>€459,750</b>
<b>Other members of the executive committee</b>					
	€697,862	€215,116	€17,039	€9,334	€939,350
<b>Total executive committee</b>	<b>€1,020,612</b>	<b>€345,116</b>	<b>€17,039</b>	<b>€16,334</b>	<b>€1,399,100</b>
<b>Ratio of variable to total remuneration<sup>3</sup></b>					
CEO					23.28%
Other members of the executive committee					22.90%

### THE CHIEF EXECUTIVE OFFICER (CEO)

#### Financial year 2021/2022

Basic objectives of the function as set out in the remuneration policy (60%)

Specific and particular objectives for the year 2021/2022 (40%)

#### Prepare Ascencio's first investments on the Polish market

- Macroeconomic analysis of Poland
- Polish retail market analysis
- Evaluate and model tax frictions in Poland
- Modeling (DCF) a retail park investment in Poland

#### Ensure the diversification of Ascencio's funding sources

- Increase our sources of financing on the French banking market
- Set up new financial products (bonds, ...)

#### Advance and finalise (if technically possible) Ascencio's SOCIMI status in Spain

- Prepare Ascencio 2025 succession plans
- Prepare pyramid

CEO - Medium term objectives as set out in the Remuneration Policy

#### Specific objectives An&Mo

#### Boost Ascencio's post-pandemic presence on the French market

#### Develop Ascencio's media presence in France

#### Get closer to the major players in the food sector to prepare for possible acquisitions

The managing director of Ascencio SA, the only executive Director, performs the function of CEO. He is also the permanent representative of the statutory manager and a dirigeant effectif (effective manager) of Ascencio SCA in the meaning of article 14 § 3 of the Law on Regulated Real Estate Companies.

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

For the past financial year, the CEO's variable remuneration was decided taking account of criteria common to the executive committee and individual criteria. On 23 November 2022, the board of directors concluded, after due analysis and with the opinion of the nomination and remuneration committee, that all the objectives had been attained:

### THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE

The other members of the executive committee are remunerated 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.

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 into account criteria common to the executive committee. Complementary individual objectives were also used, linked to the specific operational responsibilities of each one of them. On 23 November 2022, the board of directors concluded, after due

analysis and with the opinion of the nomination and remuneration committee, that all the objectives had been attained:

### ANNUAL VARIATION OF OVERALL REMUNERATION

The ratio of the highest remuneration of the executive committee to the lowest among the employees, expressed on a full-time equivalent basis, is 1/10.

Annual variation in%	2017/2018 vs 2016/2017	2018/2019 vs 2017/2018	2019/2020 vs 2018/2019	2020/2021 vs 2019/2020	2021/2022 vs 2020/2021
<b>Remuneration of the Manager</b>	5%	3%	4%	1%	7%
<b>Remuneration of non-executive directors<sup>1</sup></b>					
SPRL CAI (Ended 09/06/2017) - Carl Mestdagh (Appointed 09/06/2017)	37%	-19%	29%	5%	-4%
Serge Fautré (Appointed 09/06/2012)	35%	0%	0%	22%	0%
Laurence Deklerck (Appointed 25/01/2015)	35%	-22%	24%	19%	-16%
Patrick Tacq (Appointed 09/06/2017)	NA	-30%	13%	50%	-30%
Olivier Beguin (Appointed 28/03/2018)	NA	NA	27%	29%	-11%
Stéphanie Boniface (Appointed 28/03/2018)	NA	NA	7%	25%	-5%
Alexandra Leunen (Appointed 28/03/2018)	NA	NA	33%	0%	8%
Amand-Benoît D'Hondt (Term of office ended 10/06/2022)	NA	NA	94%	15%	-43%
Watrice Jean-Louis (Appointed 11/06/2021)	NA	NA	NA	NA	292%
Lavinay Gérard (Term of office started 28/06/2022)	NA	NA	NA	NA	NA
<b>Remuneration of the CEO<sup>2</sup></b>	NA	2%	6%	-5%	-10%
<b>Average remuneration of the other members of the executive committee</b>	NA	4%	12%	1%	6%
<b>Average remuneration of employees on a full-time equivalent basis<sup>3</sup></b>	24%	21%	30%	8,72%	8%
<b>Company performance</b>					
Fair value of the property portfolio	1%	1%	11%	3%	4%
EPRA earnings per share <sup>4</sup>	2%	7%	3%	4%	11%
Gross dividend per share	3%	3%	4%	1%	7%

<sup>1</sup> From the date of their appointment.

<sup>2</sup> Vincent Querton & Spri AN&MO from 17 October 2017.

<sup>3</sup> Remuneration includes: Salary, ATN telephone subscription, mobile phone, internet connection, laptop, double holiday allowance, end-of-year bonus, bonus, company car, CCT90, meal vouchers, hospital insurance, transport allowance, flat expense allowance, group insurance.

<sup>4</sup> Ordinary net result to 30/09/2016 inclusive - EPRA earnings from 01/10/2016.

## SETTLEMENT OF CONFLICTS OF INTEREST

### PRINCIPES

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

- the relevant 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 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 or her declaration, and the reasons behind the conflict of interest, must appear in the minutes of the Board meeting passing the relevant resolution. The Company's statutory auditor must be informed of this and the Director concerned may not attend the deliberations of the board of directors' relating to the transactions or decisions concerned or take part in the voting. The relevant minutes must subsequently be reproduced in the management report.

#### II. ARTICLE 7:97 OF THE CODE OF COMPANIES AND ASSOCIATIONS

If a listed company envisages carrying out a transaction with a related company (subject to certain exceptions), article 7:97 of the Code of Companies and Associations requires an ad hoc committee composed of three independent directors to be put in place; this committee, assisted by an independent expert, must communicate a reasoned assessment of the transaction envisaged to the board of directors, which cannot take its decision before it has taken note of this report. The statutory auditor must deliver an assessment as to the consistency of the information contained in the committee's opinion and in the minutes of the board of directors meeting. The board of directors will then specify in the minutes of its meeting 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 must be covered in the management report.

All decisions or transactions to which the above procedure applies must be publicly announced, at the latest at the time the decision is taken or the transaction is concluded (§4/1).

The announcement must be accompanied by the committee's decision, the reasons why the board of directors does not follow the committee's opinion, if such is the case, and the 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 link<sup>5</sup>, the other shareholders of a company in the consolidation scope<sup>6</sup> of the B-REIT, or directors, managers or members of the management committee

of the B-REIT. The Company must establish that the transaction envisaged is of benefit to it and is in line with its strategy and that the transaction will be carried out on normal 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 24 November 2021, Vincent H. Querton, CEO, abstained from the deliberations and the resolution on the establishment of the CEO's variable remuneration for financial year 2020/2021.

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 2020/2021, variable remuneration of:*

- €60,000 to Vincent H. Querton in his capacity as Chief Executive Officer,
- €40,000 to SPRL ANGMO for the assignments carried out for Ascencio's French branch."

##### — 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 9 December 2021, Vincent H. Querton, CEO, abstained from the deliberations and the resolution on the establishment of the CEO's variable remuneration.

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

*"After discussion, the board of directors, at the proposal of the nomination and remuneration committee, resolved to submit to the vote of the ordinary general meeting of shareholders of 31 January 2022, an amendment to the Remuneration Policy concerning the following points:*

##### 1. Introduction of a medium (long-term) variable bonus for all executive committee members from 1 October 2021

###### a. Evaluation criteria

- Implementation of the ESG strategy
- Digitisation of the Company
- Human Resources Management - Long term development including succession planning

*b. These criteria will be subject to an annual individual evaluation based on the personal and managerial involvement of the members of the executive committee. Specific objectives will be set as necessary as projects develop.*

<sup>5</sup> As a reminder, under the Code of Companies and Associations, this link is presumed to exist, in the absence of proof to the contrary, from a shareholding representing one tenth of the Company's capital.

<sup>6</sup> "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.

### c. Reference period & payment

*This bonus will be determined, communicated and earned at the end of the reference period (1 October to 30 September):*

— December 2022 and so on

*Half of this bonus will be paid in December of the following financial year and half in the second year:*

— December 2023 and so on

— December 2024 and so on

### 2. Introduction of a target bonus as a% of total annual remuneration (bonus earned if 100% of objectives are met) and an upper limit (120%)

### 3. Introduction of a derogation from article 7:91 of the Code of Companies and Associations

*According to article 7:91 of the Code of Companies and Associations, if the variable remuneration (short and medium term) exceeds 25% of the annual remuneration (fixed and variable), payment of the variable remuneration must be spread over three years (50% in N+1, 25% in N+2, 25% in N+3). It is proposed to derogate from this principle as detailed above under point 1.c.”*

During the past financial year, the Company did not carry out any transactions as referred to in article 7:97 of the Code of Companies and Associations.

During the past financial year, the Company did not carry out any transactions that constitute a transaction referred to in article 37 of the SIR Law/B-REITs Act.

## PROVISIONS OF THE CHARTER OF GOVERNANCE

### I. POLICY OF ASCENCIO SCA REGARDING TRANSACTIONS WITH A DIRECTOR NOT COVERED BY ARTICLE 7:96 OF THE CODE OF COMPANIES AND ASSOCIATIONS (WITH THE EXCEPTION OF CORPORATE OPPORTUNITIES)

If Ascencio SCA proposes to agree with a Director or a company linked to a Director on a transaction that is not covered by article 7:96 of the Code of Companies and Associations (with the exception of corporate opportunities, to which only the rules of this Charter apply, without prejudice to the legal provisions on conflicts of interest), Ascencio SCA nevertheless considers it necessary that this Director inform the other directors of it before the board of directors deliberates 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 if it would be contrary to the interests of Ascencio SCA for the Director concerned to be informed of the conditions on which Ascencio SCA would be prepared to undertake the transaction in question, the preparatory notes not be sent to him/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 concluded on normal market terms.

Such transaction will be mentioned in the Corporate Governance section of the annual report, but the full minutes of the transaction do not have to be reproduced there.

## II. CORPORATE OPPORTUNITIES

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

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

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

Once the risk has been identified the Director concerned and the Chairman of the board of directors examine together the procedures for “Chinese walls” adopted within the entity to which the Director concerned belongs to see whether they allow it to be considered that he or she may, on his/her 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 or she will withdraw from the process of deliberation and voting: the board meeting papers will not be sent to him/her and he/she 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 or her.

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

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

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

## INTERNAL CONTROL

### GENERAL

Ascencio has organised an internal control system 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 internal control system within the Company is based on the COSO (Committee of Sponsoring Organisation 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 have therefore based themselves on international recommendations and best practices as well as on the three lines of defence model:**

- 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 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 for the attention of the FSMA and the Company's statutory auditor. This report includes a description of the internal control process, a description of the Company's key procedures and an evaluation 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.

#### 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 regulating behaviour to ensure that it is consistent with the pursuit of the organisation's goals and 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 suspected of being so involved.

#### POLITICAL ACTIVITIES

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

#### CONFLICTS OF INTEREST

Ascencio ensures that every person working for it behaves ethically and in accordance with 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 on conflicts of interest, we refer 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 forbidden to share this information with third parties - including family members.

## RULES TO PREVENT MARKET ABUSE

Pursuant to the European regulation<sup>7</sup> (hereinafter “the Regulation”) and the law<sup>8</sup> (hereinafter “the Law”) relating to market abuse, the Company has defined, in its capacity as an issuer, a prevention policy with regard to the use of privileged information relating to its financial instruments.

### These rules apply:

- to members of the administrative body of Ascencio’s statutory manager;
- to senior managers who, without being members of the above-mentioned body, have regular access to inside information directly or indirectly concerning the Company and the power to make management decisions regarding the future development and business strategy of the Company; hereinafter “the managers”
- persons likely to have access to privileged information because of their involvement in the preparation of a specific 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](http://www.ascencio.be)) and leaves it there for at least 5 years.

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

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

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

## INSIDER TRADING

### No person in possession of privileged information may:

- make use of the privileged information to acquire or sell financial instruments on his 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 or she 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 or she 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 be 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 MANAGERIAL RESPONSIBILITIES

Managers and closely related persons must inform the compliance officer and the FSMA of any transaction<sup>9</sup> 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](http://www.fsma.be)).

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

<sup>7</sup> 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.

<sup>8</sup> 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 the supervision of the financial sector and financial services, the law of 16 June 2006 on public offers of investment instruments and admissions of investment instruments to trading on regulated markets, and the law of 2 May 2007 on the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market.

<sup>9</sup> This means any subsequent transaction once the amount of €5,000 is reached in 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 the results are published.

Furthermore, managers may not trade in financial instruments, either on their own behalf or on behalf of a third party, directly or indirectly, during a period in which the Company and/or certain managers are in possession of inside information.

## RISK MANAGER

Stéphanie Vanden Broecke, effective manager, assumes the function of risk manager within Ascencio.

The risk management policy is an integral part of Ascencio's strategy and good governance. It is a continuous process by which the Company methodically addresses the risks inherent in or external to its activities in the 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 methodology applied consists of:

— a critical review of the risk universe through discussion with Ascencio management. The main focus areas are:

- the general environment of the Company ("The Market");
- its core business ("Transactions");
- management of financial resources;
- changes in laws and regulations applicable to the Company and its activities.

— an evaluation of the potential impact of each risk by reference to 4 criteria (financial, operational, legal and reputation) in accordance with a 4-level severity scale by Ascencio's management assisted by key people of the organisation;

— an assessment of the appetite for each risk by the board of directors;

— an assessment of the level of risk control (maturity of control procedures, existence of a 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.

Risks are assessed 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

BDO was commissioned to carry out an internal audit assignment for the past financial year.

Cédric Biquet, an effective manager, has been appointed as the internal head of the internal audit function.

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

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

- the budget process;
- the closure management process;
- the cash management process;
- the process of managing banking rights.

The internal auditor's report was presented to the audit committee, which reported on it to the board of directors.

## ELEMENTS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A TAKEOVER BID

Ascencio sets out below the elements which, pursuant to 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 impact in the event of a public 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 securities;*

3. *The holders of any securities conferring special rights of control and a description of those rights;*

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

5. *Any legal or statutory restriction on the exercise of voting rights.*

The share capital of Ascencio SCA amounted to €39,575,910 and was represented by 6,595,985 shares at 30 September 2022. The shares are registered or dematerialised, all fully paid up and without nominal value. There is only one category of shares.

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

There are no holders of securities conferring special rights of control.

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.

In addition, the rules set out in the Code of Companies and Associations also apply.

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

9. *On 17 October 2019, the extraordinary general meeting of shareholders of Ascencio SCA resolved to replace the authorisation granted to the statutory manager on 18 December 2014 to increase the share capital with a new authorisation to increase the share capital subscribed in application of articles 7:198 et seq. of the Code of Companies and Associations.*

Thus in accordance with article 8 of the articles of association of Ascencio SCA, the statutory manager is authorised to increase the share capital on such dates and conditions as it may establish in one or more times, in accordance with article 7:198 of the Code of Companies and Associations and the B-REIT legislation, subject to a maximum of €39,575,910. his 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 shareholders when such acquisition is necessary in order to avoid serious and imminent harm to the Company, in accordance with article 7:218 paragraph 3 of the Code of Companies and Associations.

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

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

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

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

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

## D — Real Estate Report

### RETAIL PROPERTY MARKET

### THE COMMERCIAL PROPERTY MARKET IN BELGIUM

#### MACROECONOMIC INDICATORS

Economic indicators (in%)	2018	2019	2020	2021
GDP in volume (% annual change)	1.4	2.1	-5.7	6.2
Harmonised unemployment rate <sup>1</sup>	6	5.5	5.8	6.3
HICP inflation (% change)	2.7	1.2	0.4	3.2

Source: BNB

**Annual GDP growth** rebounded strongly in Belgium in 2021 (+6.2%) as a result of the global recovery in economic activity. The rebound of GDP in Belgium was more pronounced than that of the European Union (27 countries; +5.3%) and that of the euro zone (+5.4%).

While domestic demand excluding inventories, especially private consumption expenditure, contributed to this favourable GDP development, **net exports** weighed on the growth of economic activity in the first quarter of 2022.

**Services** are traditionally the main driver of Belgian economic growth. In 2021 too it was mainly services that underpinned the recovery in economic activity.

**Business demographics** were again strong in 2021, with more new businesses starting up than closing down and a net balance of 43,839 units, the largest net balance observed over the 2017-2021 period.

Entrepreneurial dynamism is still observed in the first quarter of 2022, with a positive net balance of start-ups over closures (22,146 units). This balance increased year-on-year by 13,247 units and represents the largest net balance observed since the first quarter of 2017.

On the labour market, the year 2021 proved to be a mixed bag: while the **employment rate** rose, both the total **unemployment rate** and the unemployment rate for young people under 25 increased.

In the first quarter of 2022, the labour market has improved, with both the unemployment and employment rates evolving favourably year-on-year. The youth unemployment rate was 14.2% in the first quarter of 2022 (compared to 18.6% a year earlier) and the total unemployment rate reached 5.3% (compared to 6.6% a year earlier). The employment rate stood at 66.4% in the first quarter of 2022 (compared to 63.6% a year earlier).

After a year 2020 marked by a clear slowdown in **inflation** following, among other things, the collapse of oil prices on world markets, inflation measured by the

<sup>1</sup> This series corresponds to the results of the Labour Force Survey (LFS) for those aged 15 and over, adjusted monthly using national administrative data, in accordance with Eurostat methodology.

change in the Harmonised Index of Consumer Prices (HICP) increased **during 2021 and the first half of 2022**, reaching 9.9% in the second quarter of 2022. All components of the HICP are rising, but it is the energy component that is driving prices up. With inflation of 64.3% in the second **quarter of 2022**, the energy component accounts for more than two-thirds of total inflation. The latest estimates point to an inflation rate of 8.1% for 2022.

With regard to the **short-term growth prospects** of the Belgian economy, the Federal Planning Bureau indicates that the economic recovery started in 2021, with GDP growth amounting to 6.2%. Belgian growth is then expected to slow to 2.6% in 2022.

**Source:** <https://economie.fgov.be> - *Aperçu de l'économie belge - Note de conjoncture du 22 août 2022 - Éditeur Séverine Waterbley - Auteur(s):SPF Economie, P.M.E., Classes moyennes et Energie.*

### RETAIL MARKET - RENTAL TAKE-UP

With the end of the restrictions, retailers re-launched their expansion and take-up of retail property was very dynamic in the last quarter of 2021, at 140,000 m<sup>2</sup>, closing the year at around 480,000 m<sup>2</sup> in total (compared with 415,000 m<sup>2</sup> in 2020).

The most dynamic category was that of out-of-town retail, with 325,000 m<sup>2</sup> in 2021 (67% of the activity) with projects such as Parenthèses (Gosselies), Malinas (Mechelen) and La Couvinoise (Couvin) and sustained development of discount brands (Action and Kruidvat), food (Jumbo, Albert Heijn and Carrefour) and home furnishing (JYSK and VDB Kitchen).

The other asset categories, high-streets and shopping centres (mainly Westland - in the context of its extension/renovation - which attracted P&C and leisure retailers), also did well, with take-up of 105,000m<sup>2</sup> and 50,000m<sup>2</sup> respectively.

In these last two asset categories, the food & beverage business was generally the most dynamic (Dunkin'Donuts, Hawaiian Poké Bowl, Pitaya, O'Tacos, KFC and Burger King, among others).

This impressive rebound in activity was also confirmed by the number of transactions (around 1,000), which is 25% higher than the previous year, despite the growing competition from e-commerce and the change in consumer behaviour.

Against a background of pent-up demand for megastores (especially in the city centre sector), the average area per transaction fell from 550 m<sup>2</sup> in 2020 to 482 m<sup>2</sup> in 2021. This effect can also be explained by the small format of the many brands being developed in the hotel and catering sector.

In 2022, the market has continued its momentum with nearly 600 transactions recorded at the end of the third quarter for a total volume of approximately 350,000 m<sup>2</sup>, of which 80,000 m<sup>2</sup> in city centres (+13%), notably thanks to the dynamism of ready-to-wear chains which seem to be expanding again (Zara, New Yorker, JD Sport and Nike).

The out-of-town market is also maintaining its growth (230,000 m<sup>2</sup>), despite the absence of new projects, through the re-marketing of existing clusters and strong activity in the food sector (Jumbo, Lidl and Intermarché) and in home furnishing (Hubo), as well as an upturn in demand for ready-to-wear clothing, but the relatively long decision-making processes characteristic of these brands (which in many cases have international management) and the difficulties in obtaining permits are having a somewhat dampening effect on the expansionist ambitions of the brands' real estate development managers.

The most dynamic out-of-town retailers in the first 3 quarters of 2022 were Basic Fit, H&M, Centrakor, ZEB, Action, Bristol, Lidl, TAO, Chaussea, JYSK, Electro Dépôt, Kruidvat, 4 Murs, Poltronesofa and Albert Heijn.

### TAKE-UP BY SECTOR (IN THOUSANDS OF M<sup>2</sup>)



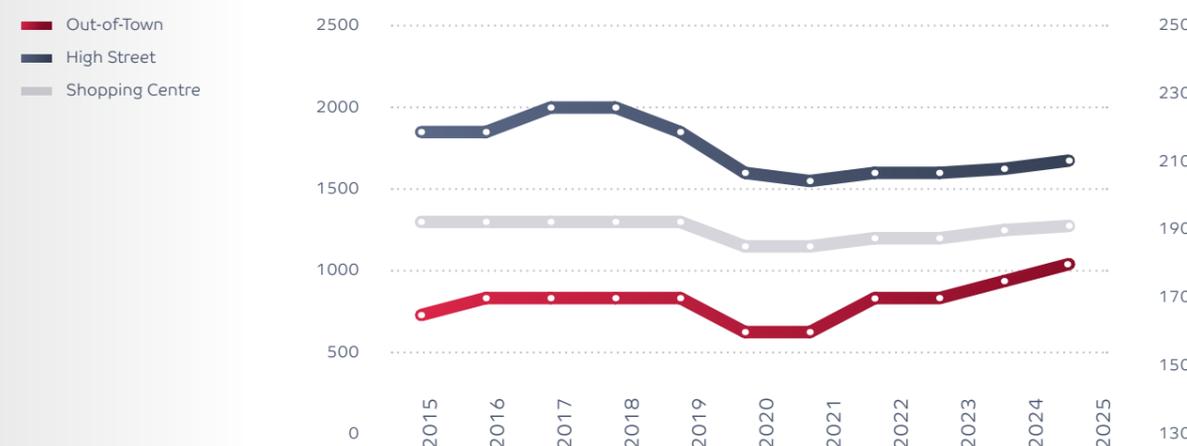
### RENTAL VALUES

Prime rents were all affected by the health crisis and have undergone downward corrections in recent years, but have subsequently stabilised and there has been no notable change since the end of 2021 in the high street segment (1,550 EUR/m<sup>2</sup>/year excl. VAT, with a possible upward correction in 2023/2024 to 1,650 EUR/m<sup>2</sup>/year excl. VAT) and in the shopping centre segment (1,150 EUR/m<sup>2</sup>/year excl. VAT, which has been fairly stable since March 2020).

The out-of-town segment, which was very stable in the pre-crisis years, saw its average prime price fall in 2020 and 2021 (160 EUR/m<sup>2</sup>/year excl. VAT) and then increase slightly to return to its pre-crisis level of 170 EUR/m<sup>2</sup>/year excl. VAT in 2022.

According to the international consultancy Cushman & Wakefield, the latter amount is likely to increase from 2024 onwards (to 180 EUR/m<sup>2</sup>/year) given the good performance of retailers in this category.

### PRIME RENT BY SEGMENT



## E-COMMERCE IN BELGIUM

150 million transactions were recorded in 2021 (+39% vs. 2020) for a global volume of €11.7 billion (+33% vs. 2020), i.e. 14% of total retail sales. (Sources: Safeshop, be, Gondola, FMCG and Retail News).

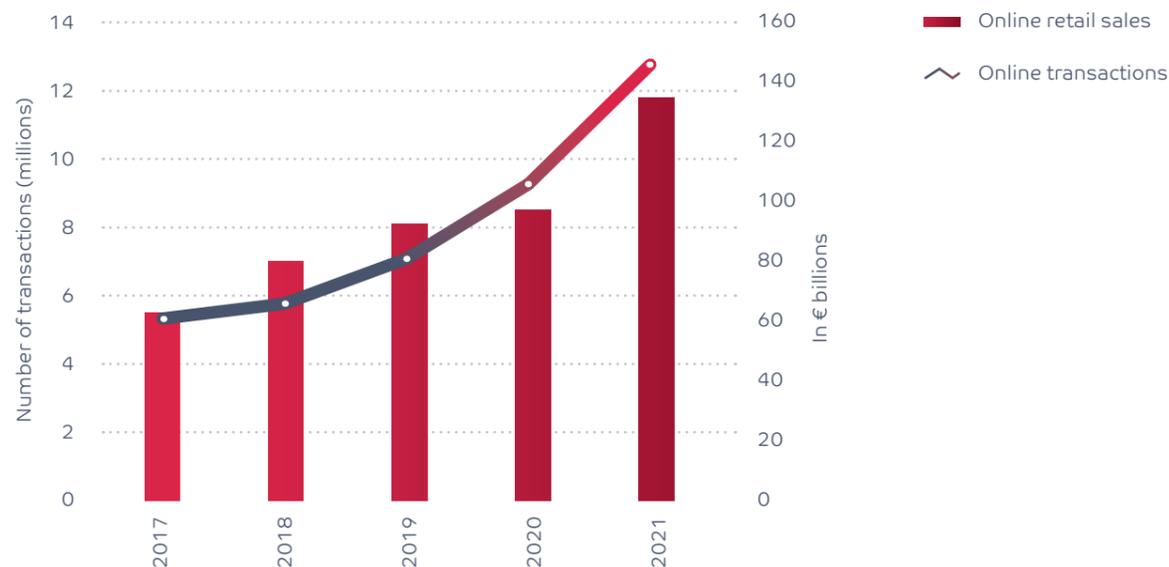
In this country of SMEs, the 1,455 medium and large online shops (with annual revenues of over €1 million and €10 million respectively) account for 84% of the volume of transactions (€9.8 billion), but the growth of e-commerce concerns all types of companies.

However, these remarkable results reflect only part of the evolution, since they do not take into account the sales of Belgian businesses using the marketplaces of the major platforms (Bol.com, AMAZON, etc.).

In 2021, purchases from abroad accounted for 21% of the volume of transactions. It is mainly the French (38%), the Dutch (37.5%) and to a lesser extent the Germans (11%) who buy from Belgian web shops.

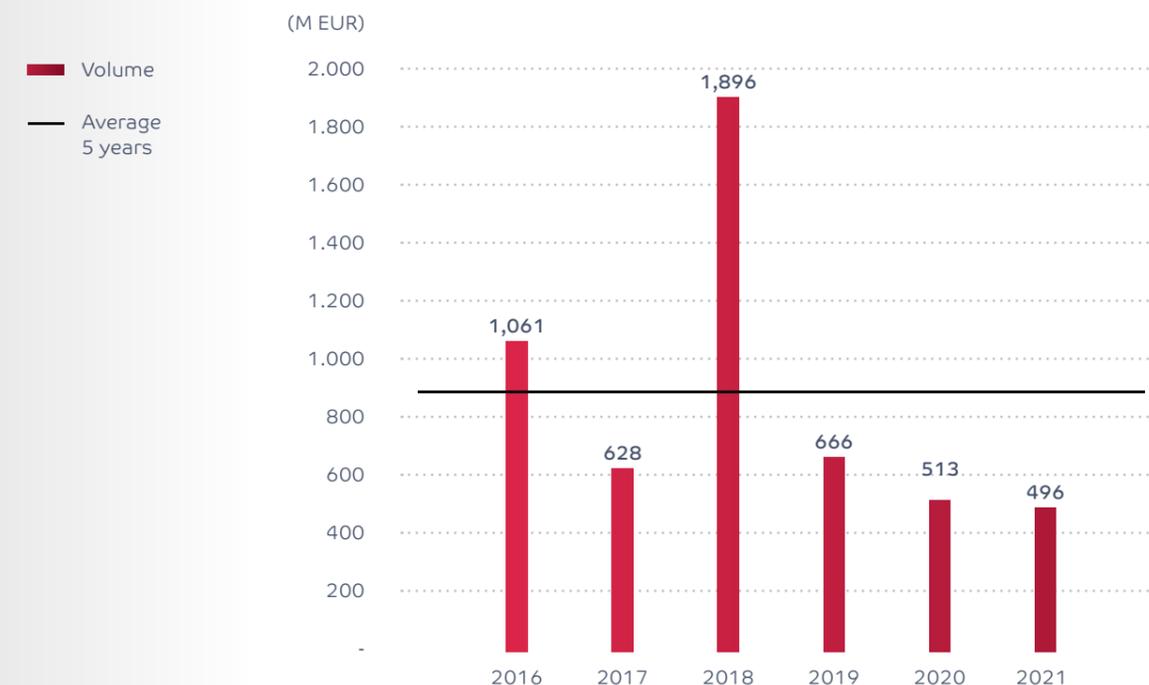
In 2022, the upturn in travel following the Covid years should encourage further growth.

### ONLINE RETAIL SALES (IN EUROS) AND NUMBER OF TRANSACTIONS



## THE INVESTMENT MARKET AND PROSPECTS

### ACTUAL INVESTMENT VOLUME



According to the magazine EXPERTISE, the share of commercial real estate in Belgian investment decreased by a few percent in 2021, with an amount of just under €500 million for an average volume/transaction of about €4 million.

This underperformance places the market at 50% of the average volume of investments in commercial real estate of recent years (€1.1 billion). The main explanation lies in the shopping centre segment, which has again saw no change for the second year running, even though the fundamentals of this sector remain favourable.

Conversely, the dynamism displayed by rentals of out-of-town retail premises has spread to the investment market. With €317 million in 2021, this segment did better than its annual average (€303 million), driven by the popularity of supermarkets. By way of example, the most significant transaction of the year was the

sale of the Shopinvest portfolio (Kaesteker family) to Retail Estates for just over €35 million.

At 23%, retail nevertheless remained the most popular asset class after offices (47%). Although their shares are increasing, residential property (14%) and logistics (9%) followed quite far behind.

During the first three quarters of 2022, the volume of investment in retail real estate amounted to €427 million, bringing the total retail stock in Belgium to a value of €13.9 billion (-2%); this volume breaks down into shopping centres (42.5%), out-of-town stores and retail parks (33.2%) and high street shops (24.3%).

By category, at €302 million, the retail sector once again performed well through, among other things, the acquisition by Pertinea of the Parenthèses assets in Gosselies and Gerdingen Park in Bree, the sale of Shop-

ping Fléron by Redevco, the exits of Court-Saint-Etienne and phases 2 and 3 of Papeteries de Genval by Equilis, as well as the sale of portfolios of food supermarkets.

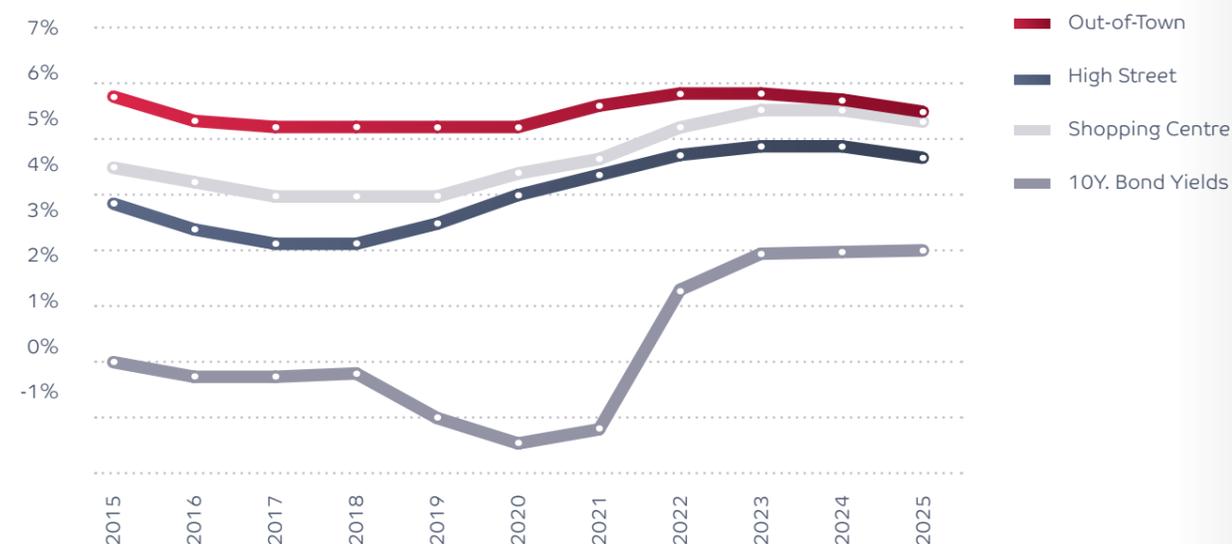
The high street sector (€124 million) is still at only half of the 5-year average, while shopping centres did not record any sales, as mentioned above.

In terms of the profile of buyers, unlike the office market, which has a strong international connotation, retail property in Belgium is a local market. Belgians represent 85% of the sellers and 92% of the buyers with a particularity this year, the activity of a relatively important

number of occasional investors in retail real estate, even for important tickets such as the sale of the Dour retail park (by the shareholders of Lotus Bakeries) or the acquisition of retail in Wallonia by E-maprod (Benaym Group).

Smaller tickets in the shopping streets, in the range of €1 million to €5 million, are changing hands at a steady pace, hotel and catering properties being very popular at the moment.

#### PRIME YIELDS BY SEGMENT (%)



At the end of December 2021, prime yields for retail property stood at 4.35% for ground-floor shops, 4.65% in the shopping centre sector and 5.60% in retail parks.

Taking into account the difficulty of obtaining permits (for construction and operation) and the market's appetite (tenants and investors) for out-of-town assets, some experts assume a slight compression of rates in this segment over the next 2 years. The other sectors are expected to remain stable in 2023 followed by a slight compression in 2024.

#### DEVELOPMENTS

The future of active retail property developers in Belgium is more uncertain than ever, after 30 successful years in which the proliferation of retail parks and other shopping centres has boosted the market.

With 19 million m<sup>2</sup> of retail space (60% of which is out-of-town retail, 34% high streets and 6% shopping centres - excluding local retail which alone accounts for 10 million m<sup>2</sup>), the Belgian market seems to have reached saturation (210,000 shops).

For the shopping centre sector, it is the end of a model, held back by the political world, which no longer wishes to see large-scale commercial projects as it seeks to revitalise the attractiveness of town centres. In this category, only long-standing projects will (perhaps) materialise (e.g. Besix Red's Côté Verre in Namur or City Mall's OQUAI project in the centre of Verviers). Other projects seem to be becoming more difficult year after year, such as La Strada by Wilhem & Co in La Louvière, the NEO 1 project by URW in Brussels, Broeklin in Machelen or the Free Time Park in Seraing by Valinvest.

In this asset segment, the focus will be on upgrading existing supply (AG RE's renovation of Westland, Redevco's renovation of Rich'l in Waterloo), sometimes with a mandatory extension to justify investment in outdated property.

The future lies in the development of retail parks such as the Frunpark in Châtelineau by De Vlier, the Quartier Enée (11,000 m<sup>2</sup> - Gembloux) by Mistiska, 4 Fontainen (Vilvoorde - 25,000 m<sup>2</sup>) by Matexi or Gerdingen Park (15,000 m<sup>2</sup> - Bree) by Group GL.

The future will also include the optimisation of existing sites, for which there will be more projects. In this respect, owners such as Wereldhave, Redevco, AG RE, Ascencio, Retail Estates and Galimmo, who have a substantial retail portfolio, will see their positions strengthened. The general trend will be to consolidate existing out-of-town shops into integrated and welcoming retail parks. Obsolete stand-alone properties, emptied of their occupants, will then be assigned new uses (logistics or residential for example).

Finally, regardless of the asset class, whether it is a new project or a cosmetic makeover, sustainability will be the priority from now on under the impetus of increasingly restrictive European legislation, the energy crisis and because of the public's growing awareness of the climate issue.

**Sources:** NBB, FPS Economy, SMEs, Self-employed and Energy, Cushman & Wakefield Belgium, JLL Belux, CBRE Belgium, L'Echo, OECD, IMF, Expertise and Retail Update.

## THE COMMERCIAL PROPERTY MARKET IN FRANCE

### MACROECONOMIC INDICATORS

Economic indicators in %	2018	2019	2020	2021
Evolution of GDP	1.8	1.9	-7.9	6.8
Evolution of the unemployment rate <sup>(*)</sup>	8.7	8.1	7.8	7.8
Annual inflation (HICP <sup>**</sup> )	1.8	1.1	0.5	1.6

Source: JLL  
 (\*): ILO, metropolitan France, as% of labour force, annual average  
 (\*\*): Harmonised Index of Consumer Prices

In 2021, France was the major European country where activity recovered most quickly to its pre-health crisis level thanks, among other things, to the end of the restrictive measures and the return of household confidence.

In 2022, the Russian invasion of Ukraine has clouded the economic outlook, leading to a sharp rise in commodity prices, a rebound in supply tensions and increased uncertainty. This is evidenced by the household confidence index, which has been falling steadily since the beginning of the year, as has household consumption.

However, the French economy remains buoyed by the return to normality of the sectors affected by the health crisis: on an annual average, investment and consumption (although down, as mentioned above) remain dynamic, and job creation is high.

Inflation, contained by the “tariff shield” (on the price of gas and electricity, and rebates at petrol pumps), is expected to start to fall - to perhaps 4.2% as an annual average in 2023, after reaching 5.3% in 2022. Household purchasing power should be preserved in 2022 and will likely increase by 0.9% in 2023.

Despite an uncertain context, the recovery of public finances continues while preserving France’s growth potential and protecting households and businesses from rising prices.

Finally, despite the explosion in inflation and high temperatures, the summer of 2022 confirmed the recovery of the tourism market. Arrivals in July-August were almost back to their 2019 level. Supported by the dynamism of the French clientele and the good performances of the regions, the revival of hotel activity is also explained by the rebound in hotel stays in Paris and the return in force of foreign tourists.

### RETAIL MARKET - RENTAL TAKE-UP

In contrast to 2021, when retail activity benefited fully from the post-Covid catch-up effect, the situation has become more uncertain in 2022.

After the gilets jaunes movement and the transport strikes in 2019, followed by the outbreak of the Covid-19 epidemic, the historic price surge and fears of recession are a new test for the French retail market.

It has so far held up well, benefiting from the continued expansion plans of the brands. The food and catering sectors are particularly dynamic, as is the sports and leisure sector (e.g.: Basic Fit with 120 clubs opened in one year, i.e. nearly 600 outlets opened since its arrival on the French market in 2014).

Other sectors are doing well, such as health and discount stores (Normal, B&M, Action, Lidl and Aldi) whose galloping expansion may nevertheless be constrained by difficulties in finding the right locations.

On the other hand, the share of fashion retailers continues to shrink and although some continue to grow, the increasing concern of households about their purchasing power could lead them to divert their spending more towards products other than clothing.

The increase in the number of new foreign brands opening their first shop in France is further evidence of the market’s resilience. Some fifty are expected in 2022, (Aquazzura, David Yurman, P448, Airness, Stussy, Ganni, etc.), a level not reached in 10 years with the exception of 2019.

Following the very large number of takeovers in 2020 and 2021, since the beginning of 2022 there have been more takeovers of brands, whether in difficulty or not, in sectors such as restaurants (Pitaya, taken over by the Bertrand Group, for example, or Invivo Retail, which has taken over Boulangeries Louise), toys, fashion and sport.

### RENTAL VALUES

The years 2020 and 2021 were marked by the renegotiation of current leases and by the search for agreements between retailers and lessors. These negotiations took up a lot of time and energy, sometimes resulting in rent adjustments where efforts warranted it.

Nevertheless, it proved possible to maintain and even increase rental values for prime assets.

This is particularly true for out-of-town, where the new-generation retail park model continues to be popular with both retailers and customers.

Some floorspace segments are seeing an increase in rental values, mainly the flagship format (900-1,300 m<sup>2</sup>) which is still sought after by sports, discount and DIY retailers. The same is true of the small surface areas (250-500 m<sup>2</sup>) which are popular with brands that usually develop in shopping centres (health/beauty, services) and wish to expand their field of action out of town.

Nevertheless, the old stand-alone units, set back or dotted around haphazardly on the edge of the parks, may experience some marketing difficulties.

It is not uncommon to see some of these less commercially attractive premises being converted into business or storage space.

In all cases, the new rents negotiated are almost systematically accompanied by support measures such as progressive rents and/or rent-free periods, sometimes with contributions by the lessor to the lessee’s improvements.

This trend will continue in the medium term.

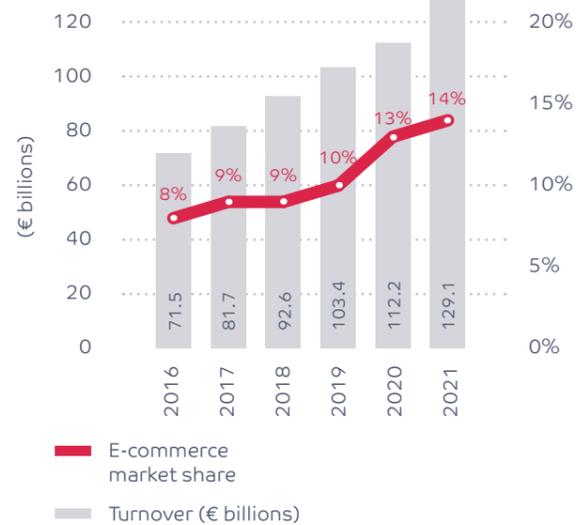
### RENTAL VALUES OF RETAIL PARKS, IN €/M<sup>2</sup>/YEAR (EXCLUDING DAB/DE\*)

Surface area	Stand-alone	Retail park	Prime	Trend
0 - 250 m <sup>2</sup>	200 - 250	230 - 300	450	→
251 - 500 m <sup>2</sup>	180 - 240	200 - 275	300	↑
501 - 900 m <sup>2</sup>	150 - 160	180 - 200	250	→
901 - 1,300 m <sup>2</sup>	140 - 190	150 - 200	220	↑
1,301 - 2,000 m <sup>2</sup>	120 - 130	140 - 170	200	→
2,001 - 3,000 m <sup>2</sup>	70 - 100	100 - 130	150	→
More than 3,000 m <sup>2</sup>	60 - 90	70 - 100	120	→

\* DAB = lease rights and DE = right of entry (key money)

## E-COMMERCE

### ONLINE SALES AS PROPORTION OF TOTAL RETAIL SALES IN FRANCE



After exploding during the 2020 confinements and maintaining a high pace in 2021, online sales turnover fell by 15% year-on-year in Q1 2022 before resuming its upward trend in Q2 (+10%).

Over the whole of 2022, the volume of online sales is expected to exceed €140 billion and will thus have doubled compared to 2016.

However, the current trend seems to be towards a normalisation of online consumption, linked in particular to the resumption of travel and the decline in teleworking.

Other factors that could affect e-commerce performance in 2022 include rising inflation, supply problems and the end of free returns by some brands.

## THE INVESTMENT MARKET AND PROSPECTS

The second quarter of 2022 had confirmed the return of the retail sector to the forefront. The good momentum has continued since the beginning of the third quarter, as sums committed in the French retail market at the end of September totalled almost €4.6 billion, i.e. well above the total for the whole of 2021 (€3.2 billion).

This good performance is due in particular to the large number of transactions in excess of €100 million (13 in the nine months to the end of September 2022 compared with four in 2021). Further deals will be finalised by the end of the year, so that the volumes invested could exceed €5 billion for the whole of 2022.

All asset types drove the market in 2022. High streets regained their dominant position (41%) thanks to the finalisation of two major transactions in Paris: the sale by Groupama of 150 Champs-Élysées and the sale by the DRAY family of a mixed portfolio including a significant number of shops (Louis Vuitton flagships at 22 avenue Montaigne and PIAGET at 7, Rue de la Paix).

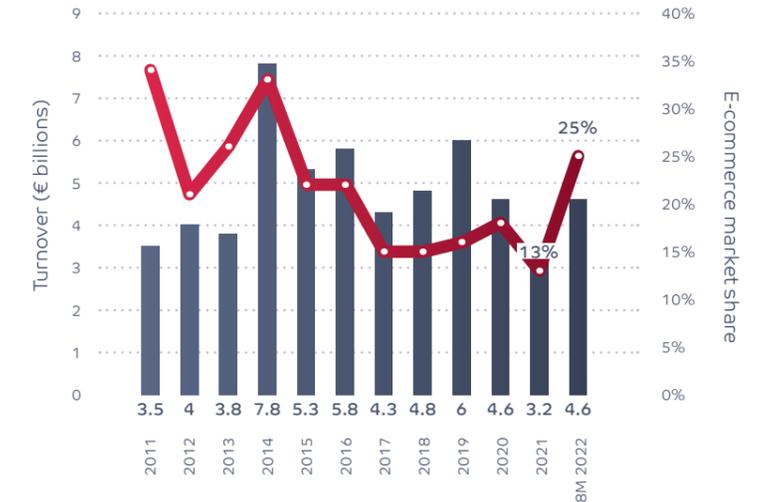
After a very good year in 2021 (€1.4 billion), retail parks (PAC) continued to capitalise on the resilience of the out-of-town sector to the health crisis. They accounted for 25% of the volume invested in retail during the first 8 months of 2022, thanks to a number of major sales of retail portfolios and several retail parks (including *Shopping Parc* in Carré Sénart and *Mon Beau Buchelay* for example).

Shopping centres accounted for €1 billion, a large amount, but 87% of which corresponds to the sum of four transactions greater than or equal to €100 million, including the sale in Q3 by Unibail-Rodamco-Westfield of the “V2” shopping centre in Villeneuve d’Ascq.

## EVOLUTION OF VOLUMES INVESTED IN RETAIL

■ E-commerce market share  
■ Turnover (€ billions)

Source: Knight Frank



The French remain by far the main players in the French market. They account for 75% of the volume invested in retail since the beginning of 2022 and 11 of the 13 transactions over €100 million. SCPI/OPCI real estate investment companies are particularly active and present in all market segments.

The share of foreign investors remains modest, although it was recently boosted by the sale of 150 Avenue des Champs-Élysées. Significant transactions include further acquisitions of major stores (Louboutin flagship, 10 Avenue de la Grande Armée), a Burger King portfolio (ARES Mngt) and several food assets (M&G, TRISTAN CAPITAL PARTNERS, GREENMAN ARTH).

### EXAMPLES OF RETAIL TRANSACTIONS IN FRANCE IN 2022

Address/ Asset	Type	City	Vendor	Acquirer	Price
150 Avenue des Champs-Élysées*	PI	Paris 8 <sup>e</sup>	Groupama Immobilier	Cheval Paris	■
Carré Sénart (45%)	Shopping centre	Lieusaint (77)	Unibail-Rodamco-Westfield	Société Générale Ass. / BNP Paribas	■
Dray family portfolio	PI	Paris, 2 <sup>e</sup> , Paris 8 <sup>e</sup>	Dray family	LVMH	■
V2 Shopping Centre	Shopping centre	Villeneuve d’Ascq (Nord)	Unibail-Rodamco-Westfield	Ceetrus	■
Montparnasse station shops (49%)	AUT	Paris 15 <sup>e</sup>	Altarea Cogedim	Crédit Agricole Assurances (Predica)	■
“Olympus” portfolio (Décathlon)	Retail park	France	AEW	BNP Paribas Reim	■
“Fast” portfolio (Burger King / Quick)	Retail park	France	Mulliez Family Association	ARES Management	■
Carmila portfolio	Shopping centre/retail park	France	Carmila	Batipart/ Atland	■
Shopping Parc de Carré Sénart	Retail park	Lieusaint (Seine-et-Marne)	Unibail-Rodamco-Westfield	Amundi	■
Les Flâneries	Shopping centre	La Roche-sur-Yon (Vendée)	Private	Atom Group, Ciméa Patrimoine, Foncière Magellan	■
Galleries Lafayette portfolio	PI	Province	Galleries Lafayette	Société des Grands Magasins	■
Buffalo Grill portfolio	PC	France	Klépierre	Atland	■
Mon Beau Buchelay	Retail park	Buchelay (Yvelines)	Ortis Invest / Cie de Phalsbourg	BNP Paribas Reim	■
Enox	Retail park	Gennevilliers (Hauts-de-Seine)	Nuveen	BNP Paribas Reim	■

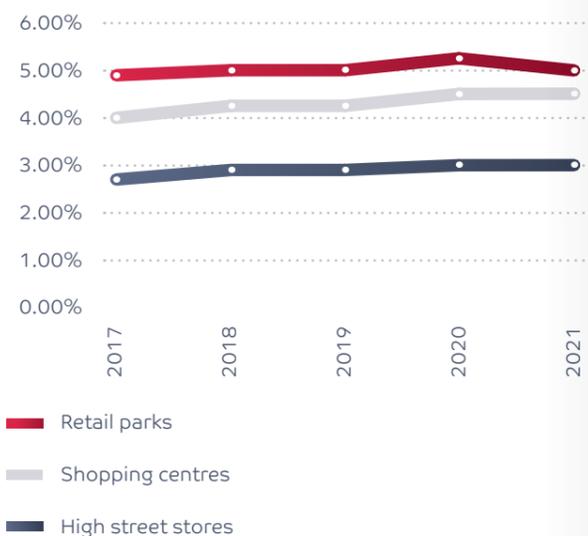
Source: Knight Frank

■ > €200 millions ■ €100-200 millions ■ €50-100 millions

## YIELDS

Yields have remained stable in all market segments over the past year, with the exception of the slight compression observed at the end of 2021 in the retail park segment.

Given the radical change in the financial context linked to the rise in interest rates and the explosion in inflation, the beginning of a decompression was recorded in 3Q 2022. This trend will accelerate in the coming months across all asset classes.



## DEVELOPMENTS

The decline in the creation of new retail space is a structural trend in the French market, linked to the maturing of its real estate stock, the growing weight of appeals and the tightening of regulations governing new developments.

Their decline is illustrated by the fall in the number of m<sup>2</sup> authorised and started, as well as by the increasingly limited number of large projects authorised by the CNAC (French National Commission for commercial planning).

For example, the average size of projects examined by the CNAC in 2022 is 2,056 m<sup>2</sup>, 52% less than in the 2016-2019 period.

This situation strengthens the position of existing complexes, an increasing number of which, whether shopping centres or retail parks, are being transformed to better meet consumer expectations.

## EVOLUTION OF OPENINGS BY TYPE OF FORMAT

(in France, of the total volume in m<sup>2</sup>)



Source: Knight Frank

After falling sharply in 2020, new retail space openings were up again in 2021, boosted by the opening of projects delayed by the health crisis.

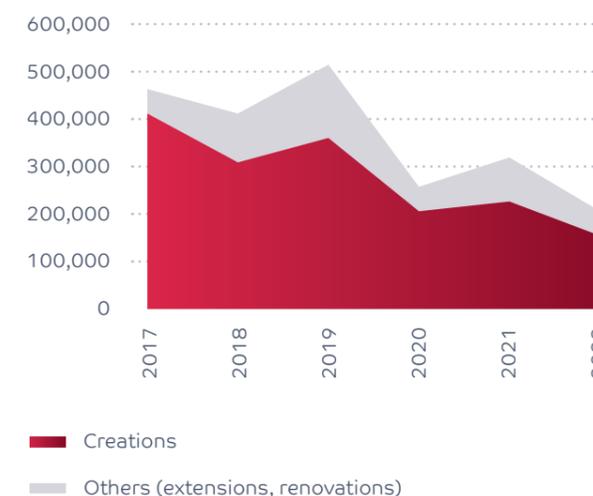
In 2022, the trend is again downwards: just over 250,000 m<sup>2</sup> have been opened since the beginning of the year.

New retail park openings were particularly low (e.g. Rocadest in Carcassonne), confirming the clear slowdown in new developments after several years of expansion.

As for shopping centres, development picked up in 2022 (90,000 m<sup>2</sup> in the first eight months of the year, with openings planned for Q4 such as “Ateliers Gaité”) but after a sluggish year in 2021 (only 100,000 m<sup>2</sup> inaugurated) and with a very small number of new developments from scratch.

## RETAIL PARKS OPENED IN FRANCE

(in m<sup>2</sup>, in metropolitan France)



## EXAMPLES OF RETAIL PARK OPENINGS EXPECTED IN FRANCE IN 2022-2023

Centre	City	Type	Area (m <sup>2</sup> )
LES ATELIERS GAITÉ	Paris (75)	extension / redevelopment	30,700
CENTRE LECLERC	Ares (33)	transfert / extension	30,600
LES TROIS FONTAINES (L'AVENUE)	Cergy (95)	extension / redevelopment	22,500
GRAND PLACE	Échirolles (38)	extension	16,500
ROCADEST	Carcassonne (11)	creation	14,800
LES PASSAGES MERIADECK	Bordeaux (3)	redevelopment / transformation	7,500
CNIT	Puteaux (92)	extension / redevelopment	7,000
GALERIE DORIAN (“VILLAGE SANTÉ”)	Saint-Etienne (112)	redevelopment / transformation	5,200
BEAULIEU	Nantes (44)	extension	4,300

Sources: Knight Frank, “The French retail property market”, Sept. 2022 /JLL- Quarterly analysis of the retail market - France, Cushman & Wakefield- quarterly valuation reports and Flash Invest

## THE COMMERCIAL PROPERTY MARKET IN SPAIN

### MACROECONOMIC INDICATORS

Economic indicators Spain	2018	2019	2020	2021
Annual GDP growth (%)	2.4	1.95	-10.84	<b>5.13</b>
Unemployment rate (% of active population)	14.8	14.1	16.2	<b>14.78</b>
Annual change in CPI (%)	1.7	0.7	-0.3	<b>3.1</b>

Source: CW-Valuation report

In 2021, after a first quarter still marked by the 3<sup>rd</sup> wave of COVID, the Spanish economy showed a positive evolution. However, Spain has not yet returned to the level of activity before the health crisis, due to the weaker than expected evolution of private consumption and the still only partial recovery of international tourism, estimated at 50% of the 2019 level in a health context that remains uneven over the year.

In addition, energy prices started to rise in the summer, leading to an average annual inflation of 3.1%.

In terms of the labour market, Spain has returned to pre-crisis levels. Although the country still has one of the highest unemployment rates in the EU, the impact has been relatively limited compared to the financial crisis of 2009-2012, thanks to the massive use of short-time working during the health crisis, which covered up to 3.4 million people in the 1<sup>st</sup> wave.

As for public finances, the public deficit fell sharply as a result of record collections driven by the recovery in activity and the gradual end of emergency measures. Similarly, public debt has reversed the upward trend of 2020 and was slightly down in 2021 (118.4% of GDP).

In parallel, the Spanish Recovery, Transformation and Resilience Plan, adopted by the ECOFIN Council in July 2021, started to be deployed in the 2<sup>nd</sup> half of the year. This plan constitutes a roadmap for the period 2021-2023 and provides for the mobilisation of €70 billion

in subsidies allocated to Spain within the framework of the European recovery plan (Next Generation EU) with a dual objective: to rebuild the economy after the shock caused by the health crisis and to transform the productive model in accordance with four major priorities: ecological transition, digital transition, social and territorial cohesion and gender equality.

Despite the Plan, the recovery phase seen at the end of 2021 slowed in early 2022 following the Russian invasion of Ukraine. Although it has little direct exposure to these two countries, the Spanish economy is affected indirectly by this war through “imported” inflation, putting an end to the expected scenario of “normalisation” of energy prices from the spring.

In this context, Spain has a war response plan of €16 billion. The key measures are fuel subsidies and a mechanism for moderating the wholesale price of electricity. Beyond that, there are also various measures to support purchasing power, especially of vulnerable households, and new guaranteed loans for businesses.

The major challenges for the coming years concern the implementation of the national recovery and resilience plan and the control of inflation generated in particular by the rise in energy prices.

### THE RETAIL MARKET

At the retail level, footfall levels reached before the pandemic are being restored. Some activities performed better than others, such as sports, pet shops and household appliances. For the ready-to-wear and services categories, an increase in sales has been noted, which suggests a positive outlook, even if these categories remain cautious as to the level of spending being maintained, in a context of changing consumption habits of the younger generations and a possible drop in purchasing power.

Another, more general question arises in relation to the development of the retail chains in the post-Covid period. However, it can be assumed that retailers will continue to focus on strategic locations for their physical stores and will aim for operational efficiency by reducing their cost of ownership (attempting to negotiate down rents) and closing the least profitable outlets. This trend will benefit the most dominant retail sites in their catchment areas.

In the first half of 2022, average rents negotiated in shopping centres and retail parks, despite the generally gloomy economic situation, remained similar to previous years, ranging between 18 and 19 EUR/m<sup>2</sup>/month excluding VAT, with a strong disparity between prime assets (32 EUR/m<sup>2</sup>/month) and secondary sites (14 EUR/m<sup>2</sup>/month). Inflation may offset some rent adjustments in this asset class.

The decline in footfall (despite the gradual and encouraging return of tourists) has had an impact on high street rents, which, depending on the commercial attractiveness of the streets, range from €220/m<sup>2</sup>/month excluding VAT (Gran Vía in Madrid) to €265/m<sup>2</sup>/month (Portal de l'Angel, Barcelona).

### E-COMMERCE

#### RETAIL SALES IN SPAIN BY SALES CHANNEL



Physical shopping is still by far the preferred consumption channel for Spanish people.

As a result, the market share of online sales, estimated at €57.7 billion in 2021 (vs. €51.6 billion in 2020), is much lower than in other European countries.

Entertainment (sports, arts, recreation) was the main growth driver, with a 39% increase. Toys, books and gifts lost 4% as consumers returned to the stores.

The share of retail in e-commerce has risen from 38% in 2020 to 40% in 2021, of which 8.1% for the textile category (the most important) and 3.7% for supermarkets/hypermarkets.

In the second half of 2021, 48% of Spaniards shopped online and 90.3% received their packages at home.

### THE INVESTMENT MARKET AND PROSPECTS

Compared to previous years, 2021 was a complicated year for commercial property investment with an overall volume of €995 million (vs. €2.3 billion in 2020) due to unusually long negotiation times.

However, 2022 started well (excess liquidity, strong demand in general and particularly for retail parks which proved resilient during the health crisis and successful in the post-pandemic period); the volume of investment in retail assets (including the high street sector) between January and August 2022 amounted to €1.16 billion.

While supermarkets were the main protagonists in 2021 with more than 45% of total retail investments, in the first six months of 2022, all market segments were considered by investors: 58% in shopping centres and supermarkets, 23% in high streets and 19% in out-of-town stores.

#### EVOLUTION OF THE INVESTMENT MARKET

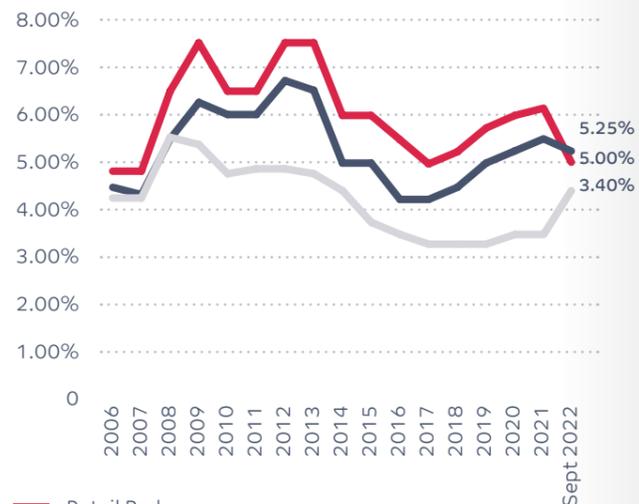


During the first half of the year, foreign buyers (55% of whom were European) were the most dynamic, with the exception of the shopping street segment (88% domestic buyers).

The economic slowdown of 2020 and 2021 had slowed down the disinvestment strategies of the main owners who are starting to offer their properties for sale again, with around €1.25 billion having been put on the market since mid-2022, 65% of which is in the shopping centres category and 24% in supermarkets.

Depending on international developments, the last quarter of 2022 could be very active.

#### YIELDS



■ Retail Parks  
■ High Street  
■ Shopping centres

The lack of demand and the rent reductions demanded by tenants during and after the pandemic slowed down the sale of some assets whose owners did not want to see the yields rise.

As a result, throughout the first half of 2022, yields remained stable at 5.25% for prime shopping centres, 5% for retail parks, 4.5% for supermarkets and 3.4% for high streets.

As a result of rising interest rates, these yields may change in the short term. Uncertainty about the economy and the lack of funding could lead investors to adopt a wait-and-see attitude.

However, the stability of rents, the resilience of the sector in general and the level of yields in shopping centres compared to other retail categories will contribute to the continued attractiveness of retail assets to potential investors.

#### EXAMPLES OF SIGNIFICANT TRANSACTIONS IN 2021 IN OUT-OF-TOWN RETAIL OUTLETS AND SHOPPING CENTRES

Type	Name	City	GLA (m <sup>2</sup> )	Vendor	Acquirer
Shopping centre	Torrecárdenas Shopping Center*	Almería	61,590	Bogaris	Lighthouse
	Finestrelles Shopping Center	Esplugues de Llobregat	39,250	Equilis	Frey Invest
	Rosaleda Shopping Center*	Málaga	46,755	Hispania Retail Properties	Carmila
Supermarket	Abella Shopping Center	Lugo	31,000	Blackstone	FamilyCash
	Pradera Portfolio	various	30,000	ICG	Pradera
	Carrefour Portfolio	various	16,200	BaringsRE	MDSR
Retail park	Picasso Portfolio*	various	70,100	AEW	various
	Parque Mediterráneo Retail Park	Cartagena	66,000	Soc. Ind. Cartagenera de Desarrollo	Frey Invest
	Bahía Real Retail Park	Camargo	20,000	City Grove & Burlington	Savills IM
	Alcora Plaza RetailPark*	Alcorcón	16,800	Goldman Sachs	AEW

Source: Savills | \*advised by Savills

## DEVELOPMENTS

In the next 3 years, 38 retail projects totalling 930,000 m<sup>2</sup> are likely to be developed. 9 of these (186,000 m<sup>2</sup> GLA) are still likely to be delivered before the end of 2022.

Most of these projects (27) concern retail parks, which continue to be the format that offers the most opportunities, particularly in medium-sized urban concepts.

Province	City	Name	Developer	Category	GLA (m <sup>2</sup> )
Madrid	Madrid	La Galería de Canalejas	OHL, Inmobiliaria Espacio y Mohari Limited	Small SC	15,000
		Mirasierra Gallery	Ten Brinke	Retail Park	9,800
<b>Opened</b>					
Barcelona	Vila nova I la Geltru	Nova Center	Titan Properties	Medium Shopping Center	23,000
		Vilanova Retail Park	Cel Urba	Retail Park	32,000
Madrid	Madrid	Espacio Caleido	Inmobiliaria Espacio / Espacio Caleido	Small Shopping Center	15,000
Palmas, Las	Arrecife (Lanzarote)	Open Mall Lanzarote	Parque Islas Canarias	Medium Shopping Center	35,100
	San Cristobal de la Laguna	San Cristobal de la Laguna Retail Park	Leroy Merlin	Retail Park	23,000
Pontevedra	Nigrán	Nasas Nigrán Retail Park	LR21 (López Real Inversiones 2021)	Retail Park	27,238
Salamanca	Salamanca	Atalaya del Tormes Retail Park	Mazabi	Retail Park	5,761
<b>Total Future Openings</b>					<b>161,099</b>
<b>Total GLA</b>					<b>185,899</b>

Source: Savills, AECC

In September 2022, the stock of shopping centres and retail parks amounts to approximately 17.6 million m<sup>2</sup>, with a retail density of 373 m<sup>2</sup> per 1,000 inhabitants.

Within 4 to 5 years this stock could exceed 18.7 million m<sup>2</sup>, which would increase the density to 396 m<sup>2</sup> per 1,000 inhabitants.

However, geopolitical uncertainties and the resulting economic tensions could delay some projects or even bring them to a complete standstill.

## PLANNED RETAIL OPENINGS



## ASCENCIO'S CONSOLIDATED PORTFOLIO

### COMMERCIAL BUILDINGS BELGIUM - AVAILABLE FOR RENT

Sites (at 30 September 2022 all Belgian sites were held by Ascencio SCA)	Description	Year of construction /renovation	Surface area	Contractual rent (€000s)	EPRA occupancy rate (%)	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Aarschot (3200) 21 Lierssesteenweg	Cluster	2000	2,955 m <sup>2</sup>	293	100%	293	279
Andenne (5300) 135 Avenue Roi Albert	Stand-alone (food)	2000	2,386 m <sup>2</sup>	185	100%	185	179
Anderlecht (1070) 1024 Chaussée de Ninove	Stand-alone	1962	1,061 m <sup>2</sup>	154	100%	154	101
Anderlecht (1070) 112-113 Digue du Canal	Stand-alone (food)	2018	1,977 m <sup>2</sup>	292	100%	292	257
Auderghem (1160) 1130 Chaussée de Wavre	Stand-alone	2006	1,810 m <sup>2</sup>	318	100%	318	272
Berchem (2600) 85 Fruithoflaan	Stand-alone (food)	1971	2,685 m <sup>2</sup>	276	100%	276	269
Bonnelles (4100) 20-24 Route du Condroz	Cluster	1995	3,000 m <sup>2</sup>	512	100%	512	449
Bonnelles (4100) 114 Rue de Tilff	Cluster	2004	602 m <sup>2</sup>	134	100%	134	117
Braine l'Alleud (1420) 15 Place St Sébastien	Stand-alone (food)	1978	1,525 m <sup>2</sup>	108	100%	108	114
Bruges (8000) 160 Legeweg	Stand-alone	1995	999 m <sup>2</sup>	90	100%	90	90
Chapelle-lez-Herlaimont (7160) 93 Rue de la Hestre	Stand-alone (food)	1973	2,237 m <sup>2</sup>	239	100%	239	179
Châtelet (6200) 55 Rue de la Station	Stand-alone (food)	1998	2,500 m <sup>2</sup>	186	100%	186	175
Châtelineau (6200) 45 Rue des Prés	Stand-alone (food)	1993	1,924 m <sup>2</sup>	129	100%	129	125
Châtelineau "Cora" (6200) Rue du Trieu-Kaisin	Retail Park	1990	23,253 m <sup>2</sup>	2,515	100%	2,515	2,219

Sites (at 30 September 2022 all Belgian sites were held by Ascencio SCA)	Description	Year of construction /renovation	Surface area	Contractual rent (€000s)	EPRA occupancy rate (%)	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Couillet "Bellefleur" (6010) 219 Chaussée de Philippeville	Retail Park	1970	2,757 m <sup>2</sup>	197	94%	211	249
Couillet "Bellefleur" (6010) 304-317 Chaussée de Philippeville	Retail Park	1990	228 m <sup>2</sup>	49	100%	49	41
Couillet "Bellefleur" (6010) 329 Chaussée de Philippeville	Retail Park	2014	20,656 m <sup>2</sup>	2,514	100%	2,514	2,475
Courcelles (6180) Rue du 28 Juin	Stand-alone (DIY)	2005	2,495 m <sup>2</sup>	194	100%	194	176
Dendermonde (9200) 159 Heirbaan	Stand-alone (food)	1970	3,090 m <sup>2</sup>	407	100%	407	201
Dendermonde (9200) 24 Mechelsesteenweg	Cluster	1983	4,356 m <sup>2</sup>	436	100%	436	362
Frameries (7080) 5 Rue Archimède	Stand-alone (food)	1978	2,180 m <sup>2</sup>	181	100%	181	153
Gembloux (5030) 28 Avenue de la Faculté d'Agronomie	Cluster	1976	2,107 m <sup>2</sup>	181	100%	181	179
Gent Dampoort (9000) 20 Pilorijstraat	Stand-alone (food)	1960	3,037 m <sup>2</sup>	272	100%	272	252
Genva "Les Papeteries De Genva" (1332) Square des Papeteries	Ground floor shop	2015	10,256 m <sup>2</sup>	1,836	95%	1,920	1,532
Gerpinnes "Shopping Sud" (6280) 138 Route de Philippeville	Retail Park	2000	8,085 m <sup>2</sup>	546	100%	546	479
Gerpinnes (6280) 196 Route de Philippeville	Cluster	1979	3,368 m <sup>2</sup>	337	100%	337	337
Gerpinnes Bultia (6280) 182-184 Rue Neuve	Cluster	1988	1,509 m <sup>2</sup>	144	100%	144	136

Sites (at 30 September 2022 all Belgian sites were held by Ascencio SCA)	Description	Year of construction /renovation	Surface area	Contractual rent (€000s)	EPRA occupancy rate (%)	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Ghlin (7011) 23 Rue du Temple	Stand-alone (food)	1975	1,957 m <sup>2</sup>	0	0%	127	127
Gilly (6060) 252 Chaussée de Ransart	Stand-alone (food)	1989	2,725 m <sup>2</sup>	288	100%	288	273
Gozée (6534) 204A Rue de Marchienne	Stand-alone (food)	1977	2,431 m <sup>2</sup>	207	100%	207	219
Hamme Mille (1320) 27 Chaussée de Louvain	Cluster	2013	3,764 m <sup>2</sup>	369	100%	369	341
Hannut "Orchidée Plaza" (4280) 54 Route de Huy	Retail Park	1986	9,586 m <sup>2</sup>	662	76%	881	896
Hannut (4280) 57 Route de Landen	Cluster	2000	3,435 m <sup>2</sup>	316	81%	381	341
Hannut (4280) 51 Route de Landen	Cluster	2000	1,889 m <sup>2</sup>	185	100%	185	189
Hoboken (2660) 586 Sint Bernardsesteenweg	Stand-alone (food)	1988	4,620 m <sup>2</sup>	485	100%	485	370
Huy (4500) 19A Quai d'Arona	Stand-alone (DIY)	2002	1,969 m <sup>2</sup>	202	100%	202	177
Jambes (5100) 14 Rue de la Poudrière	Cluster	1986	2,760 m <sup>2</sup>	240	100%	240	221
Jemappes (7012) 934 Avenue Maréchal Foch	Retail Park	1966	10,335 m <sup>2</sup>	546	67%	766	664
Jemeppe-Sur-Sambre (5190) 143 Rue Hittélet	Cluster	2006	1,543 m <sup>2</sup>	159	100%	159	154
Jodoigne (1370) 61A Rue du Piétrain	Stand-alone (food)	1987	2,245 m <sup>2</sup>	157	100%	157	157
Jumet (6040) 22 Rue de Dampremy	Stand-alone (food)	1975	1,730 m <sup>2</sup>	155	100%	155	147
Kortrijk (8500) 50-56 Gentsesteenweg	Stand-alone (food)	1965	2,309 m <sup>2</sup>	245	100%	245	231
La Louvière (7100) 5 Avenue de la Wallonie	Stand-alone	1991	1,000 m <sup>2</sup>	108	100%	108	95
La Louvière "Cora" (7100) 28 Rue de la Franco Belge	Retail Park	1990	25,734 m <sup>2</sup>	2,736	100%	2,736	2,481

Sites (at 30 September 2022 all Belgian sites were held by Ascencio SCA)	Description	Year of construction /renovation	Surface area	Contractual rent (€000s)	EPRA occupancy rate (%)	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Laeken (1020) 185-191 Rue Marie-Christine	Ground floor shop	2001	1,638 m <sup>2</sup>	213	61%	308	245
Lambusart (6220) Route de Fleurus et Wainage	Stand-alone (food)	1976	2,600 m <sup>2</sup>	144	100%	144	156
Leuze (7900) 1 Avenue de l'Artisanat	Cluster	2006	3,464 m <sup>2</sup>	286	100%	286	260
Liège (4000) 2-8 Rue du Laveu	Cluster	1991	2,290 m <sup>2</sup>	184	100%	184	172
Loverval (6280) 11 Allée des Sports	Retail Park	2002	5,621 m <sup>2</sup>	489	100%	489	420
Marchienne-au-Pont (6030) 3-5 Rue de l'Hôpital	Stand-alone (food)	1976	2,010 m <sup>2</sup>	170	100%	170	131
Messancy "Cora" (6780) 220 Route d'Arlon	Retail Park	2001	19,482 m <sup>2</sup>	752	94%	801	798
Morlanwelz (7140) 19 Rue Pont du Nil	Retail Park	2004	3,956 m <sup>2</sup>	310	78%	383	337
Nivelles (1400) 6 Rue du Tienne à Deux Vallées	Stand-alone (food)	1983	3,308 m <sup>2</sup>	281	100%	281	281
Ottignies (1340) 127 Avenue Provinciale	Stand-alone (food)	1984	2,127 m <sup>2</sup>	188	100%	188	188
Philippeville (5600) 47 Rue de France	Stand-alone (food)	1989	1,677 m <sup>2</sup>	217	100%	217	201
Philippeville (5600) 2 Rue de Neuville	Stand-alone	2003	1,236 m <sup>2</sup>	130	100%	130	124
Rocourt "Cora" (4000) 269 Chaussée de Tongres	Stand-alone (DIY)	1990	7,367 m <sup>2</sup>	622	100%	622	700
Saint-Vaast (7100) 99 Rue Albert Dufrane	Stand-alone (food)	1980	2,026 m <sup>2</sup>	177	100%	177	142
Schelle (2627) 35 Boomsesteenweg	Stand-alone	1993	5,375 m <sup>2</sup>	612	100%	612	564

Sites (at 30 September 2022 all Belgian sites were held by Ascencio SCA)	Description	Year of construction /renovation	Surface area	Contractual rent (€000s)	EPRA occupancy rate (%)	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Soignies (7060) 17 Rue du Nouveau Monde	Stand-alone (food)	1975	2,899 m <sup>2</sup>	260	100%	260	246
Tournai (7500) 22-24 Rue de la Tête d'Or	Stand-alone (food)	1958	2,713 m <sup>2</sup>	548	100%	548	231
Trazegnies (6183) 76 Rue de Gosselies	Stand-alone (food)	1974	2,869 m <sup>2</sup>	132	100%	132	201
Tubize (1480) 2 Rue du Pont Demeur	Cluster	2002	3,065 m <sup>2</sup>	322	100%	322	297
Turnhout (2300) 38 Korte Gasthuistraat	Stand-alone (food)	1966	2,503 m <sup>2</sup>	566	100%	566	288
Uccle "Shopping De Fré" (1180) 82 Avenue de Fré	Shopping gallery	1970	3,826 m <sup>2</sup>	316	85%	373	367
Walcourt (5650) 34 Rue de la Forge	Stand-alone (food)	2004	1,680 m <sup>2</sup>	162	100%	162	143
Waremme (4300) 189 Chaussée Romaine	Stand-alone (food)	2003	2,043 m <sup>2</sup>	159	100%	159	184
Wavre (1300) 9 Avenue des Princes	Stand-alone (food)	1986	2,358 m <sup>2</sup>	214	100%	214	231
<b>TOTAL SHOPS BELGIUM</b>			<b>281,200</b>	<b>27,238</b>	<b>96.04%</b>	<b>28,244</b>	<b>25,382</b>

## RETAIL PROPERTIES FRANCE - AVAILABLE FOR RENT

Sites (as at 30 September 2022, the French sites were held by 100% subsidiaries or by the French branch of Ascencio SCA)	Description	Year of construction /renovation	Surface area	Contractual rent (€000s)	EPRA occupancy rate (%)	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Aix en Provence (13100) Avenue des Infirmiers Quartier Saint-Jérôme (held by the French branch)	Stand-alone (food)	1964	3,092 m <sup>2</sup>	798	100%	798	771
Anney (Seynod) (74370) 18, rue Zanaroli (held by the SCI Seynod Barral)	Stand-alone (food)	2004	1,388 m <sup>2</sup>	206	100%	206	206
Antibes (06160) Avenue Nicolas Ausset Antibes (held by the French branch)	Stand-alone (food)	1976	4,614 m <sup>2</sup>	943	100%	943	902
Bourgoin Jallieu (38300) Rue Edouard Branly (held by the SCI La Pierre de l'Isle)	Cluster	1975	4,978 m <sup>2</sup>	321	66%	484	475
Brives Charensac (43700) 127, Avenue Charles Dupuy (held by the SCI Candice Brives)	Stand-alone (food)	2006	2,296 m <sup>2</sup>	268	100%	268	258
Chalon sur Saône "Les Portes du Sud" (71100) Rue René Cassin (held by the SCI Les Portes du Sud)	Retail Park	2010	13,179 m <sup>2</sup>	1,575	100%	1,575	1,525
Chanas (38150) Route de Lyon - ZAC du Parc du Soleil (held by the SCI du Rond Point)	Stand-alone (food)	1997	1,750 m <sup>2</sup>	0	0%	171	171
Chasse-sur-Rhône (38670) Rondpoint des Charneveaux - Rue Pasteur (held by the SCI du Rond Point)	Stand-alone (food)	2002	2,012 m <sup>2</sup>	318	100%	318	286



Sites (as at 30 September 2022, the French sites were held by 100% subsidiaries or by the French branch of Ascencio SCA)	Description	Year of construction /renovation	Surface area	Contractual rent (€000s)	EPRA occupancy rate (%)	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Choisey (39100) 3, rue des Guyonnes - ZAC du Paradis (held by the SCI Seynod Barra)	Stand-alone (food)	2005	2,123 m <sup>2</sup>	339	100%	339	338
Civrieux d'Azergues (Lozanne) (69380) Chemin du Vavre, Route de Lyon (held by the SCI Les Halles de Lozanne)	Stand-alone (food)	2010	2,080 m <sup>2</sup>	242	100%	242	241
Clermont Ferrand (63000) 10, Boulevard Saint Jean (held by the SCI Clermont Saint Jean)	Stand-alone (food)	2006	2,146 m <sup>2</sup>	323	100%	323	308
Cormontreuil (51350) Avenue des Goisses (held by the French branch)	Cluster	2008	13,471 m <sup>2</sup>	1,463	100%	1,463	1,391
Crèches-sur-Saône "Parc des Bouchardes" (71680) Lieudit Les Bouchardes (held by the French branch)	Retail Park	2009	11,618 m <sup>2</sup>	1,390	100%	1,390	1,321
Crèches-sur-Saône "Parc des Bouchardes" (71680) Lieudit Les Bouchardes (held by the SCI Les Halles de Crèches)	Stand-alone (food)	2009	1,963 m <sup>2</sup>	202	100%	202	199
Echirolles (38130) 13, Avenue de Grugliasco (held by the SCI Echirolles Grugliasco)	Stand-alone (food)	2006	2,366 m <sup>2</sup>	352	100%	352	350
Essey-lès-Nancy (54270) Rue Catherine Sauvage (held by the SCI ZTF Essey les Nancy)	Stand-alone (food)	2007	2,043 m <sup>2</sup>	236	100%	236	226
Guyancourt (78280) 5-7, Route de Dampierre et 5, rue Denis Papin (held by the SCI GFDI 37 Guyancourt)	Stand-alone (food)	2015	2,348 m <sup>2</sup>	603	100%	603	568
Houdemont (54180) 6, Avenue des Erables (held by the French branch)	Stand-alone	2014	7,000 m <sup>2</sup>	702	100%	702	650

Sites (as at 30 September 2022, the French sites were held by 100% subsidiaries or by the French branch of Ascencio SCA)	Description	Year of construction /renovation	Surface area	Contractual rent (€000s)	EPRA occupancy rate (%)	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Isle d'Abeau (38080) ZAC St Hubert - Secteur les Sayes (held by the SCI La Pierre de l'Isle)	Stand-alone (food)	2006	1,713 m <sup>2</sup>	262	100%	262	261
Isle d'Abeau (38080) ZAC St Hubert - Secteur les Sayes (held by the SCI La Pierre de l'Isle)	Cluster	2013	1,050 m <sup>2</sup>	159	100%	159	159
Le Cannet (06110) 17-21, Boulevard Jean Moulin (held by the SCI Cannet Jourdan)	Stand-alone (food)	2007	1,961 m <sup>2</sup>	281	100%	281	267
Le Creusot (71200) 83, Avenue de la République (held by the SCI Harfleur 2005)	Stand-alone (food)	2006	2,169 m <sup>2</sup>	224	100%	224	187
Marsannay-La-Côte (21160) Allée du Docteur Lépine (held by the SCI de la Cote)	Stand-alone (food)	2010	2,081 m <sup>2</sup>	283	100%	283	282
Marseille Delprat (13013) Boulevard Marcel Delprat (held by the French branch)	Stand-alone (food)	1996	5,495 m <sup>2</sup>	1,654	100%	1,654	1,515
Mouans Sartoux (06370) 1006, Chemin des Gourettes (held by the French branch)	Stand-alone (food)	1986	5,128 m <sup>2</sup>	918	100%	918	844
Nîmes (30000) 1245, Route de Saint Gilles (held by the SCI du Mas des Abeilles)	Stand-alone (food)	2003	2,075 m <sup>2</sup>	284	100%	284	261
Rots "Parc des Drapeaux" (14980) Avenue des Drapeaux (held by the French branch)	Retail Park	2011 & 2016	23,981 m <sup>2</sup>	2,943	100%	2,943	2,910

Sites (as at 30 September 2022, the French sites were held by 100% subsidiaries or by the French branch of Ascencio SCA)	Description	Year of construction /renovation	Surface area	Contractual rent (€000s)	EPRA occupancy rate (%)	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Saint Aunes "Parc des Cyprès" (34130) Parc d'activités Saint Antoine (held by the SCI Saint Aunès Retail Parc)	Retail Park	2012	9,728 m <sup>2</sup>	1,304	100%	1,304	1,285
Seyssins (38180) 2, Rue Henri Dunant (held by the SCI Kevin)	Stand-alone (food)	1992	1,702 m <sup>2</sup>	205	100%	205	204
Teste de Buch (33260) 11, Avenue de Binghampton (held by the SCI GFDI 62 La Teste de Buch)	Stand-alone (food)	1997	2,455 m <sup>2</sup>	337	100%	337	335
Viriat (01440) 44, Rue du Plateau (held by the SCI Viriat la Neuve)	Stand-alone (food)	2009	1,866 m <sup>2</sup>	190	100%	190	190
Le Rouret (06650) Route de Nice (held by the French branch)	Stand-alone (food)	2011	5,327 m <sup>2</sup>	547	100%	547	514
<b>TOTAL SHOPS FRANCE</b>			<b>147,197 m<sup>2</sup></b>	<b>19,875</b>	<b>98.3%</b>	<b>20,210</b>	<b>19,402</b>

## RETAIL PROPERTIES SPAIN - AVAILABLE FOR RENT

Sites (at 30 Sept. 2022 all Spanish sites were held by Ascencio Iberia S.A.U., a fully-owned subsidiary of Ascencio SCA)	Description	Year of construction /renovation	Surface area	Contractual rent (€000s)	EPRA occupancy rate (%)	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 m <sup>2</sup>	665	100%	665	607
San Sebastián de los Reyes (28703, Madrid) Centro Comercial Megapark 2, Plaza del Comercio	Cluster	2002	3,683 m <sup>2</sup>	808	100%	808	743
Aldaia (46960, Valencia) Parque Comercial Bonaire Km. 345 Carretera N-III	Cluster	2005	5,091 m <sup>2</sup>	172	31%	464	424
<b>TOTAL SHOPS SPAIN</b>			<b>12,253 m<sup>2</sup></b>	<b>1,645</b>	<b>84%</b>	<b>1,937</b>	<b>1,774</b>

## NON-COMMERCIAL PROPERTY - AVAILABLE FOR RENT

Sites (at 30/09/2022 all non-commercial sites were held by Ascencio SCA)	Description	Year of construction /renovation	Surface area	Contractual rent (€000s)	EPRA occupancy rate (%)	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
Hannut (4280) Route de Huy 54	Apartments	1986	324 m <sup>2</sup>	21	100%	20	20
Dendermonde (9200) Mechelsesteenweg 24	Vacant offices	1983	375 m <sup>2</sup>	0	0%	0	0
Gosselies Aéroport (6041) Avenue Jean Mermoz	Semi-industrial and office buildings	1992	7,674 m <sup>2</sup>	489	100%	489	468
Uccle "Shopping De Fré" (1180) 82 Avenue de Fré	Shopping gallery	1970	344 m <sup>2</sup>	0	0%	0	0
<b>TOTAL OTHERS BELGIUM</b>			<b>8,717 m<sup>2</sup></b>	<b>510</b>	<b>100.0%</b>	<b>508</b>	<b>488</b>
<b>TOTAL PROPERTIES AVAILABLE FOR RENT</b>			<b>449,367 m<sup>2</sup></b>	<b>49,269</b>	<b>96.5%</b>	<b>20,241</b>	<b>47,045</b>

## COMMERCIAL PROPERTY BELGIUM - DEVELOPMENT PROJECTS

Sites (at 30/09/2022 all Belgian sites were held by Ascencio SCA)	Description	Year of construction /renovation	Surface area	Contractual rent (€000s)	EPRA occupancy rate (%)	Contractual rent + ERV on vacant (€000s)	Estimated Rental Value (ERV) (€000s)
<b>BELGIUM</b>							
Ottignies (1340) 127 Avenue Provinciale	Stand-alone (food)	2023	670 m <sup>2</sup>	/	/	/	/
<b>BELGIUM DEVELOPMENT PROJECT</b>			<b>670 m<sup>2</sup></b>				
<b>TOTAL INVESTMENT PROPERTIES</b>			<b>450,037 m<sup>2</sup></b>	<b>49,269</b>	<b>96.5%</b>	<b>20,241</b>	<b>47,045</b>

The following properties and complexes each represent more than 5% of the consolidated assets of the Company and its subsidiaries, namely

- Châtelineau retail park (Belgium). The main tenants are Cultura, Decathlon, Brico Plan-it and Tournesol.
- La Louvière retail park (Belgium). The main tenants are Brico Plan-it, Sportsdirect.com, Leenbakker and Trafic.

— Couillet Bellefleur retail park (Belgium). The main tenants are Carrefour Market by Mestdagh, Maisons du Monde, Point Carré and Action.

— Caen retail park (France). The main tenants are Decathlon, Kiabi, Darty Intersport, La Foire'fouille and Gémo.

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

## INSURED VALUE

In accordance with the SIR legislation, the Company and its subsidiaries have adequate insurance coverage for all their properties. At 30 September 2022, the insured value represents 58% of the fair value of the portfolio<sup>1</sup>. This cover meets the conditions usually applicable 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 table below shows the initial acquisition values, insured values, fair values and gross yields of Ascencio's various property sub-portfolios.

	Acquisition value (€000s)	Insured value (€000s)	Fair value (€000s)	Gross yield
Belgium	344,392	257,207	390,086	6.95%
France	284,323	154,470	313,936	5.92%
Spain	27,693	17,769	30,850	5.16%
<b>TOTAL</b>	<b>656,408</b>	<b>429,446</b>	<b>734,872</b>	<b>6.43%</b>

<sup>1</sup> 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 twenty one people, two thirds of whom devote themselves to Ascencio's operating activity.

The Asset Management & Acquisitions department is responsible for optimising the profitability of assets. It implements and coordinates with the teams all the actions required to increase the value of the properties (revision of the rental grid, (re)negotiation of leases, letting activity, relations with key accounts, etc.) and is also responsible for drawing up budget forecasts. It manages condominiums. Finally, it carries out the analysis and integration of new acquisitions.

The Operations and ESG department is responsible, with the coordination of the teams, for managing the transformation of the portfolio (positioning and structuring of the assets), the implementation of the ESG strategy (management of social and environmental aspects and participation in the good corporate governance of the Company) and the technical control of the buildings (follow-up of the works on site and negotiation of insurances).

The Property Management department ensures the conservation and development of the assets. It draws up expense budgets, participates in due diligence operations and prepares reports. It defines the technical policy and draws up renovation and maintenance plans, schedules and budgets. In some cases, the team is assisted in the field by external service providers, while retaining responsibility and coordination of this task. See hereunder. The Property Management department also takes care of the inventory of fixtures and fittings and the management of insurance claims.

The Customer Services department is responsible for the rental management of the assets, i.e. database management, (re)invoicing, contract management and, in general, ensuring that the lessees comply with their contractual obligations (rental guarantee, insurance, etc.). In coordination with the Finance department, the

Customer Services department monitors the collection and reminders of rent and assists in the preparation of pre-litigation and litigation procedures.

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 main contact for the operational teams. In order to ensure that regulatory constraints are followed and respected, the Legal department also takes charge of drafting the various real estate contracts and managing disputes.

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. In addition, the marketing department coordinates the marketing and communication of the retail parks.

Due to their geographical distance and for specific tasks, the management of certain retail parks is entrusted to specialised 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 communal services and equipment;
- and providing any assistance that may be needed for communication, marketing and sales.

Ascencio retains overall coordination, decision making and full responsibility for the missions entrusted. External managers are selected on the basis of a call for tender. The contracts are usually of limited duration and are accompanied by a Service Level Agreement allowing the evaluation of their performance during the contract period.



#### 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 63 Boulevard Haussmann 75008 Paris, registered with the Paris Trade & Companies Register under number 520.807.397.

In France, the remuneration of external managers is partly proportional to the rent received. It amounts to €102,000 (excl. VAT) for the financial year ended 30 September 2022 for the part that cannot be re-invoiced to tenants.

#### Ascencio's external managers for Belgium are:

- PAMS SPRL (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 SA (public limited company), with its registered office at Avenue Marnix 23, Brussels 1000, registered with the Banque Carrefour des Entreprises under number 0422.118.165;
- Jacques Berns, a natural person, with his offices at Rue du Dolberg 15, 6780 Messancy, registered with the Banque Carrefour des Entreprises under number 0724.427.474.

In Belgium, the remuneration of external managers is partly proportional to the rents received. It amounts to €40,000 (including VAT) for the financial year ended 30 September 2022 for the part that cannot be re-invoiced to tenants.

## STANDARD COMMERCIAL LEASE

Ascencio generally enters into commercial lease agreements, preferably for a period of nine years, terminable in accordance with the statutory provisions. Rents are paid in advance at the beginning of each month or quarter. They are indexed each year on the anniversary date of the lease contract.

A provision for charges is stipulated in the lease agreement and adapted if necessary depending on consumption and costs actually incurred. A statement 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 first-demand bank guarantee or a security deposit, usually represents three months' rent.

The formalisation of the lease includes drawing up and mutually agreeing an initial inventory. Ascencio also provides for the transfer of energy meters and registers the lease. At the end of the contract, an inventory is drawn up to assess the amount of any damage.

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

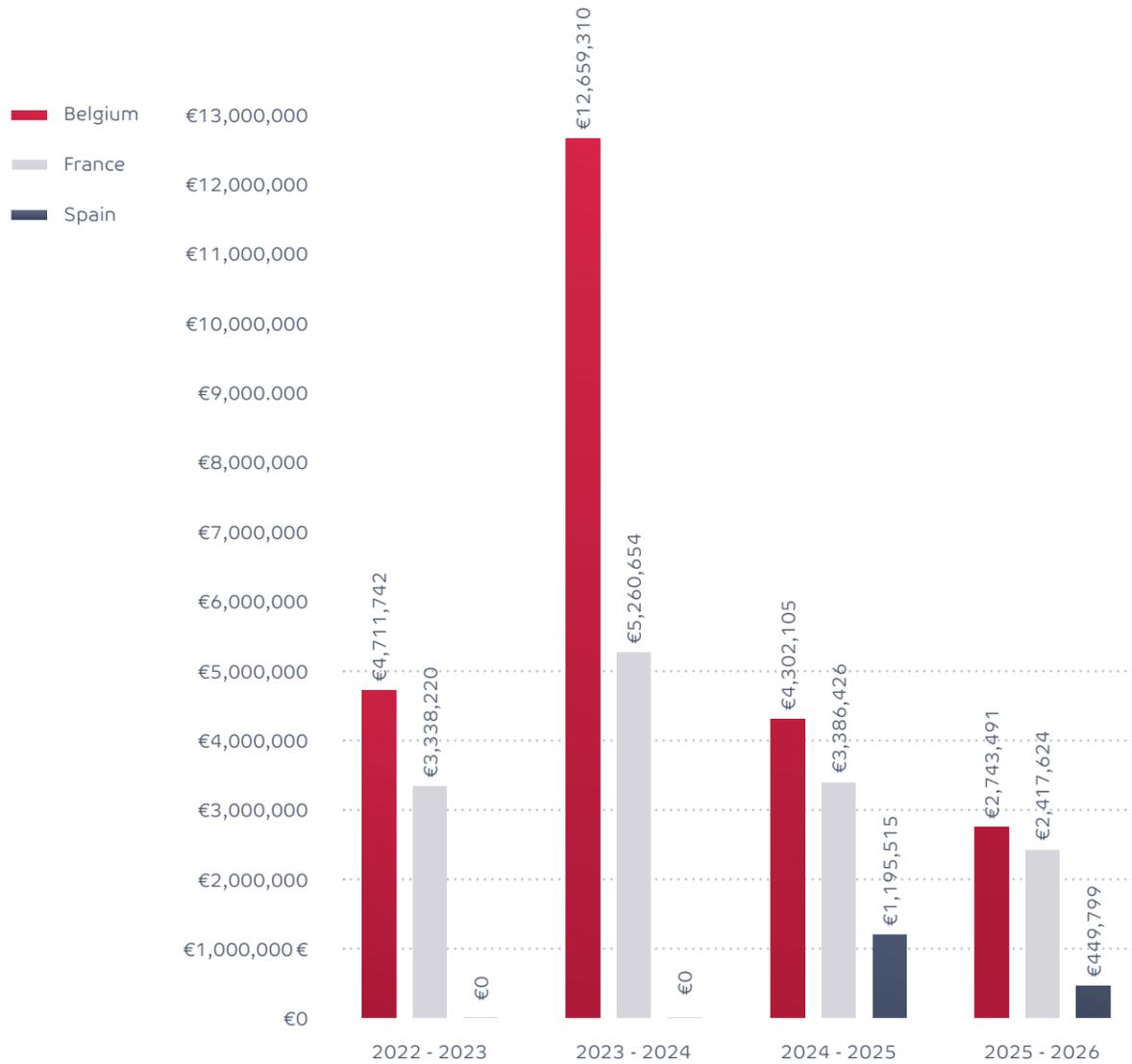
Commercial leases in Belgium are subject to the Law of 30 April 1951 on commercial leases. In France, the status of commercial leases is governed by the French Commercial Code. This Code has been amended by the "Pinel Law" of 2014. In Spain, commercial leases are subject to law 29/1994 of 24 November 1994, the Ley de Arrendamientos Urbanos or "Urban Lease Act", abbreviated as "LAU". However, this law is merely supplementary to the parties' wishes, which prevail in Spain.

## ESTIMATED RENTAL VALUE (ERV)

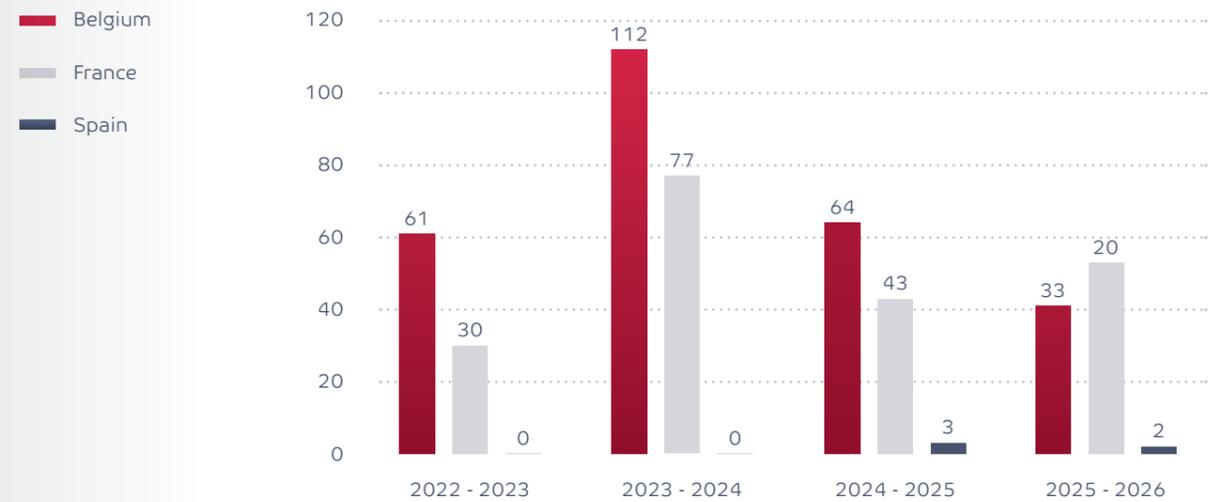
The estimated rental value (ERV) is the value as determined by the independent property experts based on their knowledge of the property market taking into account various factors such as location, duration of leases, quality of the property and market conditions.

For more information on the valuation methods used by the independent property experts and the valuation process, we refer to the notes to the consolidated financial statements.

## END OF CONTRACTS AND FIRST POSSIBILITIES OF THREE-YEARLY TERMINATIONS WITH POTENTIAL LOSS OF RELATED RENTAL INCOME



## NUMBER OF CONTRACTS PER COUNTRY AFFECTED BY EXPIRY AND FIRST THREE-YEAR TERMINATION POSSIBILITIES



## EXPERTS' REPORT

Brussels, 30 September 2022

Dear Sir, Dear Madam,

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

Our mission has been realized in complete independence.

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

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

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

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

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

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

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

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

The Belgian properties are considered as a portfolio.

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

Based on the remarks in previous paragraphs, we confirm that the **rounded investment value** of the real estate portfolio of Ascencio on 30 September 2022 amounts to:

**767,317,000 EUR**  
(Seven hundred sixty-seven million three hundred seventeen 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 2022 at:

**734,872,000 EUR**  
(Seven hundred thirty-four million eight hundred seventy-two 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.

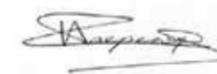
We stay at your entire disposition if any questions about the report would remain. In the meantime, we offer you our kind salutations.



**Ardalan Azari**  
Partner  
Cushman & Wakefield  
Belgium  
\*Koios Service Srl



**Roderick Scrivener**  
MRICS  
Co-Head of Valuation  
Jones Lang LaSalle  
Belgium



**Pieter Paepen MRICS**  
Senior Director Valuation  
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**Valérie Parmentier MRICS**  
Directrice  
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**Tony Loughran MRICS**  
Partner - Head of Valuation  
Cushman & Wakefield  
Spain



**Pierre-Jean Poli REV**  
Director  
Jones Lang LaSalle France



**Béatrice Rousseau MRICS**  
Director  
CBRE France

**Important: please read next page "Market conditions explanatory note: Conflict in Ukraine"**

## OPINION OF CUSHMAN & WAKEFIELD

Cushman & Wakefield estimates, for its part of Ascencio's real estate portfolio valued at 30 September 2022, the investment value at 259,170,873 EUR and the fair value (transaction costs deducted) at 247,710,228 EUR.



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Directrice  
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**Tony Loughran MRICS**  
Partner - Head of  
Valuation  
Cushman & Wakefield  
Spain

## OPINION OF JONES LANG LASALLE

Jones Lang LaSalle estimates, for its part of Ascencio's real estate portfolio valued at 30 September 2022, the investment value at 197,556,930 EUR and the fair value (transaction costs deducted) at 187,721,641 EUR.

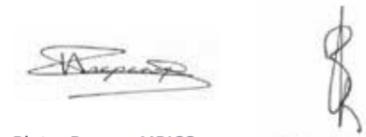


**Roderick Scrivener MRICS**  
Co-Head of Valuation  
Jones Lang LaSalle  
Belgium

**Pierre-Jean Poli REV**  
Director  
Jones Lang LaSalle France

## OPINION OF CBRE

CBRE estimates, for its part of Ascencio's real estate portfolio valued at 30 September 2022, the investment value at 310,589,000 EUR and the fair value (transaction costs deducted) at 299,440,000 EUR.



**Pieter Paepen MRICS**  
Senior Director Valuation  
CBRE Belgium

**Béatrice Rousseau MRICS**  
Directrice  
CBRE France

## MARKET CONDITIONS EXPLANATORY NOTE: CONFLICT IN UKRAINE

Despite the initial recovery of the economy from the pandemic, Belgium is currently experiencing heightened uncertainty due to the wider global impacts from the war in Ukraine, with inflation having increased significantly. We have noticed in Belgium, as in other European countries, an increase in interest rates resulting in higher borrowing costs.

These factors are impacting on growth and consumer confidence. In recognition of the potential for market conditions to move rapidly in response to wider political and economic changes, we highlight the importance of the valuation date as it is important to understand the market context under which the valuation opinion was prepared.

# E — ESG REPORT



Aware of the importance of further integrating environmental issues into its real estate strategy, Ascencio has worked on structuring its ESG policy around its three constituent pillars, namely the environmental, social and governance aspects of its activities.

More specifically, as a listed real estate company active in retail, Ascencio defines its ESG strategy with the objective of improving the sustainability of its real estate portfolio, operations and activities.

To do so, Ascencio takes into account the stakes and expectations of its various stakeholders thanks to its positioning of proximity both with its market and with the local communities where the Company operates.

Ascencio aligns its ESG strategy and reporting with current European regulations and recognised stand-

ards such as the EPRA Sustainable Best Practices Recommendations and the United Nations Sustainable Development Goals.

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations set out sustainable development goals to communicate the way forward to a better and more sustainable future for all.



Some of these objectives have particularly caught Ascencio's attention and have been **selected as pillars for the development** of its ESG strategy due to their particular link with both Ascencio's activities/values and the activities of its retail tenants.



**Fighting hunger**

Eradicate hunger, ensure food security, improve nutrition and promote sustainable agriculture



**Access to health**

Enable everyone to live in good health and promote the well-being of all and at all ages



**Access to quality education**

Ensure equal access to quality education for all and promote lifelong learning opportunities



**Use of renewable energy**

Ensuring access for all to reliable, sustainable and modern energy services at an affordable cost



**Responsible consumption**

Establishing sustainable consumption and production patterns



**Fighting climate change**

Take urgent actions to fight climate change and its impacts



S



- TRAINING
- INTERNAL SATISFACTION SURVEY
- POSITIVE OFFICE
- TELEWORK POLICY
- MOBILITY
- SOCIAL & PHILANTHROPIC POLICY

E



- LABELLING
- DECISION-MAKING CRITERIA
- DATABASE & MANAGEMENT PLATFORM
- OPTIMISING ENERGY PERFORMANCE
- PHOTOVOLTAIC PANELS
- CHARGING STATIONS
- SUPPLIER & TENANTS CHARTERS

**ASCENCIO'S ESG STRATEGY**

G



- GOVERNANCE STRUCTURE
- REMUNERATION POLICY
- COMMUNICATION OF ESG STANDARDS



# E



## ENVIRONMENTAL COMPONENT

### 1. LABELLING

Ascencio has started a process of labelling its retail parks according to the labelling standards in force. More particularly, Ascencio has set itself the objective of obtaining a BREEAM-in-use 'very good' label<sup>1</sup> for all the retail parks in its portfolio by 2026. 6 sites have been identified (two in Belgium and four in France).

Ascencio started this exercise in the summer of 2022 with the analysis of 2 retail parks, one in France ("Le Parc des Drapeaux" in Rots), the other in Belgium ("Bellefleur" in Couillet). The results of the pre-assessment phase on these two sites are expected by the end of 2022.

BREEAM in use is a sustainability standard that applies to existing buildings. The objectives behind obtaining such a label are multiple: to be part of a sustainable development approach, reduce operating costs, increase customer loyalty, to enhance the value of the Company's assets, access to green financing sources, etc.



<sup>1</sup> BREEAM in-use is an international method of assessing the environmental performance of a building in use.



### 2. DECISION-MAKING CRITERIA

Within the framework of its investment policy and the transformation and management of its portfolio, Ascencio aims to optimise the environmental performance of its assets. In particular, for new acquisitions, assets with a BREEAM 'very good' rating will be favoured.

### 3. DATABASE & MANAGEMENT PLATFORM

In order to reduce the energy consumption linked to the use of its buildings, Ascencio has created a partnership, starting with its French portfolio, with its tenants in order to encourage the exchange of consumption data and has implemented specific software to analyse this data. Together, Ascencio and its retail tenants will discuss possible improvements in order to achieve the desired objectives.



The systematic recording and analysis of these measurements will provide the Company with a more objective view of the energy performance of its buildings. This comprehensive audit and the monitoring of this performance over time will enable the Company to establish a comprehensive action plan to reduce the carbon footprint of its portfolio over time and to produce the necessary reports illustrating the progress made in environmental performance.

### 4. OPTIMISING ENERGY PERFORMANCE

Ascencio is committed, for all its renovation / extension projects, to optimise the energy consumption of the buildings concerned, in line with its ESG strategy and the legal obligations in this area.

### 5. PHOTOVOLTAIC PANELS

Ascencio intends to deploy a structured policy of placing photovoltaic panels on the roofs of its real estate portfolio. Technical audits have been carried out for some buildings in its portfolio and are in progress for others. Ascencio should be able to complete the first orders for photovoltaic installations at end of 2022 - beginning of 2023.

The installation of photovoltaic panels would allow the production of locally generated green electricity to be used within the buildings concerned for the benefit of its tenants, at cost levels below the current cost of energy.

### 6. CHARGING STATIONS

Ascencio has started to install charging stations for electric vehicles in the parking lots of its retail parks and at its head office in Gosselies A (Belgium). The parkings of the retail parks in Messancy B (Belgium) and Saint-Aunes C (France) have recently had 6 superchargers installed. A study is currently underway to continue the installation of recharging stations, where possible, at possible, to all the parking lots in the Company's portfolio. To do so, Ascencio will rely on the expertise of recognized players in the market.

### 7. SUPPLIER & TENANT CHARTERS

Questions relating to the partnership with tenants about the transmission of the consumption data from buildings have already been integrated into the leases.





## SOCIAL DIMENSION

### 1. EVALUATION & TRAINING



Ascencio has developed a corporate culture in which each employee receives annual feedback from his or her manager on the work done and the skills developed over the past year.

In 2022, 100% of our employees has received a performance evaluation.

Ascencio pays particular attention to the constant development of its teams.

#### More concretely, this translates into

##### — The creation of an Ascencio Academy

The Ascencio Academy consists of a series of in-house training sessions (for the whole team) delivered, in turn, by the members of the executive committee. In practice, these training sessions will take place every 2 months for a duration of two hours.

Members of the executive committee will deliver courses on specific topics internal to the Company or the market.

The aim of this initiative is to develop not only the teams in terms of their own knowledge and personal motivation but also the Company as a whole.

This initiative, initiated by the human resources department will start as from January 2023.

##### — The establishment of an in-house “buddy system”

One-to-one mentoring will be introduced in the course of the 2022/2023 financial year in order to gain a better understanding of what other departments in the Company are doing.

During each financial year, each member of the executive committee will be accompanied for one day by an employee who is not already a member of his or her team.

##### — Participation in ad hoc external training

###### — Ad hoc external training

On the basis of the individual needs expressed during the annual appraisals or identified by the managers, an individual training plan will be put in place once it has been validated by the executive committee.

###### — Language plan

Ascencio has also taken the decision to offer the necessary English language training to those who need it in order to eventually enable the whole team to express themselves easily in writing.

At the same time, Ascencio is committed to supporting certain external collaborators with their education. During the past financial year, Ascencio hosted a trainee in a company. Through this type of initiative, the Company enables students to be confronted with the business world and thus be better prepared for it at the end of their studies. This project resulted in the successful completion of the student’s education and the start of her professional career with a permanent contract in a local company.



## CORPORATE GOVERNANCE COMPONENT

### GOVERNANCE STRUCTURE AND COMMUNICATION OF CSR STANDARDS

As a B-REIT, Ascencio undertakes a strict annual reporting exercise that adheres to high standards of corporate governance (see annual report 2022 pages 62 to 82).

Also, to support the development and implementation of its ESG policy, Ascencio has strengthened its team during the past year by appointing an Operations & ESG Director to its executive committee.

Ascencio’s desire to develop the environmental management of its portfolio has already been illustrated by the publication in June 2022 of a first report on various performance indicators on the ESG aspects of its activity according to the EPRA sBPR guidelines. Please refer to pages 128 to 140 of this annual report for the Sustainability Report published in June 2022. This report, aimed at bringing transparency to the ESG initiatives already taken by the Company, has enabled Ascencio to obtain several distinctions (Silver Award and Most improved Award) granted by EPRA, the European Public Real Estate Association.

### 2. INTERNAL SATISFACTION SURVEY

During the 2022/2023 financial year Ascencio intends to conduct a survey among its employees to measure their satisfaction and their involvement in the within the Company.

### 3. HOMEWORKING AND POSITIVE OFFICE



Accelerated by the Covid-19 health crisis, Ascencio has set up a test phase, relating to the organisation of work, in order to balance telework and the presence of employees in the office, by providing them with the tools (telephone, PC, etc.) allowing them to work at home in good conditions.

In tandem the Company has started to think about the concept of its future offices, which is in line with the positive office approach and will promote flexibility, creativity and well-being in the office.

### 4. MOBILITY



Ascencio has set up a mobility policy for its team, favouring electro-mobility. In concrete terms, the Company vehicles are all hybrid or electric and the recharging solutions for these vehicles, both at the office and at home, are provided by the Company (as mentioned above, several charging stations have already been installed for this purpose at the Company’s headquarters in Gosselies).

### 5. SOCIAL AND PHILANTHROPIC POLICY

Ascencio has decided to orient its social and philanthropic policy around the following axes:



— Well-being, with a particular focus on sport for local communities;



— Fighting hunger in local communities.

Various initiatives will be carried out both at the level of the portfolio’s retail parks and at the corporate level with the entire Ascencio team.

At the asset level, the initiatives will create value in the short, medium and long term, ensuring that the retail parks have a certain legitimacy within the local communities.



# EPRA SUSTAINABILITY REPORT ALIGNED WITH EPRA SUSTAINABILITY BEST PRACTICE RECOMMENDATIONS

## INTRODUCTION

### PURPOSE OF THE DOCUMENT

This report reflects the firm intention of Ascencio to manage and improve the sustainability of its real estate portfolio functioning and activities. Building on EPRA's recognized Guidelines<sup>1</sup> to measure sustainability performance, it thoroughly describes Ascencio performance on three key pillars (environment, social & governance). Each of them has been documented through a comprehensive set of performance indicators, in accordance with EPRA's recommendations.

Ascencio's sustainability report takes stock on its portfolio current performance. It provides a solid baseline to measure further progress. It has also led Ascencio to initiate a strong collaboration with its tenants on sustainability stakes. Structural data exchange between tenants and landlords on the building environmental and energy performance is key to improve awareness and agree on common objectives. These exchanges require many efforts and time. For the sake of this first sustainability report, it has not been possible to recover data from all tenants (as of today, about 25% of the total information has been collected). In this spirit, this report is a first milestone and is meant to be continuously improved and enriched.

Finally, this report is one out of the many steps from a wider sustainability strategy. Besides reporting, others important initiatives are currently being taken to follow-up digitally the energy impact of the portfolio and orientate investments towards the environmentally most impactful transformation.

### ABOUT ASCENCIO

Ascencio, a "Société Immobilière Réglementée" (Regulated property company or "BelgianREIT"), 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. Resolutely forward-looking, Ascencio invests in assets that meet the expectations of retailers and consumers of today and tomorrow, paying particular attention to the retail mix, flexibility of spaces, their ability to respond to the increasingly omnichannel nature of retail and offering easy access and parking. The Company is active in Belgium, France and Spain.

Its portfolio, valued at €727 million at 31/03/2022, consists of approximately one hundred properties, with a total surface area of about 450,000 m<sup>2</sup> and over 240 tenants. Ascencio's stock has been listed on Euronext Brussels since 2007. Its stock market capitalisation amounted to €340 million at 31/03/2022. In France, Ascencio has opted for the SIIC regime, while in Spain Ascencio SCA has established a subsidiary in respect of which it has opted for the SOCIMI regime.

## ENVIRONMENT

### GENERAL BOUNDARIES, SEGMENTATION & COVERAGE

**Legal Corporate Structure.** In terms of legal corporate structure, Ascencio's portfolio is held by Ascencio SCA itself (and its branch) or through different fully owned subsidiaries.

**Segmentation.** 40% of Ascencio's portfolio is dedicated to food-related businesses (i.e. supermarkets). The food sector has specific patterns since, in terms of energy consumption, the intensity of consumption is quite different from other retailers. To maximize the relevance of this report, a difference will be made between food and non-food tenants. A specific view per country will also be provided.

**Performance of Ascencio's headquarters.** The environmental performance of Ascencio's corporate headquarters in Gosselies (BE) will be reported separately from the commercial assets.

**Coverage.** Most data on environmental performance are tenant-obtained data (regarding their own energy consumption). Their collection requires intense and concerted efforts with the 240+ tenants. Specific coverage ambitions have been defined for this first reporting:

- Belgium: one major food tenant and two important non-food tenants have been targeted and provided data.
- France: a large majority of tenants have been contacted and requested to exchange data. A more active collaboration has been set up with a major food tenant.
- Spain: Spanish assets will be included in the next sustainability reporting.

The coverage is always measured as a percentage of the portfolio total surface (sqm). As mentioned above, most of the required data are tenant-obtained data. For many assets, Ascencio does not purchase utilities nor has a view on their consumption. Hence, the effective coverage varies according to the different metrics. It will be indicated specifically for each of the indicators documented above.

<sup>1</sup> <https://www.epra.com/sustainability/sustainability-reporting/guidelines>

## ENERGY

Data have been collected from energy suppliers. No extrapolations have been made. None of the assets use district heating or cooling systems.

### ENERGY CONSUMPTION OF COMMERCIAL ASSETS

#### GLOBAL

Impact Area	EPRA Code	Description	Units of measure	Category	Sub-category	Absolute		Like for like <sup>2</sup>	
						2020	2021	2020	2021
Energy	4.2 Elec - Abs Elect Lfl	Electricity consumption	kWh	Food	Tenant	20.873.030	23.589.836	20.873.030	21.709.532
					Landlord	1.231.729	1.501.048	1.231.729	1.501.048
				Non-food	Tenant	978.854	1.897.756	978.854	1.115.036
					Landlord	1.492.969	8.825.937	1.492.969	6.567.020
				<b>Total electricity</b>		<b>24.576.582</b>	<b>30.468.476</b>	<b>24.576.582</b>	<b>25.546.535</b>
				% Renewables sources		3%	1,5%	3%	1.7%
	4.5 & 4.6 Fuel- Abs Fuels- Lfl	Fuel consumption	kWh	Food	Tenant	1.573.860	1.462.885	1.573.860	1.462.885
					Landlord	0	169.627	0	0
				Non-food	Tenant	0	155.210	0	0
					Landlord	612.006	785.245	612.006	776.812
				<b>Total fuel consumption</b>		<b>2.185.866</b>	<b>2.572.967</b>	<b>2.185.866</b>	<b>2.239.697</b>
				% Renewables sources		0%	0%	0%	0%
	4.3 DH & C- Abs	District heating & cooling	kWh	na					
4.7 Energy -int	Building Energy	kWh/sqm/year	Food	310	351	310	326		
			Non-food	66	84	66	67		
Coverage (sqm)		%	Food	Tenant	43%	43%	43%	43%	
				Landlord	3%	3%	3%	3%	
			Non-food	Tenant	6%	7%	6%	6%	
				Landlord	9%	16%	9%	9%	

This table, as well as its breakdown per country below, requires certain observations:

- Only a small percentage of energy is currently renewable. Ascencio has, however, initiated a study to evaluate how it could install a significant number of solar panels on its rooftops and how energy could then be distributed to its tenants or local communities.
- The limited coverage of landlord-obtained data can be explained by the fact that data on common infrastructures are still to be collected from co-ownership structure or property manager. While these data cover an important number of assets, they represent a limited number of energy consumption compared to the energy consumption of the tenants.

<sup>2</sup> The Like for like indicator compares a consistent portfolio and scope for two reporting years.

#### BELGIUM

Impact Area	EPRA Code	Description	Units of measure	Category	Sub-category	Absolute		Like for like	
						2020	2021	2020	2021
Energy	4.2 Elec - Abs Elect Lfl	Electricity consumption	kWh	Food	Tenant	12.026.749	11.755.896	12.026.749	11.755.896
					Landlord	1.231.729	1.501.048	1.231.729	1.501.048
				Non-food <sup>3</sup>	Tenant	441.611	566.807	441.611	566.807
					Landlord	5.183.566	8.825.937	5.183.566	6.567.020
				<b>Total electricity</b>		<b>15.193.058</b>	<b>18.883.655</b>	<b>22.649.688</b>	<b>18.883.655</b>
				% Renewables sources		3,2%	2,4%	3,2%	2,7%
	4.5 & 4.6 Fuel- Abs Fuels- Lfl	Fuel consumption	kWh	Food	Tenant	0	0	0	0
					Landlord	0	169.627	0	0
				Non-food	Tenant	0	0	0	0
					Landlord	612.006	785.245	612.006	776.812
				<b>Total fuel consumption</b>		<b>612.006</b>	<b>954.872</b>	<b>612.006</b>	<b>776.812</b>
				% Renewables sources					
	4.3 DH & C- Abs	District heating & cooling	kWh	na					
4.7 Energy -int	Building Energy	kWh/sqm/year	Food	365	369	365	365		
			Non-food	67	80	67	67		
Coverage (sqm)		%	Food	Tenant	34%	34%	34%	34%	
				Landlord	5%	5%	5%	5%	
			Non-food	Tenant	5%	5%	5%	5%	
				Landlord	15%	26%	15%	15%	

<sup>3</sup> At this stage, data have been collected for 2 large tenants of Ascencio's belgian portfolio. Regarding the landlord data, the information regarding a large number of stores have been collected through the information provided by the high voltage cabins

FRANCE

Impact Area	EPRA Code	Description	Units of measure	Category	Sub-category	Absolute		Like for like		
						2020	2021	2020	2021	
Energy	4.2 Elec - Abs Elect Lfl	Electricity consumption	kWh	Food	Tenant	8.846.281	11.833.940	8.846.281	9.953.636	
					Landlord	na	na	na	na	
					Non-food	Tenant	537.243	1.330.949	537.243	548.229
						Landlord	na	na	na	na
					<b>Total electricity</b>	<b>9.383.524</b>	<b>13.164.889</b>	<b>9.383.524</b>	<b>10.501.865</b>	
					% Renewables sources	0%	0%	0%	0%	
	4.5 & 4.6 Fuel- Abs Fuels- LfL	Fuel consumption	kWh	Food	Tenant	1.573.860	1.462.885	1.573.860	1.462.885	
					Landlord	na	na	na	na	
					Non-food	Tenant	na	na	na	na
						Landlord	na	na	na	na
					<b>Total fuel consumption</b>	<b>1.573.860</b>	<b>1.462.885</b>	<b>1.573.860</b>	<b>1.462.885</b>	
					% Renewables sources	0%	0%	0%	0%	
	4.3 DH & C- Abs	District heating & cooling	kWh	Food	Tenant	na	na	na	na	
					Landlord	na	na	na	na	
					Non-food	Tenant	na	na	na	na
						Landlord	na	na	na	na
					<b>Total consumption</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>	
4.7 Energy -int	Building Energy	kWh/sqm/year	Food	310	351	310	326			
			Non-food	64	101	64	65			
Coverage (sqm)	%		Food	Tenant	52%	56%	52%	52%		
				Landlord	0%	0%	0%	0%		
			Non-food	Tenant	13%	21%	13%	13%		
				Landlord	0%	0%	0%	0%		

As mentioned, Ascencio has requested its tenants to exchange data regarding their energy consumptions.

For some of them, Ascencio has been able to already obtain, through their electricity network operator, a mandate for the period from May 2020 to May 2022. Therefore, only the year 2021 can be considered as a full year of reporting.

SPAIN

Spanish assets will be reported next year.

ENERGY PERFORMANCE OF ASCENCIO HEADQUARTERS

Impact Area	EPRA Code	Description	Units of measure	Absolute		Like for like		
				2020	2021	2020	2021	
Energy	Elec - Abs Elect Lfl	Electricity consumption - headquarters	kWh	2020	129.288	193.292	129.288	193.292
				2021	na	na	na	na
	Elec-Int	kWh/sqm	2020	131	196	131	196	
			2021	100%	100%	100%	100%	
Coverage (sqm)			%					

The evolution of the consumption between 2020 and 2021 can be explained by two different factors:

- after the peak of the pandemic, workers have progressively started to go back to the office
- the installation of charging stations for electric vehicles in 2021, generating a higher demand for electricity

No reporting can be made regarding fuel consumption since Ascencio does not use any fossil energy at its headquarters.





## GREENHOUSE GAS EMISSIONS (GHC)

The reporting on the Greenhouse gas emission has been segmented in three indicators:

— Scope 1 includes direct GHG emissions generated by fuels burned on-site, as reported under section 2.2. “Energy consumption”. To calculate it, the following formula will be used: Annual consumption (MWh)\*181 kg CO<sub>2</sub>/MWh<sup>4</sup>

— Scope 2 includes indirect emissions (i.e. emissions generated off-site to produce the energy purchased by Ascencio and its tenants).

The used formula to get those indirect emissions will be the following one: Annual consumption in electricity (MWh)\* A kg CO<sub>2</sub>/MWh<sup>5</sup>

Where A is defined by Association of Issuing Bodies (AIB) for all European countries:

— Belgium: 178.63 kg CO<sub>2</sub>/MWh

— France: 51.23 kg CO<sub>2</sub>/MWh

— Spain 448.29 kg CO<sub>2</sub>/MWh

These values consider the electricity generation mix of each country

## A. GREENHOUSE GAS EMISSION OF COMMERCIAL ASSETS

Given the nature of Ascencio's activity, landlord-obtained consumptions are limited compared to tenant-obtained data. Ascencio wishes, however, to have a representative view on the GHG emissions generated by its

activity. Consequently, it has been decided to report on both tenant-obtained and landlord-obtained data (scope 1, 2 and 3).

### FRANCE

Impact Area	EPRA Code	Unit of measure	Indicator	Sub-category	Absolute		Like for like		
					2020	2021	2020	2021	
Green-house gas emissions	4.8 GHG-Dir-Abs	KG CO <sub>2</sub> e	Direct	Food	284.869	264.782	284.869	264.782	
				Non-Food	0	0	0	0	
	4.9 GHG-Indir-Abs		Indirect	Food	453.195	606.253	453.195	509.925	
				Non-Food	27.523	68.185	27.523	28.086	
	4.10 GHG-Int		kg CO <sub>2</sub> e / m <sup>2</sup> / year	GHG emissions intensity	Food	21	24	21	22
					Non-Food	3	8	3	3

### BELGIUM

Impact Area	EPRA Code	Units of measure	Indicator	Sub-category	Absolute		Like for like		
					2020	2021	2020	2021	
Green-house gas emissions	4.8 GHG-Dir-Abs	KG CO <sub>2</sub> e	Direct	Food	0	30.702	0	0	
				Non-Food	110.773	142.129	110.773	140.603	
	4.9 GHG-Indir-Abs		Indirect	Food	2.368.362	2.368.088	2.368.362	2.368.088	
				Non-Food	1.004.825	1.677.826	1.004.825	1.274.316	
	4.10 GHG-Int		kg CO <sub>2</sub> e / m <sup>2</sup> / year	GHG emissions intensity	Food	65	66	65	65
					Non-Food	30	30	30	38

## B. GREENHOUSE GAS EMISSION OF ASCENCIO HEADQUARTERS

Impact Area	EPRA Code	Units of measure	Indicator	Absolute		Like for like	
				2020	2021	2020	2021
Green-house gas emissions	4.8 GHG-Dir-Abs	KG CO <sub>2</sub> e	Direct	na	na	na	na
	4.9 GHG-Indir-Abs			Indirect	23.095	34.528	23.095
	4.10 GHG-Int		kg CO <sub>2</sub> e / m <sup>2</sup> / year	GHG emissions intensity	23	35	23

<sup>4</sup> EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, March 9, 2018.

<sup>5</sup> AIB, European Residual Mixes 2018, (2019).

## WATER CONSUMPTION

All assets are connected to public or semi-public water networks. A large-scale data collection exercise has been launched with the different water suppliers. Some data could not be retrieved soon enough and will be included in the next sustainability report.

For some assets where several tenants share the same meter, it has not always been possible to distribute the water consumption amongst them. Hence, it is not yet possible to differentiate food from non-food activity. Consequently, water consumption will be - this year - segmented per country.

### COMMERCIAL ASSETS

Impact Area	EPRA Code	Description	Unit of measure	Category	Absolute		Like for like	
					2020	2021	2020	2021
Water	4.11 & 4.12 Water-Abs Water-LfL	Water consumption - commercial assets	Cubic meter	Belgium	66.080	62.889	64.574	62.885
				France	23.400	23.400	23.400	23.400
	4.13 Water-Int	commercial assets	Cubic meter/sqm	Belgium	5,3	5,2	5,4	5,2
				France	0,73	0,73	0,73	0,73
	Coverage (sqm)		%	Belgium	4,2%	4,15%	4,15%	4,15%
				France	15%	15%	15%	15%

For France, all data displayed have been estimated on the basis of a yearly average consumption per asset, together with an important tenant.

The report shows an important consumption of water for some of the Belgian tenants which could be documented. This overconsumption will be further investigated in collaboration with the tenants.

### HEADQUARTERS

Impact Area	EPRA Code	Description	Unit of measure	Absolute		Like for like	
				2020	2021	2020	2021
Water	4.11 & 4.12 Water-Abs Water-LfL	Water consumption - commercial assets	Cubic meter	69	58	69	58
	4.13 Water-Int	commercial assets	Cubic meter/sqm	0,16	0,13	0,16	0,13
	Coverage (sqm)		%	100%	100%	100%	100%

## WASTES

Except for the headquarters and few exceptions (6 assets, 3 in Belgium and 3 in France, 2 of them being managed only as of 2022), wastes are managed di-

rectly by tenants. Therefore, only limited data could be obtained at this stage on waste management.

### COMMERCIAL ASSETS

Impact Area	EPRA Code	Description	Unit of measure	Disposal route	Absolute		Like for like	
					2020	2021	2020	2021
Wastes	4.14 & 4.15 Waste-Abs Waste-LfL	Waste by disposal route - Assets	Tons	Reuse	na	na	na	na
				Recycling	5.163	7.047	5.163	7.047
				Composting	na	na	na	na
				Material recovery facility	na	na	na	na
				Incineration/Landfill	15.736	21.566	15.736	21.566
				Methanation	562	518	562	518
				<b>TOTAL</b>	<b>21.461</b>	<b>29.131</b>	<b>21.461</b>	<b>29.131</b>
				<b>% of hazardous waste</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
				Coverage (sqm)		%	Landlord-obtained	40,5%
	Tenant-obtained	7%	7%				7%	7%

Recycled wastes are composed of paper and cardboard. The organic waste of an important tenant active in the food sector are disposed through methanation.

The coverage of landlord obtained data is defined with regards to the number of assets for which wastes were managed by Ascencio during the reporting period.

### HEADQUARTERS

Data have been estimated on the basis of the different container size and the dump frequency.

Impact Area	EPRA Code	Description	Unit of measure	Disposal route	Absolute		Like for like	
					2020	2021	2020	2021
Wastes	4.14 & 4.15 Waste-Abs Waste-LfL	Waste by disposal route - Headquarters	na	Reuse	na	na	na	Na
			m <sup>3</sup>	Recycling	30	30	30	30
			m <sup>3</sup>	Composting	0,3	0,3	0,3	0,3
			na	Material recovery facility	na	na	na	na
			m <sup>3</sup>	Incineration/Landfill	30	30	30	30
			m <sup>3</sup>	<b>TOTAL</b>	<b>30,3</b>	<b>30,3</b>	<b>30,3</b>	<b>30,3</b>
		<b>% of hazardous waste</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Coverage (sqm)		%	Landlord-obtained	100%	100%	100%	100%	

## CERTIFICATION

At this point in time, there are no green certified assets within Ascencio's portfolio. The executive committee has, however, decided to initiate a certification journey (BREEAM) for two assets in 2022. Depending on the evaluation of these two test-cases, more certification journeys will be launched in 2023.

## SOCIAL

### SOCIAL PERFORMANCE MEASURE

	Gender	Year ended 30 september 2020	Year ended 30 september 2021	Percentage change%
<b>DIRECT EMPLOYEE GENDER DIVERSITY Diversity-Emp 5.1</b>				
Board of directors Members percentage	Female	30%	30%	0%
	Male	70%	70%	0%
Executive Management <sup>6</sup>	Female	40%	20%	-50%
	Male	60%	80%	33,3
All employees	Female		56%	
	Male		44%	
<b>EMPLOYEE TRAINING AND DEVELOPMENT Emp-Training 5.3</b>				
All Employees average number of hours training <sup>7</sup>			14	
<b>EMPLOYEE PERFORMANCE APPRAISAL Emp-Dev 5.4</b>				
Total employees receiving performance review percentage		100%	100%	0%
<b>EMPLOYEE TURNOVER AND RETENTION<sup>8</sup> Emp-Turnover 5.5</b>				
Total number of employees at year end		19	19	0%
Rate of new employee hires		5,26%	10,53%	100,19%
Total employee turnover		1	2	100%
Rate of employee turnover		5,26%	10,53%	100,19%
<b>EMPLOYEE HEALTH AND SAFETY (DIRECT EMPLOYEES)<sup>9</sup> H&amp;S-Emp 5.6</b>				
Injury Rate <sup>10</sup>		0	0	
Lost day rate <sup>11</sup>		0	0	
Absentee rate <sup>12</sup>		35	105	
Work related fatalities		0	0	

<sup>6</sup> The definition of Executive Management is the members of the executive committee, who have a strategic role but, besides the CEO Vincent H. Querton, are not Board directors. The drop in the percentage of females amongst the Executive Management is due to the departure, in June 2021, of the CFO, Michèle Delvaux. Her function has been taken over by Cédric Biquet in August 2021.

<sup>7</sup> 14h/employee/year (executive management and employees. No information is reported regarding the board of directors).

<sup>8</sup> Social performance trend commentary: the 100,19% increase in employee headcounts reflects the arrival of the new employees in 2021 (following the same amount of departures) compared to the arrival of one employee in 2020 (also following the same number of departure).

<sup>9</sup> Health and Safety performance trend commentary.

<sup>10</sup> Number of injuries per multiple of hours worked.

<sup>11</sup> Total lost days relative to the total number of hours worked.

<sup>12</sup> Total days lost relative to the total number of days scheduled to be worked by employees. The rise of the absentee rate in 2021 is explained by a maternity leave.

## GOVERNANCE

### CORPORATE GOVERNANCE

	Year ended 30 september 2020	Year ended 30 september 2021
<b>COMPOSITION OF THE HIGHEST GOVERNANCE BODY</b>		
<b>Gov-Board 6.1</b>		
Number of executive board members	1	1
Number of independent, non executive board members	10	10
Average tenure on the governance body years	10	10
<b>Selection process 6.2</b>		

For all nominations of directors, the following procedure applies:

#### Determination of the required expertise and knowledge

The nomination and remuneration committee determines, in consultation with the Chairman of the Board, the expertise and knowledge that is considered essential for members of the board and its committees in order to have a proper understanding of Ascencio's business and to perform their respective offices correctly.

The Board as a whole must have the following characteristics:

- wide experience and in-depth knowledge of the real estate business and market;
- experience of management acquired in a management committee or other equivalent decision-making body of a major business, in terms of business management and organisation;
- leadership skills and ability to adopt and implement a strategic view;
- experience in managing business in an international context;
- familiarity with accounting and financial standards, procedures and techniques and their application in the real estate sector;
- In-depth knowledge of the legal and regulatory framework applicable to the real estate sector and to REITs in particular;
- competence in managing remuneration;
- irreproachable reputation and impeccable adherence to business ethics;
- diversified socio-economic representation of the world of business;
- entrepreneurial spirit;
- diversity in general and in the broadest sense.

#### Skills grid

The Chairman of the Board, in consultation with the nomination and remuneration committee, draws up a skills grid presenting the areas of knowledge and types of expertise on one axis and a list of Board members on the other.

#### Gap analysis

Depending on the results of the most recent evaluation of the directors on both the Board and the committees, the nomination and remuneration committee determines, with the aid of the skills grid, the improvements needed in expertise and knowledge.

#### Search for candidates with the right profile

Depending on the necessary improvements, determined by the nomination and remuneration committee, and taking account of the Board's admissibility criteria, the nomination and remuneration committee searches for candidates with the required skills. The nomination and remuneration committee examines the CVs and references of the candidates proposed for election or re-election to the Board.

When drawing up the list of candidates, account is taken of the pertinence of their references and, for candidates who are already directors, of an evaluation of their performance.

#### Interviews

Once the candidates have been identified, the Chairman of the Board and all the members of the nomination and remuneration committee meet them individually in order to evaluate them. The nomination and remuneration committee discusses the results of these interviews.

Following the above process and depending on the recommendations of the nomination and remuneration committee, the Chairman of the Board presents a list of candidate directors of Ascencio to the Board for examination and approval.

Following the resolution of the board of directors, the candidacy or candidacies approved is or are submitted to the next General Shareholders' Meeting for ratification.

Year ended  
30 september 2021

**COMPOSITION OF THE HIGHEST GOVERNANCE BODY**  
Gov-Col 6.3

See our Annual Report for the year ended  
30 September 2021, pages 118-121

## CONCLUSION

This report is Ascencio's first EPRA sBPR reporting. The Company intends improving the coverage in its next report.

This initiative intervenes in the broader scope of defining a global ESG strategy.



## F — EPRA

EPRA (the European Public Real Estate Association) is the voice of Europe's publicly traded real estate sector, representing more than 280 members and over €790 billion in assets.

EPRA publishes recommendations for defining the main performance indicators applicable to listed real estate companies. These recommendations are contained in the report "EPRA Reporting: Best Practices Recommendations Guidelines ("EPRA BPR"). This report is available on the EPRA website ([www.epra.com](http://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 2022  
Ascencio received the  
EPRA Gold Award for  
its 2020/2021 annual  
financial report.**

## EPRA KEY PERFORMANCE INDICATORS

		30/09/2022	30/09/2021
1	<b>EPRA Earnings (€000s)</b> EPRA Earnings per share (EUR)	<b>33,773</b> 5.12	30,555 4.63
	Earnings from operational activities.		
2	<b>EPRA NAV (€000s)</b> EPRA NAV per share (EUR)	<b>411,254</b> 62.35	378,406 57.37
	Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.		
3	<b>EPRA NNAV (€000s)</b> EPRA NNAV per share (EUR)	<b>438,708</b> 66.51	369,501 56.02
	EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.		
4	<b>EPRA NRV (€000s)</b> EPRA NRV per share (EUR)	<b>443,699</b> 67.27	408,775 61.97
	The EPRA NRV assumes that entities never sell assets and provide an estimation of the value required to rebuild the entity.		
5	<b>EPRA NTA (€000s)</b> EPRA NTA per share (EUR)	<b>411,254</b> 62.35	378,406 57.37
	The EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.		
6	<b>EPRA NDV (€000s)</b> EPRA NDV per share (EUR)	<b>438,708</b> 66.51	369,501 56.02
	The EPRA NDV represents the value accruing to the Company's shareholders under an asset disposal scenario, resulting in the settlement of deferred taxes, the liquidation of financial instruments and the recognition of other liabilities for their maximum amount, net of any resulting tax.		
7	<b>EPRA Net Initial Yield (NIY)</b>	<b>6.06%</b>	5.99%
	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchaser's costs.		
8	<b>EPRA Topped-up NIY</b>	<b>6.12%</b>	6.08%
	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods or other unexpired lease incentives such as discounted rent periods and step rents.		
9	<b>EPRA Vacancy Rate</b>	<b>3.46%</b>	3.95%
	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.		
10	<b>EPRA Cost Ratio (including direct vacancy costs)</b>	<b>15.61%</b>	19.55%
	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.		
11	<b>EPRA Cost Ratio (excluding direct vacancy costs)</b>	<b>14.68%</b>	18.64%
	Administrative & operating costs (excluding costs of direct vacancy) divided by gross rental income.		
12	<b>EPRA LTV</b>	<b>44.38%</b>	47.11%
	The EPRA LTV aims to represent the Company's indebtedness compared to the market value of its assets.		

These data are not required by the SIR regulations and are not subject to control by public authorities or by the auditor.



## EPRA EARNINGS

(€000s)	30/09/2022	30/09/2021
<b>EARNINGS (OWNERS OF THE PARENT) PER IFRS INCOME STATEMENT</b>	<b>90,653</b>	<b>45,652</b>
<b>ADJUSTMENTS TO CALCULATE EPRA EARNINGS</b>	<b>-56,880</b>	<b>-15,097</b>
(i) Change in value of investment properties, development properties held for investment and other interests	-23,800	-9,835
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	159	0
(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	-38,135	-5,704
(vii) Acquisition costs on share deals and non-controlling joint venture interests (IFRS 3)	0	0
(viii) Deferred tax in respect of EPRA adjustments	4,896	443
(ix) Adjustments (i) to (viii) above in respect of joint ventures	0	0
(x) Non-controlling interests in respect of the above	0	0
<b>EPRA EARNINGS (OWNERS OF THE PARENT)</b>	<b>33,773</b>	<b>30,555</b>
Number of shares	6,595,985	6,595,985
<b>EPRA EARNINGS PER SHARE (EPRA EPS - €/SHARE)</b>	<b>5.12</b>	<b>4.63</b>

## EPRA NET ASSET VALUE (NAV)

	30/09/2022		
(€000s)	EPRA NRV	EPRA NTA	EPRA NDV
<b>Equity attributable to owners of the parent in IFRS</b>	<b>437,011</b>	<b>437,011</b>	<b>437,011</b>
<b>Include/exclude:</b>			
(i) Hybrid instruments	0	0	0
<b>Diluted NAV at Fair Value</b>	<b>437,011</b>	<b>437,011</b>	<b>437,011</b>
<b>Exclude:</b>			
(v) Deferred taxes in relation to fair value gains of IP	6,170	6,170	
(vi) Fair value of financial instruments	-31,928	-31,928	
<b>Include:</b>			
(ix) Fair value of fixed interest rate debt			1,697
(xi) Real estate transfer tax	32,445	0	
<b>EPRA NAV</b>	<b>443,699</b>	<b>411,254</b>	<b>438,708</b>
Fully diluted number of shares	6,595,985	6,595,985	6,595,985
<b>EPRA NAV PER SHARE (€/SHARE)</b>	<b>67.27</b>	<b>62.35</b>	<b>66.51</b>

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

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

	30/09/2022			
(€000s)	Belgium	France	Spain	TOTAL
Investment properties in fair value	390,086	313,936	30,850	<b>734,872</b>
Properties held for sale (+)	0	0	0	<b>0</b>
Developments (-)	-320	0	0	<b>-320</b>
<b>PROPERTIES AVAILABLE FOR LEASE</b>	<b>389,765</b>	<b>313,936</b>	<b>30,850</b>	<b>734,551</b>
Allowance for estimated purchasers' costs (+)	9,754	21,654	1,038	<b>32,445</b>
<b>GROSS UP COMPLETED PROPERTY PORTFOLIO VALUATION</b>	<b>399,519</b>	<b>335,590</b>	<b>31,888</b>	<b>766,996</b>
Annualised cash passing rental income (+)	27,759	19,875	1,645	<b>49,280</b>
Property outgoings <sup>1</sup> (-)	-2,026	-740	-19	<b>-2,785</b>
<b>ANNUALISED NET RENTS</b>	<b>25,733</b>	<b>19,135</b>	<b>1,627</b>	<b>46,495</b>
Notionnal rent expiration of rent free periods or other lease incentives (+)	434	39	0	<b>472</b>
<b>TOPPED-UP NET ANNUALISED RENT</b>	<b>26,167</b>	<b>19,174</b>	<b>1,627</b>	<b>46,968</b>
<b>EPRA NIY (%)</b>	<b>6.44%</b>	<b>5.70%</b>	<b>5.10%</b>	<b>6.06%</b>
<b>EPRA TOPPED-UP NIY (%)</b>	<b>6.55%</b>	<b>5.71%</b>	<b>5.10%</b>	<b>6.12%</b>

	30/09/2021			
(€000s)	Belgium	France	Spain	TOTAL
Investment properties in fair value	380,076	300,790	28,800	<b>709,666</b>
Properties held for sale (+)	1,360	0	0	<b>1,360</b>
Developments (-)	0	0	0	<b>0</b>
<b>PROPERTIES AVAILABLE FOR LEASE</b>	<b>381,436</b>	<b>300,790</b>	<b>28,800</b>	<b>711,026</b>
Allowance for estimated purchasers' costs (+)	9,564	19,869	970	<b>30,403</b>
<b>GROSS UP COMPLETED PROPERTY PORTFOLIO VALUATION</b>	<b>391,000</b>	<b>320,659</b>	<b>29,770</b>	<b>741,429</b>
Annualised cash passing rental income (+)	25,168	19,642	1,959	<b>46,770</b>
Property outgoings <sup>1</sup> (-)	-1,629	-737	0	<b>-2,367</b>
<b>ANNUALISED NET RENTS</b>	<b>23,539</b>	<b>18,905</b>	<b>1,959</b>	<b>44,403</b>
Notionnal rent expiration of rent free periods or other lease incentives (+)	624	26	0	<b>650</b>
<b>TOPPED-UP NET ANNUALISED RENT</b>	<b>24,163</b>	<b>18,931</b>	<b>1,959</b>	<b>45,053</b>
<b>EPRA NIY (%)</b>	<b>6.02%</b>	<b>5.90%</b>	<b>6.58%</b>	<b>5.99%</b>
<b>EPRA TOPPED-UP NIY (%)</b>	<b>6.18%</b>	<b>5.90%</b>	<b>6.58%</b>	<b>6.08%</b>

<sup>1</sup> 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 "property charges" as presented in the consolidated IFRS accounts.

## EPRA VACANCY RATE

(€000s)	30/09/2022			
	Belgium	France	Spain	TOTAL
Estimated rental value (ERV) of vacant space	1,004	334	293	<b>1,631</b>
Estimated rental value (ERV) of total portfolio	25,881	19,483	1,774	<b>47,138</b>
<b>EPRA VACANCY RATE (%)</b>	<b>3.88%</b>	<b>1.72%</b>	<b>16.50%</b>	<b>3.46%</b>

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

This decrease in the vacancy rate is mainly attributable to the following factors:

- In Belgium, the vacancy rate fell due to new lettings in Messancy, Jodoigne, Gosselies, Hannut and Genval.
- In France, the increase in the vacancy rate due to the departure of two tenants from the Chanas and Bourgoin-Jallieu properties.
- In Spain, there was a decrease in the vacancy rate due to a change in valuation parameters, despite the fact that the rental situation remained unchanged during the year with a vacancy of approximately 3,900 m<sup>2</sup> in the Valencia property.

## PROPERTIES UNDER CONSTRUCTION OR IN DEVELOPMENT

(€000s)	30/09/2022						
	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Lettable space (m <sup>2</sup> )	ERV on completion
<b>PROPERTIES BEING CONSTRUCTED OR DEVELOPED, INTENDED FOR RENTAL</b>	<b>439</b>	<b>1,061</b>	<b>0</b>	<b>1,500</b>	<b>January 2023</b>	<b>2,620 m<sup>2</sup></b>	<b>236</b>

(€000s)	30/09/2021						
	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Lettable space (m <sup>2</sup> )	ERV on completion
<b>PROPERTIES BEING CONSTRUCTED OR DEVELOPED, INTENDED FOR RENTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>

The development project in progress at 30 September 2022 concerns the 670m<sup>2</sup> extension of the Ottignies (Belgium) supermarket, which when completed will offer a rental area of 2,620m<sup>2</sup> entirely rented out to the current operator. The extension is expected to be delivered in the first half of financial year 2022/2023, at which point the project will join the rest of the site in the properties available for rental.

## EPRA COST RATIOS

(€000s)	30/09/2022	30/09/2021
<b>ADMINISTRATIVE/OPERATING EXPENSE LINE PER IFRS STATEMENT</b>	<b>-7,469</b>	<b>-9,049</b>
Rental-related charges	684	-1,371
Recovery of property charges	681	602
Rental charges and taxes normally paid by tenants on let properties	-108	-89
Other revenue and expenditure relating to rental	-239	32
Technical costs	-752	-1,153
Commercial costs	-542	-542
Charges and taxes on unlet properties	-442	-421
Property management costs	-2,080	-1,925
Other property charges	-188	-112
Corporate overheads	-4,481	-4,057
Other operating income and charges	-1	-12
<b>EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)</b>	<b>-7,469</b>	<b>-9,049</b>
Charges and taxes on unlet properties	442	421
<b>EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)</b>	<b>-7,026</b>	<b>-8,627</b>
<b>GROSS RENTAL INCOME</b>	<b>47,849</b>	<b>46,285</b>
<b>EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (%)</b>	<b>15.61%</b>	<b>19.55%</b>
<b>EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (%)</b>	<b>14.68%</b>	<b>18.64%</b>

Maintenance costs (upkeep, minor repairs, etc.) incurred on investment properties are charged to the operating result when they do not generate economic benefits for the properties concerned.

The decrease in EPRA Cost Ratios compared to the previous year is mainly due to the positive effect of reversals of provisions for rent concessions related to

the Covid-19 pandemic and for doubtful debts, both of which turned out to be significantly lower than initially expected. This impact is reflected in the heading "Rental-related charges" which shows a negative balance (i.e. income) for the financial year 2021/2022 whereas it was an expense in 2020/2021.

## EPRA CAPEX

(€000s)	30/09/2022	30/09/2021
<b>Investments relating to investment properties</b>		
(1) Acquisitions	0	6,382
(2) Development	470	1,885
(3) Property in operation	1,062	1,591
<b>TOTAL</b>	<b>1,531</b>	<b>9,858</b>

The EPRA Capex includes capital expenditure (renovation, redevelopment, etc.) on investment properties that is capitalised when it creates value and increases the expected economic benefits of the property.

During the 2021/2022 financial year, Ascencio carried out works worth €1.5 million, mainly corresponding to:

— the completion (€0.6 million) of the façade modernisation programme for the retail park in Messancy (Belgium).

— the start-up (€0.4 million) of the Ottignies (Belgium) supermarket extension programme, with a total budget of €1.8 million and an expected completion date in the second quarter of the 2022/2023 financial year.

— the development of areas to accommodate new tenants, such as in Belgium in Gerpinnes (Vanden Borre Kitchen), Gosselies (Aforest and Agrivaux), Hannut.

All capital expenditure is carried out by entities wholly owned by Ascencio (there are no joint ventures).



## EPRA LTV

(€000s)	30/09/2022	30/09/2021
<b>Include:</b>		
Borrowings from financial institutions	240,466	256,383
Commercial paper	30,750	47,000
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	0	0
Bond loans	55,500	30,500
Foreign currency derivatives (futures, swaps, options and forwards)	0	0
Net payables	5,848	6,896
Owner-occupied property (debt)	0	0
Current accounts (equity characteristic)	0	0
<b>Exclude:</b>		
Cash and cash equivalents	-4,356	-3,707
<b>Net debt (A)</b>	<b>328,208</b>	<b>337,072</b>
<b>Include:</b>		
Owner occupied property	35	46
Investment properties at fair value	738,612	713,601
Properties held for sale	0	1,360
Properties under development	320	0
Intangibles	24	0
Net receivables	0	0
Financial assets	471	471
<b>Total property value (B)</b>	<b>739,462</b>	<b>715,478</b>
<b>LTV (A/B)</b>	<b>44.4%</b>	<b>47.1%</b>

The calculation of EPRA LTV requires that all assets and liabilities of “joint-ventures”, “material associates” or minority interests be consolidated proportionally. However, all of the assets and liabilities are 100% owned by Ascencio.

## G — 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

	30/09/2022	30/09/2021	30/09/2020
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 (EUR)	56.00	51.50	60.00
Lowest price (EUR)	45.25	40.45	38.15
Closing price at 30/09 (EUR)	50.70	49.10	41.80
Stock market capitalisation <sup>1</sup> (€000s)	334,416	323,863	275,712
Net asset value IFRS per share (EUR)	66.25	56.15	52.88
EPRA NTA per share (EUR)	62.35	57.37	54.90
Premium (+) Discount (-) <sup>2</sup>	-23.5%	-12.6%	-21.0%
Annual volume	1,593,971	1,129,287	1,264,424
Velocity	24.2%	17.1%	19.2%
Gross dividend per share (EUR) <sup>3</sup>	3.95	3.70	3.65
Gross yield <sup>4</sup>	7.8%	7.5%	8.7%
Pay out ratio as compared to the corrected result <sup>5</sup>	76.8%	79.6%	80.6%

<sup>1</sup> Based on the closing price at 30/09.

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

<sup>3</sup> For 2021/2022, this is the dividend proposal subject to the approval of the general meeting of shareholders to be held on 31 January 2023.

<sup>4</sup> Based on the closing price at 30/09.

<sup>5</sup> 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.

## H — Outlook

After being strongly impacted for many months by the Covid-19 pandemic, the global macroeconomic context has been affected since the middle of the last financial year by the geopolitical conflict in Ukraine, with appreciable increases in inflation, interest rates and energy costs leading to a significant slowdown in economic activity.

In this turbulent environment, Ascencio's short-term priority remains to maintain its current excellent operational performance. This means continuing to proactively manage its property portfolio and its tenant-clients. By staying close to them and striving to meet their needs, the Company has demonstrated the resilience of its portfolio and its activities during this succession of crises.

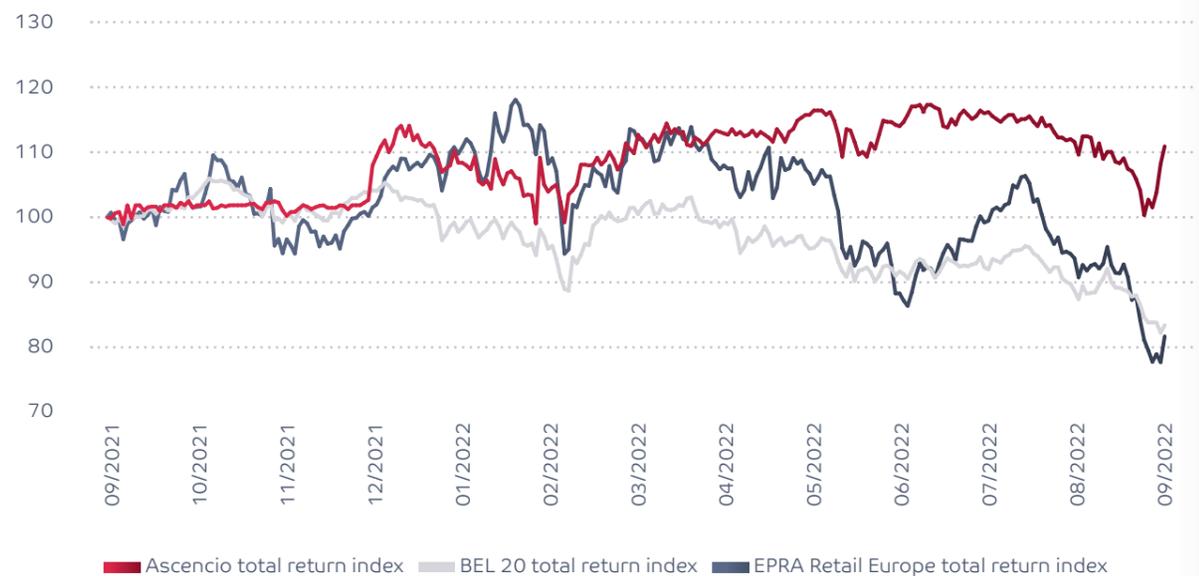
This portfolio management also involves implementing a policy of active transformation of its buildings, particularly from a technical point of view, to enable them to better meet the environmental challenges of tomorrow. Having defined its ESG policy over the past year, the Company now intends to accelerate the pace of ESG actions within its portfolio and team.

Finally, with its resilient portfolio and strong balance sheet, Ascencio is confident that investment opportunities will arise, both in the markets in which it is already active and in new markets. Ascencio must therefore be able to seize these opportunities if they arise.

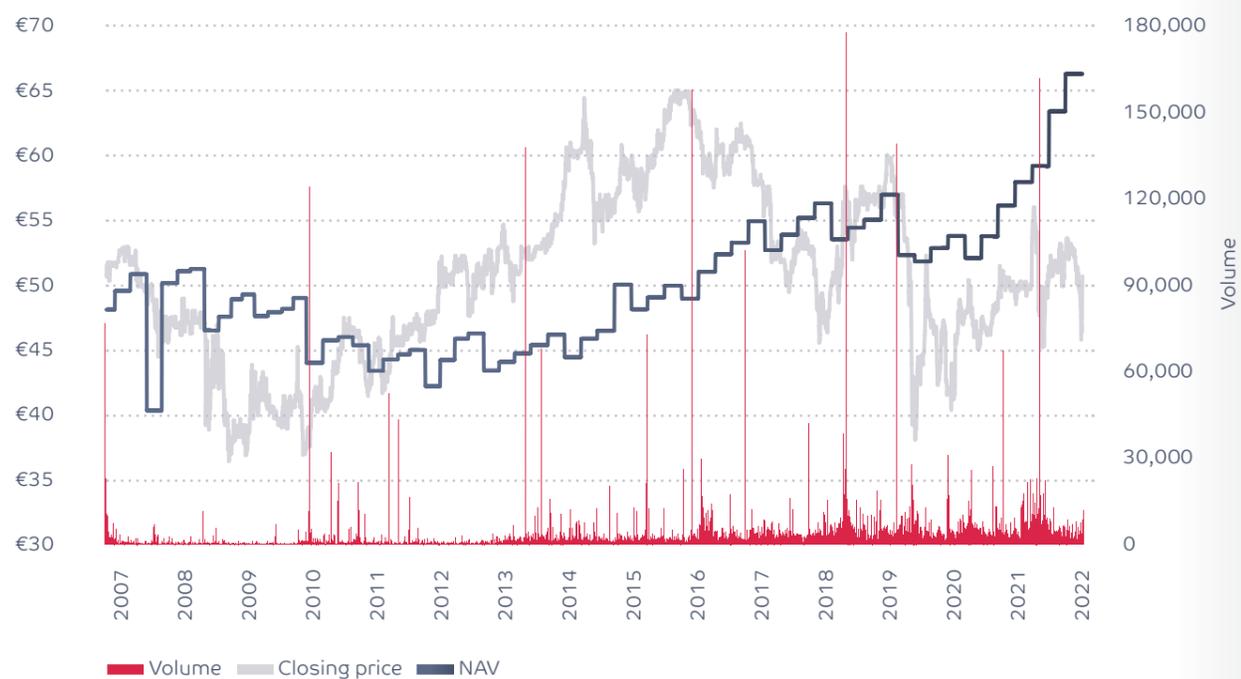
Based on these elements and taking into account the current valuation of the Company, Ascencio offers attractive long-term investment and dividend growth prospects.



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



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



## DIVIDEND POLICY

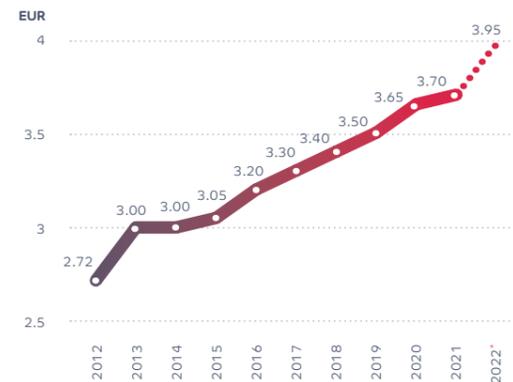
### OBLIGATION TO DISTRIBUTE DIVIDEND

In 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 the corrected result and net capital gains realised 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 to distribute a gross dividend per share of €3.95 will be submitted for approval to the ordinary general meeting of shareholders of 31 January 2023.

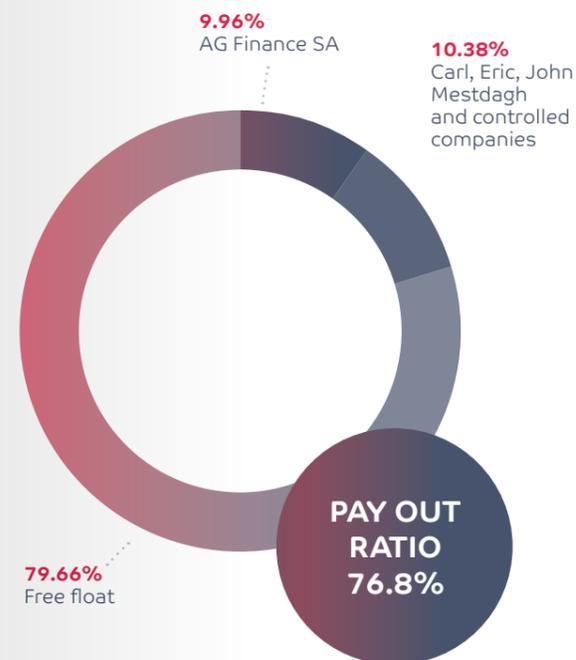
### GROWTH IN GROSS DIVIDEND PER SHARE



\* For 2021/2022, this is the dividend proposal subject to the approval of the general meeting of shareholders to be held on 31 January 2023.

## SHAREHOLDING

Ascencio's shareholding structure is as follows according to the transparency declarations registered at 30 September 2022:



## SHAREHOLDERS' DIARY<sup>1</sup>

Ordinary general meeting 2021/2022	31 January 2023 (2.30 p.m.)
Coupon payment date (ex-date)	6 February 2023
Record date	8 February 2023
Payment of dividend	9 February 2023
Interim statement at 31 December 2022	23 February 2023 (5.40 p.m.)
Interim financial report at 31 March 2023	25 May 2023 (5.40 p.m.)
Interim statement at 30 June 2023	17 August 2023 (5.40 p.m.)
Annual press release at 30 September 2023	23 November 2023 (5.40 p.m.)
Ordinary general meeting 2022/2023	31 January 2024 (5.40 p.m.)

<sup>1</sup> These dates are subject to change. Any changes, will be announced to shareholders by press release or on Ascencio's website ([www.ascencio.be](http://www.ascencio.be)).

# Financial report



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# A — Consolidated financial statements

## CONSOLIDATED BALANCE SHEET

ASSETS (€000s)	Note	30/09/2022	30/09/2021
<b>ASSETS</b>			
<b>I NON-CURRENT ASSETS</b>			
A Goodwill		0	0
B Intangible assets		24	0
C Investment properties	5	738,933	713,601
D Other tangible assets	6	35	46
E Non-current financial assets	7	31,514	1,354
F Finance lease receivables		0	0
G Trade receivables and other non-current assets		0	0
H Deferred tax assets		0	0
<b>TOTAL NON-CURRENT ASSETS</b>		<b>770,505</b>	<b>715,002</b>
<b>II CURRENT ASSETS</b>			
A Assets held for sale	8	0	1,360
B Current financial assets	7	885	0
C Finance lease receivables		0	0
D Trade receivables	10	4,956	5,773
E Tax receivables and other current assets	11	2,294	1,982
F Cash and cash equivalents		4,356	3,707
G Deferred charges and accrued income	12	317	253
<b>TOTAL CURRENT ASSETS</b>		<b>12,807</b>	<b>13,075</b>
<b>TOTAL ASSETS</b>		<b>783,312</b>	<b>728,076</b>

EQUITY AND LIABILITIES (€000s)	Note	30/09/2022	30/09/2021
<b>EQUITY</b>			
<b>I EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b>			
A Capital	13	38,659	38,659
B Share premium account	13	253,353	253,353
C Reserves		54,346	32,688
b. Reserve for changes in fair value of properties		39,896	26,791
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties		-9,923	-10,031
e. Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied		-4,483	-12,491
m. Other reserves		28,856	28,419
D Net result for the financial year		90,653	45,652
<b>TOTAL EQUITY</b>		<b>437,011</b>	<b>370,353</b>
<b>LIABILITIES</b>			
<b>I NON-CURRENT LIABILITIES</b>			
B Non-current financial debts		268,677	278,822
a. Credit institutions	14	209,355	243,985
b. Finance leases	14	0	170
c. Others	14	59,322	34,667
C Other non-current financial liabilities	15-16	2,476	10,275
F Deferred tax liabilities	17	6,170	1,275
b. Other		6,170	1,275
<b>II CURRENT LIABILITIES</b>		<b>68,978</b>	<b>67,351</b>
B Current financial debts		58,038	55,060
a. Credit institutions	14	27,243	7,894
b. Finance leases	14	0	120
c. Others	14	30,795	47,046
D Trade debts and other current debts		8,045	9,731
b. Other	18	8,045	9,731
F Accrued charges and deferred income	19	2,894	2,559
<b>TOTAL LIABILITIES</b>		<b>346,301</b>	<b>357,723</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>783,312</b>	<b>728,076</b>

## CONSOLIDATED INCOME STATEMENT

CONSOLIDATED NET RESULT (€000s)		Note	30/09/2022	30/09/2021
I	Rental income	20	47,849	46,285
III	Rental-related charges	21	684	-1,371
<b>NET RENTAL RESULT</b>			<b>48,533</b>	<b>44,914</b>
IV	Recovery of property charges	22	681	602 <sup>(*)</sup>
V	Recovery of rental charges and taxes normally assumed by tenants on let properties	23	6,914	6,491 <sup>(*)</sup>
VII	Rental charges and taxes normally assumed by tenants on let properties	24	-7,022	-6,580 <sup>(*)</sup>
VIII	Other revenue and rental-related charges		-239	32 <sup>(*)</sup>
<b>PROPERTY RESULT</b>			<b>48,867</b>	<b>45,460</b>
IX	Technical costs	25	-752	-1,153 <sup>(*)</sup>
X	Commercial costs	26	-542	-542 <sup>(*)</sup>
XI	Rental charges and taxes on unlet properties		-442	-421
XII	Property management costs	27	-2,080	-1,925 <sup>(*)</sup>
XIII	Other property charges	28	-188	-112 <sup>(*)</sup>
<b>PROPERTY CHARGES</b>			<b>-4,004</b>	<b>-4,154</b>
<b>PROPERTY OPERATING RESULT</b>			<b>44,863</b>	<b>41,305</b>
XIV	Corporate overheads	29	-4,481	-4,057
XV	Other operating income and charges	30	-1	-12
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>			<b>40,381</b>	<b>37,236</b>
XVI	Net gains and losses on disposals of investment properties	31	-159	0
XVIII	Changes in fair value of investment properties	32	23,800	9,835
<b>OPERATING RESULT</b>			<b>64,022</b>	<b>47,071</b>
XX	Financial income	33	134	0
XXI	Net interest charges	34	-5,710	-5,881
XXII	Other financial charges	35	-554	-427
XXIII	Changes in fair value of financial assets and liabilities	36	38,135	5,704
<b>FINANCIAL RESULT</b>			<b>32,004</b>	<b>-604</b>
<b>RESULT BEFORE TAX</b>			<b>96,027</b>	<b>46,467</b>
XXV	Corporate tax	37	-5,373	-815
<b>TAXES</b>			<b>-5,373</b>	<b>-815</b>
<b>NET RESULT</b>			<b>90,653</b>	<b>45,652</b>
- Net result - Group share			90,653	45,652
- Net result - Non-controlling interests			0	0
<b>BASIC NET RESULT AND DILUTED (€/SHARE, GROUP SHARE)</b>			<b>38</b>	<b>6.92</b>

<sup>(\*)</sup> Ascencio made a number of reclassifications within several income statement headings in the 2021/2022 financial year. For comparability purposes, these reclassifications have also been recorded in FY 2020/2021 without impacting on either EPRA Earnings or Net Result.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME (€000s)		Note	30/09/2022	30/09/2021
<b>I</b>	<b>NET RESULT</b>		<b>90,653</b>	<b>45,652</b>
<b>II</b>	<b>OTHER COMPREHENSIVE INCOME RECYCLABLE UNDER THE INCOME STATEMENT</b>		<b>107</b>	<b>-2</b>
A	Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties		107	0
H	Other comprehensive income for the year, net of tax <sup>(*)</sup>	6	0	-2
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<b>90,761</b>	<b>45,650</b>
Attributable to - Group share			90,761	45,650
- Non-controlling interests			0	0

<sup>(\*)</sup> Revaluation at fair value of the property occupied by Ascencio.

## CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOW (€000s)	30/09/2022	30/09/2021
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>3,707</b>	<b>4,710</b>
Result for the financial year	90,653	45,652
Financial result	6,130	604
Net capital gains or losses realised on disposal of assets	159	0
Income tax expense (- tax income)	477	372
Income statement items without treasury impact	-57,194	-9,205
+/- Change in the fair value of investment properties	-23,800	-9,835
+/- Change in non-current financial liabilities	-38,135	0
+/- Change in non-current deferred tax liabilities	4,896	443
+ Depreciation	35	82
+ Reductions in value	-191	106
Change in working capital requirement	-877	1,099
+/- Change in trade receivables	1,008	1,562
+/- Change in tax receivables and other current assets	-311	34
+/- Change in deferred charges and accrued income	-64	151
+/- Change in trade debts and other current debts	-1,844	231
+/- Change in accrued charges and deferred income	335	-879
Taxes paid	-446	-512
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>38,902</b>	<b>38,010</b>
- Acquisition of investment properties	0	-6,382
- Projects in development	-439	-1,885
- Other investments	-1,092	-1,591
- Acquisition of intangible assets	-24	0
- Acquisition of tangible assets	-24	-22
+ Disposals of investment properties	1,309	0
+ Disposals of financial liabilities	-571	0
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-842</b>	<b>-9,879</b>
Net change in financial liabilities	-6,813	642
Other changes in financial assets and liabilities	-138	404
Gross dividends paid	-24,405	-24,075
Finance charges paid	-6,055	-6,104
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-37,410</b>	<b>-29,133</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>4,356</b>	<b>3,707</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€000s)			Reserves*				Result for the financial year	Total equity
	Capital	Share premium account	C.b.	C.c.	C.e.	C.m.		
<b>BALANCE AT 30/09/2020</b>	<b>38,659</b>	<b>253,353</b>	<b>47,414</b>	<b>-10,031</b>	<b>-12,964</b>	<b>23,101</b>	<b>9,246</b>	<b>348,778</b>
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 reserves			-100		157	-57		0
Adjustment to reserves								0
<b>BALANCE AT 30/09/2021</b>	<b>38,659</b>	<b>253,353</b>	<b>26,791</b>	<b>-10,031</b>	<b>-12,491</b>	<b>28,419</b>	<b>45,652</b>	<b>370,353</b>

(€000s)			Reserves*				Result for the financial year	Total equity
	Capital	Share premium account	C.b.	C.c.	C.e.	C.m.		
<b>BALANCE AT 30/09/2021</b>	<b>38,659</b>	<b>253,353</b>	<b>26,791</b>	<b>-10,031</b>	<b>-12,491</b>	<b>28,419</b>	<b>45,652</b>	<b>370,353</b>
Distribution of dividends							-24,405	-24,405
Appropriation to reserves			9,860		4,841	6,547	-21,247	0
Capital increase							0	0
Net result							90,653	90,653
Other elements recognised in the global result				107				107
Reclassification of reserves			2,942		3,167	-6,110		0
Adjustment to reserves			303			0		303
<b>BALANCE AT 30/09/2022</b>	<b>38,659</b>	<b>253,353</b>	<b>39,896</b>	<b>-9,924</b>	<b>-4,483</b>	<b>28,856</b>	<b>90,653</b>	<b>437,011</b>

\* Reserves:

C.b.: Reserve for balance of 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 2020/2021, Ascencio reclassified from “Reserve for changes in fair value of properties” to “Other reserves” a positive amount of €100,000 corresponding to the change in value recorded during the financial year 2019/2020 on the Gosselies (Belgium) property (part II) sold during the financial year 2019/2020.
- During the financial year 2021/2022, Ascencio reclassified a negative amount of €2,942,000 from the “Reserve for changes in fair value of properties” to “Other reserves”, corresponding to the accumulated historical changes in value relating to the Sint-Niklaas (Belgium) property, the disposal of which was finalised during the financial year. Ascencio also revalued the financial liabilities recognised pursuant to IFRS 16; this required the recording of a positive impact of €303,000 in the reserve item for changes in the fair value of investment properties.

#### Reclassification of reserves for changes in fair value of authorised hedging instruments:

- During the financial year 2020/2021, Ascencio reclassified from “Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied” to “Other reserves” a negative amount of €157,000 corresponding to the cumulative change in value relating to the CAP options that expired during the financial year.
- During the financial year 2021/2022, Ascencio reclassified from “Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied” to “Other reserves” a negative amount of €3,167,000 corresponding to the cumulative changes in value relating to the CAP-type derivative instruments that were settled during the financial year and reclassified a CAP option premium that had expired.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 — GENERAL INFORMATION AND ACCOUNTING METHODS

#### GENERAL INFORMATION

Ascencio SCA (hereinafter referred to as “Ascencio SCA” or the “Company”) is an SIR (Société Immobilière Réglementée or Regulated Property Company, hereinafter referred to in the English translation as a “B-REIT” (Belgian real estate investment trust) incorporated under Belgian law. The consolidated financial statements of the Company at 30 September 2022 and covering the period from 1 October 2021 to 30 September 2022 were approved by the board of directors of the statutory manager on 23 November 2022.

The previous year’s figures presented cover the period from 1 October 2020 to 30 September 2021.

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 2022 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 annual periods starting on or after 1 October 2021

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 interest rate benchmark reform - Phase 2;
- Amendment to IFRS 16 Leases: COVID-19-related rent concessions (applicable to annual periods beginning on or after 1 April 2021);
- Amendments to IFRS 4 Insurance Contracts - Extension of the temporary exemption from applying IFRS 9 until 1 January 2023 (effective for annual periods beginning on or after 1 January 2021).

These new standards and interpretations had no impact on these consolidated financial statements.

##### Standards and interpretations issued but not yet adopted for the annual period starting on 1 October 2021

- Amendments to IAS 16 Property, Plant and Equipment: proceeds before intended use (applicable to annual periods beginning on or after 1 January 2022);
- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets: onerous contracts - Cost of fulfilling a contract (effective for annual periods beginning on or after 1 January 2022);
- Amendments to IFRS 3 Business Combinations: reference to the conceptual framework (effective for annual periods beginning on or after 1 January 2022);

- Annual improvements to IFRS Standards 2018-2020 cycle (effective for annual periods beginning on or after 1 January 2022);
- IFRS 17 Insurance contracts (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 1 Presentation of financial statements: classification of liabilities as current or non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet adopted at the European level);
- Amendments to IAS 1 Presentation of financial statements and IFRS 2 Practice Statement 2: Note on accounting policies (applicable for annual periods beginning on or after 1 January 2023, but not yet adopted at European level);
- Amendments to IAS 8 Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet adopted at European level);
- Amendments to IAS 12 Income taxes: Deferred taxes relating to assets and liabilities arising from the same transaction (applicable for annual periods beginning on or after 1 January 2023, but not yet adopted at EU level);
- Annual improvements to IFRS Standards 2018-2020 cycle (applicable for annual periods beginning on or after 1 January 2022, but not yet adopted at European level).

The Company is in the process of determining the consequences of introducing the changes listed above.

## B. BASIS OF THE PRESENTATION

The financial information is presented in thousands of euros. The financial statements are prepared on the historical cost basis except for the following assets and liabilities which are measured at fair value: investment properties<sup>1</sup>, properties held for sale, financial assets and liabilities held for hedging or trading purposes.

The basic principles applied in the preparation of the consolidated accounts are set out below.

## C. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and the financial statements of its controlled entities and subsidiaries. The Company has control when:

- it holds power over the issuing entity;
- it is exposed to, or entitled to, variable returns because of its relationship with the issuing entity;
- it has the ability to exercise its power to influence the amount of returns it receives.

Companies controlled by the Company are fully consolidated. The latter consists of the full inclusion of the assets and liabilities of the consolidated companies, as well as the income and expenses, less the required eliminations. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Consolidation of subsidiaries starts on the date on which Ascencio SCA acquires control of the entity until the date control ceases.

<sup>1</sup> Investment properties include the fair value of projects under development.

## D. INSTRUMENTS FINANCIERS DÉRIVÉS

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

The accounting treatment of derivative financial instruments depends on whether they qualify as hedging instruments and 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 the balance sheet date. Gains or losses arising from the application of fair value are recognised immediately in the income statement, unless the derivative is designated as a hedging instrument and qualifies for hedge accounting under IFRS 9.

If a derivative financial instrument meets the criteria for hedge accounting under IFRS 9 (cash flow or fair value hedge), the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge 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 for the sale of an asset or paid for the transfer of a liability in a normal 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 with a maturity of more than 12 months are generally included in the non-current item of the balance sheet, while other derivatives are included in the current item of the balance sheet.

## 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 acquired business are recognised at their fair values at the date of acquisition.

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, this excess (frequently referred to as “negative goodwill” or “badwill”) is recognised immediately in the income statement, after confirmation of the values.

Goodwill is tested for impairment at least annually in accordance with IAS 36 - Impairment of Assets.

## F. IMPAIRMENT OF ASSETS (NON FINANCIAL)

At each balance sheet date, the Company reviews the carrying amount of its assets (excluding investment properties) to assess whether there is any indication that an asset may be impaired, in which case an impairment test is performed.

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

If the carrying amount of an asset or CGU exceeds its recoverable amount, the excess is an impairment loss recognised directly in expenses and deducted in priority from the goodwill allocated to the CGU.

The Company assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of the asset. The new carrying amount of this asset, increased due to the reversal of an impairment loss, cannot be higher than the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised for this asset in prior 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 measured at acquisition cost, including transaction costs related to the acquisition. For properties acquired by way of merger, demerger or contribution, the taxes due on the capital gains of the absorbed companies are included in the acquisition cost.

#### **Measurement subsequent to initial recognition**

After initial recognition, properties available for rental are measured at fair value.

At the end of each quarter, an independent property valuer assesses the following items in detail:

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

The experts carry out their assessment in accordance with national and international standards. Fair value, which is calculated by reducing the investment value by an estimated amount for transfer costs, is defined as the most probable value that could reasonably be obtained between willing and knowledgeable parties in an arm's length transaction.

The estimated amount for the transfer fee 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 property portfolio as a whole, which can be disposed of 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, transfer taxes to be incurred on a hypothetical subsequent disposal were recognised on acquisition directly in equity via the Consolidated statement of comprehensive income (item "II.A. Impact on the 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.

For some of its investments, Ascencio does not hold full ownership but only the usufruct, through emphyteusis or other such rights. In accordance with IFRS 16, Ascencio has recognised the rights of use held by the Company on these investments under properties available for rental. In accordance with the standard and in a similar manner to other properties available for rental, these right of use assets are valued at their fair value revalued quarterly by the independent property experts.

Any subsequent fair value adjustments to properties available for rental are then recognised in the income statement in the period in which they arise and are subsequently allocated to the non-available reserves in the profit appropriation. These subsequent fair value adjustments do not affect the reserve for transfer taxes and duties 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 give rise to an economic benefit. They are capitalised if they increase the expected economic benefits.

#### **Development projects**

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

Development projects are initially measured at cost and subsequently at fair value, except for projects involving a property already recorded under property available for rental and measured at fair value, in which case it will be reclassified under development projects but will continue to be measured at fair value.

If the market value cannot be reliably established, development projects are valued at historical cost less any permanent impairment losses, which are recognised in the income statement under the item “Change in value of investment properties”.

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 business contract;
- 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 AND EQUIPMENT**

Property, plant and equipment other than real estate 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.

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

Annual depreciation percentages:

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

If there are indications that an asset may be impaired, its carrying amount will be compared with its recoverable amount. If the carrying amount is greater than the recoverable amount, an impairment loss 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 valued at the lower of acquisition cost 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 in hand and short-term investments. Insofar as they are subject to negligible changes in value, they are valued at their nominal value.

#### **K. EQUITY**

Equity instruments issued by the Company are recognised at the value of the consideration received, net of issue costs. Dividends are not recognised until they have been approved by the general meeting of shareholders.

#### **L. PROVISIONS**

A provision is recognised in the balance sheet when:

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

The provision is determined by discounting the expected future cash flows to their present value at a market rate, and where appropriate reflecting the specific risk of the liability.

#### M. TRADE PAYABLES

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

#### N. INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are measured at the value of the consideration received, less directly attributable costs. They are subsequently carried at amortised cost, the difference between cost and redemption value being recognised in the income statement over the term of the loan using 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 term 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 on property rentals are recognised as current expenditure for the year.

Commissions paid in connection with the acquisition of real estate, registration fees, notary fees and other ancillary costs are considered as transaction costs and are included in the acquisition cost of the property acquired.

#### R. TAXES

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

Current tax is the estimated tax on the taxable income of the current year, using the tax rate in force at the balance sheet date, together with any adjustments to tax liabilities relating to 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 SIGNIFICANT ESTIMATES AND ACCOUNTING JUDGEMENTS

Investment properties, which make up almost all (94%) of the Company's assets, are valued at 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 out its position at the balance sheet date, taking into account the prevailing spot and forward interest rates at that date, the option value 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, the assistance of third parties (experts, lawyers) and any other source that the Company considers relevant.

In preparing its consolidated financial statements, the Company is required to make a number of significant judgements in the application of accounting policies (such as the identification of business combinations and the calculation of deferred taxes) and to make a number of estimates. In making these assumptions, management may rely on its experience, the assistance of third parties (including property experts) and other factors deemed relevant. Actual results may differ from these estimates. Where appropriate, these are regularly reviewed and amended accordingly.

Following the closure of businesses imposed by the Covid-19 health crisis, Ascencio granted total or partial rent cancellations to tenants whose business was severely impacted by the crisis, as part of a settlement agreement negotiated between the lessor and lessee.

At 30/09/2021, Ascencio had reached agreements for almost all discussions with its Belgian and Spanish tenants, while provisions in the form of credit notes to be drawn up (for a total amount of €0.7 million) had been recognised to take account of the estimated impact of potential discussions still to take place with its French tenants.

At 30/09/2022, it appears that most of the risk associated with these potential discussions has been removed by the actual granting of rent reductions immediately taken into account during the year or by the absence of discussions. As a result, the provisions that had been recognised at 30/09/2021 were reversed during the year and therefore no longer constitute a source of uncertainty for the Company.

Assumptions adopted for the determination of financial liabilities in accordance with IFRS 16. For some of its investments, Ascencio does not hold full ownership but only the usufruct, through emphyteusis or other such rights. Specifically, financial liabilities have been created for this purpose in accordance with IFRS 16. These financial obligations relate to the present value of all future rents. Some assessments and estimates are made in determining the present value of these future rents, including the incremental interest rate as the discount rate for rents. The discount rate used to determine this liability is based on a combination of the interest rate curve plus a spread based on Ascencio's credit risk, both in line with the remaining term of the underlying right of use. The interest rate curve is, moreover, based on observable market data. The spread is based on recent Ascencio transactions and extrapolated by time. It is therefore an unobservable input. These financial liabilities were revalued during the past financial year, resulting in the recognition of a positive amount of €303,000 in the reserve for changes in fair value of investment properties.

### NOTE 3 — MANAGEMENT OF FINANCIAL RISKS

The financial risks faced by the Company are also described in the “Risk Factors” section of the annual report.

#### DEBT STRUCTURE AND DEBT RATIO

The debt structure at 30/09/2022 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. In addition, article 24 of the Royal Decree of 13 July 2014 requires B-REITs to submit a financial plan to the FSMA in the event that the consolidated debt ratio should exceed 50%.

At 30/09/2022, Ascencio’s debt ratio, as defined by the Royal Decree of 13 July 2014 stood respectively at 44.9% on a consolidated basis and 44.6% on a statutory basis.

After distribution of the dividend to be proposed to the general meeting of shareholders of 31 January 2023, the consolidated debt ratio will, ceteris paribus, come to around 48.5%.

#### INTEREST RATE RISK

At 30/09/2022, 58.4% of the financial debts were at floating rates and therefore exposed to interest rate changes. To hedge the risk of an increase in interest rates, Ascencio has a policy of securing interest rates over a period of several years for at least 75% of its financial debt.

The financial instruments available to Ascencio to hedge interest rate risk are described in note 15.

On the basis of the total financial debt at 30/09/2022 excluding IFRS 16 (€323.1 million) and the hedges put in place at that date, part of the debt equal to €308.7 million, representing 95.5% of the total debt, is hedged against the risk of an increase in interest rates by being made up of financing at fixed rates (conventional fixed rates or fixed via IRS). The balance of the debt, €14.4 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 2030. Details of the contracts entered into are shown in note 15.

Based on the hedges in place (IRS) and the structure and level of financial debt at 30/09/2022, the impact of a 100 bps increase in interest rates would result in an estimated increase in financial charges of €0.1 million over the 2022/2023 financial year.

The Company’s hedging ratio<sup>2</sup> is 95.5% at 30/09/2022 and, based on the level of financial debt at 30/09/2022, is set to remain above 75% until September 2027.

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

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.

In the financial year 2021/2022, the significant upward shift in the interest rate curve resulted in a positive change in the fair value of hedging instruments for Ascencio of €38.14 million. At 30/09/2022, these contracts have a positive net value of €31.93 million which represents the cash inflow that the Company would receive if it decided to terminate these contracts.

A simulation indicates that a 100 bps decrease in long-term (10-year) interest rates would result in a new (non-monetary) charge of €11.72 million, corresponding to the negative change in the fair value of the hedging instruments.

#### RISK RELATED TO THE EVOLUTION OF 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 change according to the overall economic situation but also according to the regulations applicable to the banking sector. The risk of an increase in the average cost of debt following an increase in bank margins arises in particular when credit lines are renewed or set up.

The increase in credit margins would lead to an increase in financial charges.

In order to limit this risk, the Company spreads the maturity of its financing over time and diversifies its sources of financing.

#### FINANCIAL LIQUIDITY RISK

Ascencio is exposed to liquidity risk in relation to the renewal of its maturing borrowings or for any additional borrowings required to meet its commitments. The Company could also face this risk in the event of the termination of its financing contracts.

If any of these situations arise, the Company may be forced to arrange new financing at a higher cost or to sell certain assets under less than optimal conditions.

In order to limit this risk, Ascencio diversifies its sources of financing. The Company is currently financed by bank loans from a diversified pool of ten or so Belgian and French banks, as well as by the issue of commercial paper, bonds and Medium Term Notes, the latter types of financing involving institutional investors rather than banking institutions:

- At 30/09/2022, Ascencio has €343 million in credit lines with four Belgian financial institutions and two French banks, which can be drawn down in the form of fixed term advances, with maturities ranging from 2023 to 2029. Ascencio has an undrawn balance of €109 million on these credit lines at 30/09/2022.
- Ascencio has investment loans from French banks on certain assets held in France and leases on certain Belgian properties.

- In order to diversify its sources of financing and to reduce the cost of financing, Ascencio has a commercial paper programme for an amount of up to €100.0 million. At 30/09/2022, this programme was used for short-term issues of €30.8 million (commercial paper) and €30.5 million for longer term issues (Medium Term Notes). In order to cover the risk of non-renewal of commercial paper issued in the short term, Ascencio ensures that it has an unused amount of credit lines usable by fixed-term advances that is at least equal to the outstanding amount of its commercial paper issues. During the 2021/2022 financial year, Ascencio also continued to seek to diversify its sources of financing by carrying out an initial bond issue in the form of a private placement for a total amount of €25 million, carried out in three tranches distributed as follows: €10 million at three years, €5 million at four years and €10 million at five years. This new financing, at a fixed rate and with an average total duration of four years, allows Ascencio to further reduce the weight of bank debt within its financing structure.

At 30/09/2022, total financial liabilities (excluding IFRS 16) amounted to €323.1 million. The principal repayment schedule of these borrowings is as follows:

- 2022/2023: €60.49 million
- 2023/2024: €48.58 million
- 2024/2025: €87.06 million
- 2025/2026: €47.50 million
- 2026/2027: €28.58 million
- 2027/2028: €20.40 million
- 2028/2029: €20.50 million
- 2029/2030: €10.00 million

#### FINANCIAL COUNTERPARTY RISK

The conclusion of a financing or hedging instrument with a financial institution creates a counterparty risk in the event of default by that institution. The Company could find itself in a situation where it cannot access the financing in place or the cash flows to which it is entitled under hedging instruments.

In order to limit this risk, Ascencio is careful to diversify its banking relationships. At 30/09/2022, the Company has business relationships with various banks:

- for bank financing, the counterparty banks are, in alphabetical order, Banque Populaire Loire et Lyonnais, BECM, Belfius, BNP Paribas Fortis, Caisse d'Epargne Nord Europe, CBC, CIC, Crédit Agricole and ING.
- for interest rate hedging instruments, the counterparty banks are, in alphabetical order, Belfius, BNP Paribas Fortis, CBC, ING and Natixis.

#### RISK RELATED TO THE OBLIGATIONS CONTAINED IN THE FINANCING CONTRACTS

The Company is exposed to the risk that its financing agreements may be cancelled, renegotiated or terminated early in the event that it does not comply with the commitments made when these agreements were signed, particularly with regard to certain financial ratios (covenants). These commitments are in line with market practice for such facilities.

In addition, the Company is exposed to the risk of having to repay its financing contracts early in the event of a change of control, in the event of a breach of its obligations and, more generally, in the event of a default situation covered by these contracts. A situation of default on one contract may lead to a situation of default on all contracts (cross-default and cross-acceleration clauses). Although, on the basis of the information in its possession and the forecasts that can reasonably be made on this basis, the Company is not currently aware of any elements that would allow it to conclude that one or more of these commitments may not be respected in the foreseeable future, the risk of non-compliance cannot be ruled out. In addition, the Company does not have control over the fulfilment of certain covenants which may lead to early termination of the credit agreements, such as in the event of a change of control.

In order to limit this risk, Ascencio negotiates with its counterparties covenant levels that are compatible with its forecast estimates and regularly monitors the evolution of the covenant level.

In addition, some financing contracts provide for the payment of a penalty if they are terminated early.

If a financing agreement were to be called into question, the Company would have to arrange alternative financing at a potentially higher cost.

#### EXCHANGE RISK

Ascencio generates 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.

At 30/09/2022, commercial properties represented 99.2% of the fair value of the investment property portfolio. The balance consists of a mixed-use office and warehouse property of 7,638 m<sup>2</sup>, two apartments and an office space.

At 30/09/2022, properties located in Belgium represented 53.3% of the fair value of the portfolio, those located in France 42.5% and those located in Spain 4.2%.

In accordance with 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 to 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 thus also for reporting operating segments as presented hereunder.

All revenues come from external customers.

All assets held in France and Spain are for commercial use.

At 30/09/2022, two tenants accounted for between 9% and 10% of consolidated rental income:

- Casino: 9.9%
- Mestdagh Group: 9.7% (taken over by Intermarché effective 1 January 2023)

(€000s)	Belgium		France		Spain		Unallocated		Total	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021
I Rental income	26,152	25,011	19,781	19,314	1,917	1,960	0	0	47,849	46,285
III Rental-related charges	35	-610	664	-702	-15	-59	0	0	684	-1,371
<b>NET RENTAL RESULT</b>	<b>26,187</b>	<b>24,400</b>	<b>20,445</b>	<b>18,613</b>	<b>1,902</b>	<b>1,901</b>	<b>0</b>	<b>0</b>	<b>48,533</b>	<b>44,914</b>
IV Recovery of property charges	446	478	224	125	11	0			681	602
V Recovery of rental charges and taxes normally paid by tenants on let properties	3,530	3,395	3,189	2,910	195	187	0	0	6,914	6,491
VII Rental charges and taxes normally paid by tenants on let properties	-3,647	-3,519	-3,179	-2,858	-195	-202	0	0	-7,022	-6,580
VIII Other revenue and rental-related charges	-263	29	22	0	3	3	0	0	-239	32
<b>PROPERTY RESULT</b>	<b>26,251</b>	<b>24,782</b>	<b>20,700</b>	<b>18,788</b>	<b>1,916</b>	<b>1,889</b>	<b>0</b>	<b>0</b>	<b>48,867</b>	<b>45,460</b>
IX Technical costs	-680	-1,019	-72	-135	0		0	0	-752	-1,153
X Commercial costs	-437	-464	-104	-77	0	0	0	0	-542	-542
XI Rental charges and taxes on unlet properties	-383	-380	-40	-41	-19	0	0	0	-442	-421
XII Property management costs	-1,358	-1,288	-705	-637	-16	0	0	0	-2,080	-1,925
XIII Other property charges	-75	-7	-110	-106	-3	0	0	0	-188	-112
<b>PROPERTY CHARGES</b>	<b>-2,934</b>	<b>-3,159</b>	<b>-1,032</b>	<b>-995</b>	<b>-38</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-4,004</b>	<b>-4,154</b>

(€000s)	Belgium		France		Spain		Unallocated		Total	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021
<b>PROPERTY OPERATING RESULT</b>	<b>23,317</b>	<b>21,623</b>	<b>19,669</b>	<b>17,793</b>	<b>1,877</b>	<b>1,889</b>	<b>0</b>	<b>0</b>	<b>44,863</b>	<b>41,305</b>
XIV Corporate overheads	-3,087	-2,903	-1,229	-1,058	-165	-96	0	0	-4,481	-4,057
XV Other operating income and charges	0	0	-1	2	0	-14	0	0	-1	-12
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>20,231</b>	<b>18,721</b>	<b>18,438</b>	<b>16,736</b>	<b>1,712</b>	<b>1,779</b>	<b>0</b>	<b>0</b>	<b>40,381</b>	<b>37,236</b>
XVI Net gains and losses on disposals of investment properties	-159	0	0	0	0	0	0	0	-159	0
XVIII Change in the fair value of investment properties	8,651	4,290	13,099	6,270	2,050	-725	0	0	23,800	9,835
XIX Other result on the portfolio	0	0	0	0	0	0	0	0	0	0
<b>OPERATING RESULT</b>	<b>28,723</b>	<b>23,011</b>	<b>31,537</b>	<b>23,006</b>	<b>3,762</b>	<b>1,054</b>	<b>0</b>	<b>0</b>	<b>64,022</b>	<b>47,071</b>
XX Financial income	134	0	0	0	0	0	0	0	134	0
XXI Interest charges	0	0	0	0	0	0	-5,710	-5,881	-5,710	-5,881
XXII Other financial charges	0	0	0	0	0	0	-554	-427	-554	-427
XXIII Change in fair value of financial assets and liabilities	0	0	0	0	0	0	38,135	5,704	38,135	5,704
<b>FINANCIAL RESULT</b>	<b>134</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,870</b>	<b>-604</b>	<b>32,004</b>	<b>-604</b>
<b>RESULT BEFORE TAX</b>	<b>28,857</b>	<b>23,011</b>	<b>31,537</b>	<b>23,006</b>	<b>3,762</b>	<b>1,054</b>	<b>31,870</b>	<b>-604</b>	<b>96,027</b>	<b>46,467</b>
XXV Corporate tax	-3	-3	-4,965	-621	-405	-190	0	0	-5,373	-815
XXVI Exit Tax	0	0	0	0	0	0	0	0	0	0
<b>TAXES</b>	<b>-3</b>	<b>-3</b>	<b>-4,965</b>	<b>-621</b>	<b>-405</b>	<b>-190</b>	<b>0</b>	<b>0</b>	<b>-5,373</b>	<b>-815</b>
<b>NET RESULT</b>	<b>28,854</b>	<b>23,008</b>	<b>26,572</b>	<b>22,385</b>	<b>3,357</b>	<b>864</b>	<b>31,870</b>	<b>-604</b>	<b>90,653</b>	<b>45,652</b>

(€000s)	Belgium		France		Spain		Unallocated		Total	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021
Intangible assets	24	0	0	0	0	0	0	0	24	0
Investment properties	394,147	384,011	313,936	300,790	30,850	28,800	0	0	738,933	713,601
Other tangible assets	35	46	0	0	0	0	0	0	35	46
Other non-current assets	31,109	950	9	9	396	396	0	0	31,514	1,354
Current assets	5,738	6,302	5,666	6,116	1,403	656	0	0	12,807	13,075
<b>TOTAL ASSETS</b>	<b>431,052</b>	<b>391,309</b>	<b>319,611</b>	<b>306,915</b>	<b>32,649</b>	<b>29,852</b>	<b>0</b>	<b>0</b>	<b>783,312</b>	<b>728,076</b>

## NOTE 5 — INVESTMENT PROPERTIES

(€000s)	30/09/2022	30/09/2021
Properties available for rental	738,612	713,601
Development projects	320	0
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>738,933</b>	<b>713,601</b>

### A. PROPERTIES AVAILABLE FOR RENTAL

(€000s)	30/09/2022	30/09/2021
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>713,601</b>	<b>693,926</b>
Investments	1,092	3,476
Acquisitions	0	6,382
Transfer from other tangible assets	0	926
Transfer from the development projects account	0	415
Transfer from assets held for sale	0	-1,360
Change in fair value	23,919	9,835
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>738,612</b>	<b>713,601</b>

Changes in fair value of 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, acquisitions and disposals during the year:

In terms of investments within its portfolio of properties available for rental, Ascencio carried out €1.1 million of works, mainly corresponding to:

- the completion (€0.6 million) of the façade modernisation programme for the Messancy retail park (Belgium). The completion of these works has enabled Ascencio to increase the occupancy rate of this park by welcoming several tenants.
- the development of areas to accommodate new tenants, such as in Belgium in Gerpinnes (Vanden Borre Kitchen), Gosselies (Aforest and Agrivaux), Hannut.

No new acquisitions or disposals were made within the portfolio of properties available for rental during the past financial year.

#### Change in value:

Overall, properties available for rental recorded an increase in value of €23.9 million, representing a positive value evolution of 3.3% since the beginning of the financial year. This positive trend was observed in Belgium, France and Spain and illustrates the resilience of the out-of-town property and food sectors that make up Ascencio's portfolio.

As indicated above in the valuation rules, it should be noted that the properties in the French portfolio are valued net of transfer taxes applicable to these assets in the event of their disposal. The rate of these transfer taxes varies according to the age of the property concerned, with the applicable rates increasing when the underlying property is more than five years old. At 30/09/2022, all properties in the French portfolio are now more than five years old and can therefore no longer benefit from valuations with reduced transfer tax rates.

#### Properties held under leases:

During the financial year 2021/2022, Ascencio exercised its purchase option on a leased building for an amount of €200,000. This property is now fully owned in the Company's investment property portfolio.

### B. DEVELOPMENT PROJECTS

(€000s)	30/09/2022	30/09/2021
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>0</b>	<b>415</b>
Investments	439	0
Transfer to investment properties	0	-415
Change in fair value	-119	0
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>320</b>	<b>0</b>

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

In the course of the 2021/2022 financial year, Ascencio started (€0.4 million) the expansion programme for the Ottignies (Belgium) supermarket, with a total budget of €1.8 million and an expected completion date in the second quarter of the 2022/2023 financial year. The extended building is already the subject of a new occupancy agreement with Carrefour-Mestdagh (soon to be Intermarché). These investments, which were initially carried at amortised cost, were revalued to fair value at 30/09/2022, resulting in a negative revaluation of the project of €0.1 million. This extension project will join the existing building in the available for rental category when it is delivered in the financial year 2022/2023.

### VALUATION AT FAIR VALUE

The investment properties and development projects are valued at fair value at 30/09/2022 by the independent experts (CBRE, Jones Lang Lasalle and Cushman & Wakefield). The fair value of a property corresponds to its investment value, i.e. its value including registration fees and other transaction costs, from which an allowance for transfer costs is deducted (see note 1.G).

All investment properties have been classified from the first application of IFRS 13 as level 3 on the fair value scale defined under IFRS 13. This scale has 3 levels:

- Level 1: quoted prices observable in active markets
- Level 2: observable inputs other than quoted prices included in level 1
- Level 3: unobservable inputs

During the financial year 2021/2022 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 properties in the portfolio: 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 surfaces let above or below their rental value, vacancy periods, etc.

The yield used for both methods represents the yield expected by investors on this type of asset. It reflects the intrinsic risks of the property and the sector (future rental vacancies, credit risk, maintenance obligations, etc.).

To determine this return, the experts based themselves on the most comparable transactions and on the transactions currently in progress in their investment department.

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

### QUANTITATIVE INFORMATION CONCERNING THE FAIR VALUE MEASUREMENT BASED ON "UNOBSERVABLE" INPUTS

The main quantitative information relating to the establishment of the fair value of investment properties, based on unobservable data (level 3) presented below is extracted from the reports drawn up by the independent property experts:

COUNTRY	FAIR VALUE 30/09/2022 (€000s)	EVALUATION METHOD	UNOBSERVABLE DATA	MIN	MAX	WEIGHTED AVERAGE
Belgium	389,765	Capitalisation	Estimated rental value	41 €/m <sup>2</sup>	194 €/m <sup>2</sup>	97 €/m <sup>2</sup>
			Capitalisation rate	5.0%	8.5%	6.4%
France	313,936	Capitalisation	Estimated rental value	93 €/m <sup>2</sup>	276 €/m <sup>2</sup>	155 €/m <sup>2</sup>
			Capitalisation rate	4.6%	7.2%	5.8%
Spain	30,850	Capitalisation	Estimated rental value	83 €/m <sup>2</sup>	202 €/m <sup>2</sup>	170 €/m <sup>2</sup>
			Capitalisation rate	5.8%	7.3%	6.1%
<b>TOTAL</b>	<b>734,551</b>					

COUNTRY	FAIR VALUE 30/09/2022 (€000s)	EVALUATION METHOD	UNOBSERVABLE DATA	MIN	MAX	WEIGHTED AVERAGE
Belgium	380,076	Capitalisation	Estimated rental value	41 €/m <sup>2</sup>	194 €/m <sup>2</sup>	96 €/m <sup>2</sup>
			Capitalisation rate	5.0%	8.3%	6.4%
France	300,790	Capitalisation	Estimated rental value	67 €/m <sup>2</sup>	276 €/m <sup>2</sup>	153 €/m <sup>2</sup>
			Capitalisation rate	4.6%	8.3%	6.0%
Spain	28,800	Capitalisation	Estimated rental value	87 €/m <sup>2</sup>	202 €/m <sup>2</sup>	168 €/m <sup>2</sup>
			Capitalisation rate	6.0%	7.1%	6.3%
<b>TOTAL</b>	<b>709,666</b>					

The estimated rental value (ERV) of a property depends on several factors and mainly on its location (main cities, secondary cities in the provinces), the quality of the property, the nature of the surface areas (sales area, storage area) and the size of the surface areas rented. These factors explain the difference between the minimum and maximum ERVs.

The remaining duration of the contracts and the rental areas are available in the management report - property report above.

## SENSITIVITY OF THE FAIR VALUE OF PROPERTIES TO CHANGES IN UNOBSERVABLE INPUTS

- An increase of 5% in the estimated rental values (ERVs) of the properties would result in an increase of €38,349,000 in the fair value of the portfolio.
- A decrease of 5% in the ERVs of the properties would result in a decrease of €38,349,000.
- An increase of 0.5% in the capitalisation rate would result in a decrease of €57,704,000 in the fair value of the portfolio.
- A decrease of 0.5% in the capitalisation rate would result in an increase of €67,925,000 in the fair value of the portfolio.

In addition, there may be interrelationships between unobservable inputs as they are partly determined by market conditions. However, this correlation has not been taken into account in the sensitivity test above, which foresees independent upward and downward variations of these two parameters.

## VALUATION PROCESS

The process of valuing properties is carried out on a quarterly basis as follows:

- At the end of each quarter, the Company sends the valuers detailed information on the portfolio's rental situation (leased areas, current rents, break and expiry dates of contracts, investments to be made). This information is extracted from the building management system. Lease agreements for new acquisitions and amendments to existing agreements are also provided to the experts.
- This information is then incorporated by the experts 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 rental vacancy assumptions.
- The experts then report the individual valuations of the property portfolio as derived from their model.
- The valuations are reviewed by the finance and property departments to ensure that the Company has a good understanding of the assumptions made by the experts.
- The summary tables of individual property valuations are sent to the accounting department for the purpose of making the quarterly accounting entry for the portfolio revaluation.
- The portfolio values thus recorded are submitted to the audit committee prior to the board of directors' approval of the financial statements.

## USE OF PROPERTIES

The Company considers that the current use of the investment properties carried at fair value in the balance sheet is optimal, taking into account their technical characteristics and the possibilities offered by the rental market.

## NOTE 6 — OTHER TANGIBLE ASSETS

(€000s)	Assets held for own use		Others		Total	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>0</b>	<b>928</b>	<b>46</b>	<b>106</b>	<b>46</b>	<b>1.034</b>
Entries	0	0	24	22	24	22
Transfer in properties available for rental	0	-928	0	0	0	-928
Exits	0	0	0	0	0	0
Depreciation	0	0	-35	-82	-35	-82
Change in value	0	0	0	0	0	0
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>0</b>	<b>0</b>	<b>35</b>	<b>46</b>	<b>35</b>	<b>46</b>

The heading "Assets held for own use" previously included the part of the building located at Avenue Jean Mermoz in Gosselies (Belgium) used as the Company's headquarters. However, during the previous financial year, this was reclassified under the heading of buildings available for rental and therefore no longer appears under the heading of other tangible fixed assets in the balance sheet, which now only includes, in a sub-heading 'Others', office furniture and equipment used by the Company at its depreciated cost.

## NOTE 7 — CURRENT AND NON-CURRENT FINANCIAL ASSETS

(€000s)	30/09/2022	30/09/2021
Assets at fair value through the income statement	31,043	883
Other	471	471
<b>NON-CURRENT FINANCIAL ASSETS</b>	<b>31,514</b>	<b>1,354</b>
Assets at fair value through the income statement	885	0
<b>CURRENT FINANCIAL ASSETS</b>	<b>885</b>	<b>0</b>

The item “Assets at fair value through in the income statement” reflects the fair value measurement of derivative financial instruments, in accordance with IFRS 9 “Financial Instruments”, which have a positive value. In the contrary case, their value is included in the equivalent liability item (see note 16). At 30/09/2022, all IRS type financial instruments held by the Company had a positive market value, for a total amount of €31,928,000, of which €31,043,000 are included in non-current financial assets due to their maturities of more than one year and €885,000 are included in current financial assets due to their maturities occurring during the financial year 2022/2023.

## NOTE 8 — ASSETS HELD FOR SALE

(€000s)	30/09/2022	30/09/2021
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>1,360</b>	<b>0</b>
Transfer to investment properties	0	1,360
Disposals	-1,360	0
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>0</b>	<b>1,360</b>

During the past financial year, the building in Sint-Niklaas (Belgium) was effectively sold and therefore removed from the balance sheet heading “Assets held for sale”, in which it was recorded on 30/09/2021.

## NOTE 9 — CATEGORIES AND DESIGNATION OF FINANCIAL INSTRUMENTS

(€000s)	30/09/2022		30/09/2021		Category	Level
	Carrying amount	Fair value	Carrying amount	Fair value		
<b>NON-CURRENT ASSETS</b>	<b>31,514</b>	<b>31,514</b>	<b>1,354</b>	<b>1,354</b>		
Deposits in guarantee received	471	471	471	471	A	2
Derivative instruments (IRS)	31,043	31,043	883	883	C	2
<b>CURRENT ASSETS</b>	<b>12,490</b>	<b>12,490</b>	<b>11,462</b>	<b>11,462</b>		
Derivative instruments (IRS)	885	885	0	0	C	2
Trade receivables	4,956	4,956	5,773	5,773	A	2
Receivables and other current assets	2,294	2,294	1,982	1,982	A	2
Cash and cash equivalents	4,356	4,356	3,707	3,707	A	2
<b>TOTAL</b>	<b>44,004</b>	<b>44,004</b>	<b>12,816</b>	<b>12,816</b>		

(€000s)	30/09/2022		30/09/2021		Category	Level
	Carrying amount	Fair value	Carrying amount	Fair value		
<b>NON-CURRENT LIABILITIES</b>	<b>271,153</b>	<b>265,058</b>	<b>289,098</b>	<b>291,021</b>		
Bank borrowings	209,355	205,940	244,155	245,221	A	2
Other non-current financial debts	55,500	52,820	30,500	31,357	A	2
Non-current financial debts IFRS 16	3,822	3,822	4,167	4,167	A	2
Derivative instruments (IRS)	0	0	7,662	7,662	C	2
Guarantees received	2,476	2,476	2,613	2,613	A	2
<b>CURRENT LIABILITIES</b>	<b>66,084</b>	<b>66,084</b>	<b>64,792</b>	<b>64,792</b>		
Bank borrowings	27,243	27,243	8,014	8,014	A	2
Current financial debts IFRS 16	45	45	46	46	A	2
Others current financial debts	30,750	30,750	47,000	47,000	A	2
Trade debts	5,401	5,401	7,157	7,157	A	2
Other current debts	2,644	2,644	2,574	2,574	A	2
<b>TOTAL</b>	<b>337,237</b>	<b>331,142</b>	<b>353,890</b>	<b>355,813</b>		

The categories in question follow the classification prescribed by IFRS 9:

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

- Level 1 fair value measurements are those based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those based on inputs other than quoted prices as per Level 1 but which are observable for the asset or liability concerned, either directly (from prices) or indirectly (from data deriving from prices);
- Level 3 fair value measurements are those based on valuation techniques that include inputs for the asset or liability that 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 using 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 based on amortised cost;
- For floating rate loans, the fair value is considered not to be significantly different from the carrying amount based on amortised cost;
- For fixed rate loans, the fair value corresponds to the present value of the capital and interest flows (based on the IRS rate for the remaining term of the loan and the margin applicable to the latest bank financing concluded by Ascencio);
- For derivatives, fair value is determined by discounting estimated future cash flows 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	360	154	4,229	<b>4,743</b>
Doubtful debtors	634	0	0	<b>634</b>
Write-downs on doubtful debtors	-422	0	0	<b>-422</b>
<b>BALANCE AT 30/09/2022</b>	<b>572</b>	<b>154</b>	<b>4,229</b>	<b>4,956</b>
Non-doubtful receivables	688	187	4,330	<b>5,205</b>
Doubtful debtors	1,489	0	0	<b>1,489</b>
Write-downs on doubtful debtors	-921	0	0	<b>-921</b>
<b>BALANCE AT 30/09/2021</b>	<b>1,256</b>	<b>187</b>	<b>4,330</b>	<b>5,773</b>

The carrying amount of trade receivables is expected to be recovered within 12 months. This carrying amount is an approximation of the fair value of the assets, which are non-interest bearing. At 30/09/2022, non-performing loans of more than 90 days amounted to €360,000 down from €688,000 at the end of the previous financial year.

The credit risk related to trade receivables is limited due to the diversity of the customer base and the rental guarantees provided by tenants to cover their commitments. The amounts shown in the balance sheet are after write-downs for bad debts. As a result, the exposure to credit risk is reflected in the carrying amount of the receivables in the balance sheet.

At 30/09/2022, doubtful debts amounted to €634,000 (compared to €1,489,000 at 30/09/2021). The reduction in the balance of doubtful debts at 30/09/2022 is mainly due to the improvement in the market environment during the past year compared to the previous year, when the Covid-19 pandemic had a strong impact on the payment behaviour of tenants.

Doubtful debts have been written down by €422,000 (€921,000 at 30/09/2021). This amount represents the estimated risk of default at 30/09/2022 based on the analysis of trade receivables at that date. The amount of doubtful receivables not subject to impairment (€212,000) is for the most part covered by guarantees provided by the tenants concerned.

Historical information indicates that the accounting treatment of doubtful debts, as set out in IFRS 9, has no material impact on the financial statements.

The risk related to trade receivables (Tenant Insolvency Risk) is described in the “Risk Factors - Tenant Insolvency Risk” section of the annual report.

The distribution of tenants (based on the rents received) is shown in the “Property Report” section of the annual report.

Impairment losses developed as follows:

(€000s)	30/09/2022	30/09/2021
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>921</b>	<b>908</b>
Additions	80	420
Charged to provisions	0	-93
Reversals	-579	-314
VAT to be reclaimed on doubtful receivables	0	0
Acquisition of subsidiaries	0	0
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>422</b>	<b>921</b>

## NOTE 11 — TAX RECEIVABLES AND OTHER CURRENT ASSETS

(€000s)	30/09/2022	30/09/2021
Taxes	523	703
Other	1,771	1,280
<b>TOTAL</b>	<b>2,294</b>	<b>1,982</b>

The “Taxes” heading mainly includes amounts of VAT to be recovered but also the amounts of advance tax payments made by Ascencio Iberia during the 2021/2022 financial year (€149,000) before it opted for the SOCIMI tax regime. As the option to this status has the impact of exempting Ascencio Iberia from paying tax on its result, the amounts paid can be recovered and will be the subject of a refund request to the Spanish tax authorities during the financial year 2022/2023.

The “Other” heading mainly includes calls for provisions from property managers corresponding to provisions for charges established by the French managers and invoiced to tenants.

## NOTE 12 — DEFERRED CHARGES AND ACCRUED INCOME

(€000s)	30/09/2022	30/09/2021
Prepaid interest and other financial charges	66	17
Other	251	237
<b>TOTAL</b>	<b>317</b>	<b>253</b>

## NOTE 13 — SHARE CAPITAL AND SHARE PREMIUM

(€000s)	30/09/2022	30/09/2021
Subscribed capital	39,576	39,576
Costs of capital increase	-917	-917
<b>TOTAL</b>	<b>38,659</b>	<b>38,659</b>
Share premium	256,252	256,252
Costs deducted from share premium	-2,899	-2,899
<b>TOTAL</b>	<b>253,353</b>	<b>253,353</b>

At 30/09/2022 the share capital stood at €39,576,000 represented by 6.595.985 shares with no nominal value. The share premiums amount to €256,252,000. These amounts have remained unchanged over the past year.

Following the deduction of capital increase costs (at the creation of the Company and on the occasion of subsequent capital increases), the capital and share premiums as shown in the consolidated accounts at 30/09/2022 amount to €38,659,000 and €253,353,000 respectively.

The evolution of the number of shares since the incorporation of the Company 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
<b>NUMBER OF SHARES AT 30 SEPTEMBER 2022</b>	<b>6,595,985</b>

The statutory manager declares that there are no different voting rights attached to the shares of the Company.

## NOTE 14 — CURRENT AND NON-CURRENT FINANCIAL DEBTS

(€000s)	30/09/2022	30/09/2021
<b>Non-current financial debts</b>	<b>268,677</b>	<b>278,822</b>
a. Credit institutions	209,355	243,985
b. Finance leases	0	170
c. Other - MTN and Bonds	55,500	30,500
d. Other - Financial debts IFRS 16	3,822	4,167
<b>Current financial debts</b>	<b>58,038</b>	<b>55,060</b>
a. Credit institutions	27,243	7,894
b. Finance leases	0	120
c. Other - Commercial paper	30,750	47,000
d. Other - Financial debts IFRS 16	45	46
<b>TOTAL</b>	<b>326,716</b>	<b>333,883</b>

At 30/09/2022, financial debts amounted to €326,716,000. They are divided into the different types of financing listed below (from which are deducted the financing upfront fees of €266,000):

- credit lines that can be used in the form of fixed-term advances: €234,000,000
- investment credits: €2,865,000
- commercial paper: €30,750,000
- Medium Term Notes: €30,500,000
- bond borrowings: €25,000,000
- financial debts IFRS 16: €3,867,000

### Credits lines available for use as fixed term advances

At 30/09/2022, Ascencio has €343 million in credit lines with six banks (BNP Paribas Fortis, ING, CBC, Belfius, Banque Européenne du Crédit Mutuel and Caisse d'Épargne Nord Europe), which can be used in the form of fixed-term advances, with maturities ranging from 2023 to 2030.

At 30/09/2022, the undrawn balance of these facilities amounts to €109 million.

### Investment credits

At 30/09/2022, Ascencio had €2.9 million in investment credits from French banks, with maturities ranging from 2022 to 2027. The majority of these investment loans are fixed rate.

### Commercial paper, Medium Term Notes and Bonds

In order to diversify its financing sources and reduce its costs, Ascencio has a commercial paper programme of up to €100 million. At 30/09/2022, this programme was used for short-term issues of €30.8 million (commercial paper) and €30.5 million for longer term issues (Medium Term Notes). In order to cover the risk of non-renewal of commercial paper issued in the short term, Ascencio ensures that it has an unused amount of credit lines usable by fixed-term advances that is at least equal to the outstanding amount of its commercial paper issues. In the course of the 2021/2022 financial year, Ascencio carried out a first bond issue in the form of a private placement for a total amount of €25 million. This new financing, at a fixed rate and with an average total duration of four years, allows Ascencio to further reduce the weight of bank debt within its financing structure.

### Fixed rate borrowings - Variable rate borrowings

At 30/09/2022, financial debts excluding IFRS 16 consist of:

- €192,395,000 of floating rate debt (before taking account of IRS (interest rate swaps)).
- €130,720,000 of fixed-rate debt.

The carrying amount of floating rate debt is an approximation of its fair value. Based on Ascencio's financing conditions and market rates at 30/09/2022, the fair value of the fixed rate financial debts is estimated at €109,625,000. This estimate is given for information purposes.

The carrying amount of fixed rate debt is its amortised cost.

### Average cost of financial debts

In the financial year 2021/2022, the average cost of debt<sup>3</sup> (including margins, non-utilisation commissions, financing upfront fees and the impact of hedging instruments) was 1.80%.

Liquidity and counterparty risk and funding cost risk are described in note 3 - Financial risk management.

The principal maturities of the financial debts 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	30/09/2021	248,120	7,000	193,120	48,000
	30/09/2022	233,734	28,734	175,000	30,000
Leases debt	30/09/2021	290	120	170	0
	30/09/2022	0	0	0	0
Investment credits	30/09/2021	3,759	894	2,461	403
	30/09/2022	2,865	743	1,718	403
Commercial paper	30/09/2021	47,000	47,000	0	0
	30/09/2022	30,750	30,750	0	0
Corporate bonds	30/09/2021	0	0	0	0
	30/09/2022	25,000	0	25,000	0
Medium Term Note	30/09/2021	30,500	0	20,000	10,500
	30/09/2022	30,500	0	20,000	10,500
Financial debts IFRS 16	30/09/2021	4,214	46	199	3,968
	30/09/2022	3,867	45	180	3,642
<b>TOTAL</b>	<b>30/09/2021</b>	<b>333,883</b>	<b>55,060</b>	<b>215,951</b>	<b>62,871</b>
	<b>30/09/2022</b>	<b>326,716</b>	<b>60,272</b>	<b>221,898</b>	<b>44,546</b>

The table below shows, for information purposes, the undiscounted future cash flows relating to financial debts excluding IFRS 16, in principal and interest, based on market rates and the terms of the credit lines at 30/09/2022.

(€000s)	Falling due within 1 year	Falling due from 1 to 5 years	Falling due over 5 years	Total
At 30/09/2021	58,871	225,365	67,920	352,156
<b>At 30/09/2022</b>	<b>67,065</b>	<b>225,079</b>	<b>62,730</b>	<b>355,874</b>

<sup>3</sup> Alternative Performance Measure (APM). See glossary.

## NOTE 15 — DERIVATIVE FINANCIAL INSTRUMENTS

At 30/09/2022, 58.4% of the Company's debt was at floating rates. In order to limit the interest rate risk associated with this type of financing, the Company has implemented an interest rate hedging policy which aims to secure interest rates over a 5-year horizon relating to at least 75% of its forecast financial debt.

At 30/09/2022, the interest rate hedging was composed of:

- 38 IRS (interest rate swap) contracts on a total notional amount of €533 million, of which €168 million was effective at 30/09/2022 and €365 million will be effective at a later date.

On the basis of the financial indebtedness at 30/09/2022 and the interest rate hedging instruments active at that date, the hedging ratio<sup>4+5</sup> is 95.5%.

Type	Notional amount (€000s)	Start date	End date	Interest rate	Floating reference rate	Fair value (€000s)		
						30/09/2022		30/09/2021
						Current	Non-current	
IRS	20,000	28/09/2007	24/03/2022	3.70%	3-month Euribor	0	0	-858
IRS	10,000	30/09/2019	31/12/2023	0.39%	3-month Euribor	0	261	-190
IRS	10,000	30/09/2019	31/12/2023	0.40%	3-month Euribor	0	257	-192
IRS	15,000	31/12/2019	31/12/2022	0.34%	3-month Euribor	32	0	-160
IRS	23,000	30/04/2020	28/02/2027	0.12%	3-month Euribor	0	2,646	-392
IRS	10,000	30/06/2020	30/06/2023	0.35%	3-month Euribor	133	0	-146
IRS	15,000	30/06/2020	30/09/2022	0.15%	3-month Euribor	0	0	-165
IRS	30,000	30/06/2020	31/12/2021	0.18%	3-month Euribor	0	0	-56
IRS	20,000	30/06/2020	30/06/2022	0.62%	3-month Euribor	0	0	-389
IRS	10,000	30/06/2021	31/12/2022	0.83%	3-month Euribor	9	0	-169
IRS	10,000	30/06/2021	31/12/2022	0.63%	3-month Euribor	14	0	-143
IRS	10,000	30/09/2021	30/09/2023	0.65%	3-month Euribor	169	0	-224
IRS	15,000	31/12/2021	30/06/2023	0.72%	3-month Euribor	157	0	-270
IRS	15,000	31/12/2021	31/03/2023	0.67%	3-month Euribor	81	0	-218
IRS	10,000	30/06/2022	30/06/2023	0.80%	3-month Euribor	99	0	-125
IRS	20,000	30/06/2022	31/12/2022	0.62%	3-month Euribor	29	0	0
IRS	10,000	30/09/2022	30/09/2023	0.73%	3-month Euribor	161	0	-115
IRS	10,000	31/12/2022	31/12/2023	0.49%	3-month Euribor	0	230	-86
IRS	10,000	31/12/2022	31/12/2024	0.61%	3-month Euribor	0	453	-181
IRS	10,000	31/12/2022	31/12/2023	0.53%	3-month Euribor	0	228	-90
IRS	20,000	31/03/2023	31/03/2025	0.62%	3-month Euribor	0	920	-351
IRS	20,000	30/06/2023	30/06/2024	0.50%	3-month Euribor	0	493	-160

<sup>4</sup> Alternative Performance Measure (APM). See glossary.

<sup>5</sup> 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)		
						30/09/2022		30/09/2021
						Current	Non-current	
IRS	15,000	30/06/2023	30/06/2025	0.46%	3-month Euribor	0	737	-201
IRS*	15,000	30/06/2023	30/06/2025	0.46%	3-month Euribor	0	0	-202
IRS*	10,000	30/09/2022	30/09/2023	0.12%	3-month Euribor	0	0	-52
IRS	10,000	30/09/2022	30/09/2027	0.57%	3-month Euribor	0	1,096	-328
IRS	10,000	30/06/2023	30/06/2025	0.38%	3-month Euribor	0	499	-119
IRS*	20,000	30/06/2023	30/06/2027	0.58%	3-month Euribor	0	0	-506
IRS*	10,000	31/12/2023	31/12/2025	0.47%	3-month Euribor	0	0	-120
IRS	20,000	31/12/2023	31/12/2027	0.69%	3-month Euribor	0	1,682	-528
IRS	20,000	31/12/2022	31/12/2025	-0.04%	3-month Euribor	0	1,694	-96
IRS	20,000	30/09/2023	30/09/2029	0.35%	3-month Euribor	0	2,891	-241
IRS	10,000	31/12/2023	31/12/2028	0.31%	3-month Euribor	0	1,234	-103
IRS	10,000	30/06/2024	30/06/2029	0.22%	3-month Euribor	0	1,263	-19
IRS	10,000	30/06/2024	30/06/2029	0.22%	3-month Euribor	0	1,247	-16
IRS*	10,000	31/12/2024	31/12/2026	0.08%	3-month Euribor	0	0	-4
IRS	10,000	31/03/2025	30/09/2029	-0.12%	3-month Euribor	0	1,258	175
IRS	10,000	30/06/2025	31/12/2029	-0.06%	3-month Euribor	0	1,254	171
IRS	10,000	31/03/2025	31/03/2030	-0.08%	3-month Euribor	0	1,398	199
IRS	15,000	30/06/2025	30/06/2030	-0.11%	3-month Euribor	0	2,068	339
IRS	15,000	28/03/2024	31/03/2028	0.40%	3-month Euribor	0	1,454	-193
IRS	15,000	30/06/2025	30/09/2029	0.68%	3-month Euribor	0	1,359	-254
IRS	10,000	31/12/2024	31/12/2027	0.57%	3-month Euribor	0	903	0
IRS	10,000	31/12/2023	30/06/2025	0.47%	3-month Euribor	0	356	0
IRS	30,000	31/12/2025	30/06/2028	1.12%	3-month Euribor	0	1,292	0
IRS	20,000	31/03/2025	30/06/2027	0.58%	3-month Euribor	0	994	0
IRS	25,000	31/03/2027	31/03/2029	1.08%	3-month Euribor	0	877	0
CAP purchased	10,000	31/12/2020	31/12/2021	0.25%	3-month Euribor	0	0	0
<b>TOTAL</b>	<b>533,000</b>					<b>885</b>	<b>31,043</b>	<b>-6,779</b>

\* These instruments were liquidated early on June 8, 2022 and August 19, 2022.

Since the financial year 2021/2022, the positive and/or negative values of derivative financial instruments have been recorded as current or non-current assets and/or liabilities in order to distinguish whether or not they mature within 12 months of the reporting date.

These hedging instruments are valued at 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 directly and fully recognised in the income statement.

The market value of derivative financial instruments is advised at each balance sheet date by the financial institutions from which these instruments have been acquired.

At 30/09/2022, the financial result includes income of €38.14 million (compared to income of €5.70 million at 30/09/2021), representing the change in fair value of financial instruments for which hedge accounting (as defined in IFRS 9) is not applied. The value of these instruments went from a negative €7.7 million (recorded under “Other non-current financial liabilities” - see note 16) and a positive €0.9 million (recorded under “Other non-current financial assets” - see note 7) at 30/09/2021 to positive values of €31.93 million at 30/09/2022 partly recognised under “Other non-current financial assets” and partly under “Other current financial assets” depending on whether or not their maturity dates fall within the next financial year 2022/2023. This income item does not affect the Company’s cash flow.

At the final maturity date of each financial instrument, its value will be zero and the changes in value from one accounting period to the next will have been fully reversed in income.

The risk associated with hedging instruments is described in note 3 - Financial risk management.

These financial instruments are all “level 2” derivatives within the meaning of IFRS 13.

The undiscounted net cash flows from hedging instruments at the balance sheet date are as follows:

— Falling due within one year:	€2,967,000
— Falling due at between one and five years:	€7,524,000
— Falling due at more than five years:	€2,374,000

## NOTE 16 — OTHER NON-CURRENT FINANCIAL LIABILITIES

(€000s)	30/09/2022	30/09/2021
Authorised hedging instruments	0	7,662
Guarantees received	2,476	2,613
<b>TOTAL</b>	<b>2,476</b>	<b>10,275</b>

The balance of the authorised hedging instruments heading is equal to zero at 30/09/2022 due to the exclusive-positive valuation of these instruments held by the Company. These instruments are therefore recorded on the assets side of the Company’s balance sheet, under the headings of current or non-current financial assets, depending on their maturity date.

## NOTE 17 — DEFERRED TAX LIABILITIES

(€000s)	30/09/2022	30/09/2021
Deferred tax liabilities	6,170	1,275
<b>TOTAL</b>	<b>6,170</b>	<b>1,275</b>

This item comprises deferred taxes relating to:

- the deferred taxation (5% withholding tax) of unrealised capital gains on the French assets; the deferred taxation (25% corporate tax) of unrealised capital gains on the Spanish assets within Ascencio Iberia at 30/09/2021 before it benefited from the SOCIMI tax status, applicable from 1 October 2021.

The balance of this heading increased during the past year due to (i) the revaluation of the deferred tax on Ascencio’s French assets (€4.6 million), in particular following the increase in the market values of these assets and the depreciation of their carrying amounts in local accounting; as well as (ii) the recognition of the deferred tax on unrealised capital gains in Ascencio Iberia (€0.3 million) before its transition to the SOCIMI tax status.

## NOTE 18 — TRADE PAYABLES AND OTHER CURRENT DEBTS

(€000s)	30/09/2022	30/09/2021
Suppliers	4,816	5,565
Tenants	585	1,593
Taxes, salaries and social charges	2,644	2,574
<b>TOTAL</b>	<b>8,045</b>	<b>9,731</b>

Payables to suppliers mainly comprise open items or invoices receivable for services performed before the end of the financial year but not yet invoiced.

Liabilities to tenants mainly include amounts due from trade receivables as well as some residual amounts of credit notes to be drawn up (€16,000) concerning the last ongoing discussions on the mandatory closing periods of the Covid pandemic in 2020/2021.

The “ Taxes, salaries and social charges “ heading mainly consists of:

- VAT payable, mainly in relation to property rentals in France. In France, unlike in Belgium, rentals for commercial properties are subject to VAT.
- the tax due by the French branch (5% withholding on the statutory result established on the basis of French accounting standards).
- provisions for holiday pay and year-end bonuses.

## NOTE 19 — ACCRUED CHARGES AND DEFERRED INCOME

(€000s)	30/09/2022	30/09/2021
Property income received in advance	78	515
Accrued interest and other charges not yet dues	2,816	2,044
<b>TOTAL</b>	<b>2,894</b>	<b>2,559</b>

The heading “Accrued interest and other charges not yet dues” relates mainly to the remuneration of the statutory manager, the remuneration of the directors of the statutory manager and prorata interest on financial debts.

## NOTE 20 — RENTAL INCOME

(€000s)	30/09/2022	30/09/2021
Rents	47,956	46,663
Cost of rent-free periods	-434	-624
Indemnity for early termination of rental contracts	327	246
<b>TOTAL</b>	<b>47,849</b>	<b>46,285</b>

The early lease termination payment relates to the rental payment received from a tenant for leaving the Valencia property in Spain in the financial year 2020/2021. This amount guaranteed the rental yield of the building by covering the income and charges until 30/06/2022.

## NOTE 21 — RENTAL-RELATED CHARGES

(€000s)	30/09/2022	30/09/2021
Rents payable on rented premises	30	0
Write-downs on trade receivables	412	371
Reversals of write-downs on trade receivables	-602	-266
Cancellation of COVID 19 rents	-524	1,265
<b>TOTAL</b>	<b>-684</b>	<b>1,371</b>

In the 2020/2021 financial year, which was still heavily impacted by the Covid-19 pandemic, the Company granted rent reductions or cancellations on an individual basis to help its tenants through this uncertain period. The impact of concessions actually granted, as well as estimates of potential concessions for discussions still in progress, were recognised in that year for a total amount of €1.3 million. Insofar as the terms of the lease agreements concerned had not been modified, these cancellations (actual and estimated) of rents had been immediately recognised in the income statement for the period, which, moreover, is the only accounting treatment consistent with the approach followed by the independent expert for the assessment of the fair value of the buildings concerned. In addition, Ascencio had recorded doubtful debt write-downs on receivables where recovery appeared uncertain.

During the 2021/2022 financial year, the resilience of Ascencio's portfolio was again demonstrated and it became apparent that the amounts of income write-offs and credit losses were much lower than initially estimated. The Company has therefore made significant reversals of provisions, resulting in a positive balance at 30/09/2022 compared to the amount of expenses recognised in the previous year.

## NOTE 22 — RECOVERY OF PROPERTY CHARGES

(€000s)	30/09/2022	30/09/2021
Marketing rebilling	-274	-264
Insurance rebilling	-178	-123
Management fees rebilling	-184	-95
Other rebilling	-46	-120
<b>TOTAL</b>	<b>-681</b>	<b>-602</b>

This item in the income statement records recoveries from tenants of property charges incurred by the owner in the management of its buildings. These property charges include rental management costs (external or internal), technical costs such as insurance premiums taken out to cover risks relating to the buildings and commercial costs incurred by the owner to promote its properties. This recovery takes place on the basis of the contractual agreements contained in the commercial lease between lessor and tenant.

## NOTE 23 — RECOVERY OF RENTAL CHARGES AND TAXES NORMALLY ASSUMED BY TENANTS ON LET PROPERTIES

(€000s)	30/09/2022	30/09/2021
Rebiling of rental charges invoiced to the landlord	2,536	2,163
Rebiling of property taxes and other taxes on let properties	4,378	4,327
<b>TOTAL</b>	<b>6,914</b>	<b>6,491</b>

This item includes all recoveries of rental charges and taxes that are the responsibility of the tenants but initially billed to the owner. For some tenants, this recovery of rental charges is done by means of periodic invoicing in the form of provisions and an annual regularisation in the form of a statement of the charges actually spent. These charges are therefore sometimes passed on to tenants before they have actually been spent by the Company. There may be a slight discrepancy between the charges actually billed to tenants and those actually paid by the Company due to this annual adjustment.

## NOTE 24 — RENTAL CHARGES AND TAXES NORMALLY ASSUMED BY TENANTS ON LET PROPERTIES

(€000s)	30/09/2022	30/09/2021
Rental charges invoiced to the landlord	-2,367	-1,976
Property taxes and other taxes on let properties	-4,655	-4,604
<b>TOTAL</b>	<b>-7,022</b>	<b>-6,580</b>

This item records all rental charges and taxes attributable to tenants as a result of their occupancy and operation of the properties, and which are initially billed to the owner. These charges are recovered from tenants through rebilling, either directly from actual charges or by calling for periodic provisions and then adjusting at the end of the period.

## NOTE 25 — TECHNICAL COSTS

(€000s)	30/09/2022	30/09/2021
- Repairs	-534	-952
- Insurance premiums	-185	-174
- Damage expenses	-34	-27
<b>TOTAL</b>	<b>-752</b>	<b>-1,153</b>

Technical costs represent expenses incurred in connection with work on investment properties. They are charged to the operating result of the buildings if they do not generate economic benefits.

## NOTE 26 — COMMERCIAL COSTS

(€000s)	30/09/2022	30/09/2021
Letting fees paid to real estate brokers	-162	-123
Advertising and marketing costs relating to the properties	-271	-273
Fees paid to lawyers and other legal costs	-65	-47
Others	-44	-99
<b>TOTAL</b>	<b>-542</b>	<b>-542</b>

Commercial costs include, on the one hand, costs related to the marketing of the buildings (agency commissions, legal fees, etc.) and, on the other hand, costs incurred by the owner in the context of the promotion of its sites, the latter costs being able to be recovered in whole or in part from the tenants.

## NOTE 27 — PROPERTY MANAGEMENT COSTS

(€000s)	30/09/2022	30/09/2021
Employee benefits	-1,716	-1,644
Operating and communication costs	-29	0
Fees paid to external managers	-334	-281
<b>TOTAL</b>	<b>-2,080</b>	<b>-1,925</b>

Property management costs include the costs of the teams responsible for the commercial, technical and administrative management of the Company's portfolio, both for the Company's internal teams and for the external managers that the Company calls upon to carry out the rental and/or technical management of certain parts of the portfolio.

## NOTE 28 — OTHER PROPERTY CHARGES

(€000s)	30/09/2022	30/09/2021
ESG project fees	-183	0
Taxes payable by the Company	-4	-87
Other	0	-26
<b>TOTAL</b>	<b>-188</b>	<b>-112</b>

The other property expenses include, for the year to 30/09/2022, the fees paid for the implementation of the building energy data collection tool within the property portfolio. The analysis of the data collected will enable the Company to map the energy performance of its buildings and thus be able to better direct its investments within the portfolio towards the assets most in need.

## NOTE 29 — CORPORATE OVERHEADS

(€000s)	30/09/2022	30/09/2021
Employee benefits	-1,046	-972
Remuneration of the statutory manager	-1,784	-1,694
Operating costs	-482	-386
Listed company fees	-446	-413
Corporate communication costs	-193	-163
Fees	-530	-429
<b>TOTAL</b>	<b>-4,481</b>	<b>-4,057</b>

Team expenses include all costs and fees related to the members of the internal team in charge of the corporate management of the Company, whether it be on the legal, accounting, financial, etc. aspects of its activities. This team has welcomed several new staff in the last two years, which partly explains the growth in these costs over time. The remuneration of the statutory manager includes both the annual statutory remuneration calculated on the basis of a fixed percentage of the distributed dividend and the remuneration of the Company's management body. The fees item also increased compared to the previous year, mainly due to fees for the study of investment projects that did not materialise and tax fees related to obtaining SOCIMI status in Spain.

## NOTE 30 — OTHER OPERATING INCOME AND CHARGES

(€000s)	30/09/2022	30/09/2021
Other operating income	0	14
Other operating charges	-1	-2
<b>TOTAL</b>	<b>-1</b>	<b>12</b>

## NOTE 31 — NET GAINS AND LOSSES ON DISPOSALS OF INVESTMENT PROPERTIES

(€000s)	30/09/2022	30/09/2021
Losses on disposals of investment properties	-159	0
Gains on disposals of investment properties	0	0
<b>TOTAL</b>	<b>-159</b>	<b>0</b>

(€000s)	30/09/2022	30/09/2021
Net sales of properties (selling price - transaction costs)	1,309	0
Carrying amount of properties sold	-1,467	0
<b>TOTAL</b>	<b>-159</b>	<b>0</b>

The result on the sale of investment properties realised during the past financial year relates to the sale of the Sint-Niklaas (Belgium) building, for which the sales agreement was signed during the financial year 2020/2021, which led to its reclassification on 30/09/2021 under the heading of properties held for sale, and for which the notarised deed was signed in October 2021, resulting in the definitive removal of the building from the Company's balance sheet.

## NOTE 32 — CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

(€000s)	30/09/2022	30/09/2021
Positive changes in the fair value of investment properties	28,302	16,341
Negative changes in the fair value of investment properties	-4,502	-6,506
<b>TOTAL</b>	<b>23,800</b>	<b>9,835</b>

As indicated in note 5 above, the changes in value recorded on assets representing land right-of-use under IFRS 16 are now included in changes in fair value of investment property, as required by IFRS 16.

## NOTE 33 — FINANCIAL INCOME

(€000s)	30/09/2022	30/09/2021
Interest and dividends received	0	0
Net capital gain realised on financial assets	-134	0
<b>TOTAL</b>	<b>-134</b>	<b>0</b>

The Company recorded a net gain on the liquidation of several hedging instruments during the year at market values higher than the carrying amounts of these instruments in the Company's balance sheet at the time of their liquidation.

## NOTE 34 — NET INTEREST CHARGES

(€000s)	30/09/2022	30/09/2021
(-) Nominal interest on borrowings	-3,641	-3,362
(-) Reconstitution of the nominal amount of financial debts	0	0
(-) Charges arising from authorised hedging instruments	-1,909	-2,366
Authorised hedging instruments to which IFRS hedge accounting is not applied	-1,909	-2,366
(-) Other interest expense	-160	-152
<b>TOTAL</b>	<b>-5,710</b>	<b>-5,881</b>

Net interest expenses remained relatively stable compared to the previous year due to the combined effect of an increase in nominal interest on borrowings due to the rise in interest rates during the year, which was rapidly reflected in the cost of floating rate debt; offset by a decrease in expenses resulting from authorised hedging instruments, as these instruments acted to limit the volatility of the Company's financial result to interest rate fluctuations.

## NOTE 35 — OTHER FINANCIAL CHARGES

(€000s)	30/09/2022	30/09/2021
Commissions on undrawn balances under credit facilities	-413	-328
Financing upfront fees	-76	-52
Bank costs	-45	-26
Others	-20	-20
<b>TOTAL</b>	<b>-554</b>	<b>-427</b>

Non-utilisation of credit and financing upfront fees have increased due to several new debt lines (bank and bond) being put in place during the past financial year, providing the Company with greater availability of financing (€109 million at 30/09/2022 compared to €90.2 million at 30/09/2021).

## NOTE 36 — CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(€000s)	30/09/2022	30/09/2021
Authorised hedging instruments		
Authorised hedging instruments to which IFRS hedge accounting is not applied	38,135	5,704
<b>TOTAL</b>	<b>38,135</b>	<b>5,704</b>

Taking into account the rising interest rate environment during the financial year 2021/2022, the hedging derivatives held by the Company have experienced significant increases in value reflected in this section of the income statement.

## NOTE 37 — CORPORATE TAXES

	30/09/2022	30/09/2021
<b>PARENT COMPANY</b>		
Corporate tax Belgium	-3	-3
Withholding tax France	-346	-277
Tax credits France	0	99
Deferred taxes	-4,896	-443
<b>SUBSIDIARIES</b>		
Corporate tax Spain	-129	-190
<b>TOTAL</b>	<b>-5,373</b>	<b>-815</b>

Ascencio has the status of a public B-REIT. This status provides for the application of Belgian corporate tax (at the ordinary rate of 25%) on a reduced taxable base, namely mainly on non-allowable expenses. Ascencio SCA also benefits from tax losses carried forward, which further reduce this reduced tax base and thus make the annual tax charge on the Belgian entity almost zero.

The heading "Parent company - Withholding tax France" includes the 5% withholding tax on the statutory income of the French branch established on the basis of French accounting standards. The balance of this item is up due to the increase in operating income generated during the past year compared to the previous year.

The "Parent company - Tax credits France" line included in the previous year the tax reductions granted by the French government to partially compensate for the rent rebates granted by the Company to certain of its tenants during the mandatory closure period imposed in an attempt to contain the Covid-19 pandemic in the last quarter of the calendar year 2020. As these tax credits are related to the allowances granted during this specific period of the financial year 2020/2021, this heading remained empty during the past financial year.

The heading “Parent company - Deferred taxes” includes both the deferred taxation (5% withholding tax) of unrealised capital gains on French assets and the deferred taxation (25% corporation tax) of unrealised capital gains on Spanish assets within Ascencio Iberia at 30/09/2021 before it started to benefit from the SOCIMI tax status, applicable from 1 October 2021. The balance of this heading increased during the past year due to (i) the revaluation of the deferred tax on Ascencio’s French assets (€4.6 million), in particular following the increase in the market values of these assets and the depreciation of their carrying amounts in local accounting; as well as (ii) the recognition of the deferred tax on unrealised capital gains in Ascencio Iberia (€0.3 million) before its transition to the SOCIMI tax status.

Taxes payable by subsidiaries include the corporate income tax of subsidiaries that do not operate under the same status as the Company.

This item therefore concerned the Spanish subsidiary Ascencio Iberia SA which, until the end of the previous financial year, was subject to the ordinary tax regime in Spain (25%). As indicated earlier in this report, this entity opted during the 2021/2022 financial year for SOCIMI tax status, which allows Ascencio Iberia to benefit from an income tax exemption provided that the criteria (corporate purpose, distribution, etc.) laid down for this status are met, enabling it to no longer be subject to this income tax from the beginning of the financial year just ended. However, the balance of this heading still includes an amount corresponding to a non-recurring income tax carry forward from the previous year for the financial year 2021/2022.

### NOTE 38 — EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the the income statement for the year (numerator) by the weighted average number of shares in circulation during the year (denominator).

The diluted EPS is identical, since the Company has no diluting instruments.

	30/09/2022	30/09/2021
Net result for the financial year (€000s)	90,653	45,652
Weighted average number of shares in circulation	6,595,985	6,595,985
<b>Basic and diluted EPS (euros)</b>	<b>13.74</b>	<b>6.92</b>

The weighted average number of shares outstanding during the financial years ended 30/09/2021 and 30/09/2022 remained stable at 6,595,985 shares.

### NOTE 39 — INFORMATION ON RELATED PARTIES

We report hereunder the amounts of the transactions carried out with the co-promoters of the Company, namely Carl Mestdagh, Eric Mestdagh and John Mestdagh, and their related parties.

(€000s)	30/09/2022	30/09/2021
<b>Rental income</b>		
Mestdagh SA	4,494	4,473
Equilis SA	18	18
<b>Purchase of services</b>		
Remuneration of the statutory manager	1,042	976
Remuneration of the statutory manager’s directors	230	266
<b>Assets</b>		
Trade receivables Mestdagh SA	280	234

The remuneration granted to managers is mentioned in note 40 below.

### NOTE 40 — MANAGEMENT REMUNERATION

The remuneration of Ascencio SA, statutory manager, is set at 4% of the gross dividend distributed. Based on the proposed gross dividend of €3.95 per share, which will be submitted for approval to the general meeting of shareholders on 31 January 2023, the remuneration of the statutory manager will amount to €1,042,000 for the past financial year (previous year: €976,000). This amount will not be paid until after Ascencio SCA’s ordinary general meeting but has been provisioned in the accounts at 30/09/2022.

In addition, the basic remuneration and attendance fees paid by Ascencio SA to its directors for attending meetings of the Board, the audit committee, the nomination and remuneration committee and the investment committee amounted to €230,000 for the past year (€266,000 for 2020/2021). These amounts are passed on by Ascencio SA to the Company. The breakdown of these amounts is shown in the report on remuneration above. These remunerations will only be paid after the ordinary general meeting of Ascencio SCA.

Finally, the remuneration for the past financial year of the members of the executive committee, including the CEO, amounted to €1,399,000.

## NOTE 41 — SUBSIDIARIES

SUBSIDIARIES	Held directly	Held indirectly
<b>SCI CANDICE BRIVES</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI ECHIROLLES GRUGLIASCO</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI HARFLEUR 2005</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI KEVIN</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI LA PIERRE DE L'ISLE</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI MAS DES ABEILLES</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI ZTF ESSEY LES NANCY</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI CANNET JOURDAN</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI DE LA COTE</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI DU ROND POINT</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI SEYNOD BARRAL</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI CLERMONT SAINT JEAN</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI SAINT AUNES RETAIL PARC</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI LES HALLES DE CRECHES</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI LES HALLES DE LOZANNE</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI LES PORTES DU SUD</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI GUYANCOURT</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI TESTE DE BUCH</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SCI VIRIAT</b> Tour Pacific, 11-13 cours Valmy - 92977 Paris La Défense - France	100%	Nihil
<b>SAU ASCENCIO IBERIA</b> Calle Hermosilla 11 Planta 3A - 28001 Madrid - Spain	100%	Nihil

## NOTE 42 — FEES OF THE STATUTORY AUDITOR

(€000s)	30/09/2022	30/09/2021
Audit of the financial statements	59	59
Other assignments	13	6
<b>TOTAL</b>	<b>72</b>	<b>65</b>

## NOTE 43 — EVENTS AFTER THE REPORTING PERIOD

No events have occurred since the balance sheet date that could have a material impact on the consolidated financial statements of the Company.

## B — Statutory accounts

ASSETS (€000s)	30/09/2022	30/09/2021
<b>ASSETS</b>		
<b>I NON-CURRENT ASSETS</b>		
A Goodwill	0	0
B Intangible assets	24	0
C Investment properties	573,616	557,903
D Other tangible assets	35	46
E Non-current financial assets	40,359	10,650
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	105,349	95,058
<b>TOTAL NON-CURRENT ASSETS</b>	<b>719,383</b>	<b>663,657</b>
<b>II CURRENT ASSETS</b>		
A Assets held for sale	0	1,360
B Current financial assets	885	0
C Finance lease receivables	0	0
D Trade receivables	4,327	4,701
E Tax receivables and other current assets	45,166	48,028
F Cash and cash equivalents	1,760	1,704
G Deferred charges and accrued income	250	164
<b>TOTAL CURRENT ASSETS</b>	<b>52,388</b>	<b>55,957</b>
<b>TOTAL ASSETS</b>	<b>771,771</b>	<b>719,614</b>

EQUITY AND LIABILITIES (€000s)	30/09/2022	30/09/2021
<b>EQUITY</b>		
A Capital	38,659	38,659
B Share premium account	253,353	253,353
C Reserves	54,181	32,524
a. Legal reserve	0	0
b. Reserve for changes in fair value of properties	43,071	29,966
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-9,923	-10,031
e. Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied	-4,483	-12,491
m. Other reserves	25,516	25,079
D Net result for the financial year	90,653	45,652
<b>TOTAL EQUITY</b>	<b>436,846</b>	<b>370,189</b>
<b>LIABILITIES</b>		
<b>I NON-CURRENT LIABILITIES</b>	268,591	285,580
A Provisions	0	0
B Non-current financial debts	266,564	275,966
a. Credit institutions	207,242	241,129
b. Finance leases	0	170
c. Other	59,322	34,667
C Other non-current financial liabilities	125	8,340
D Trade debts and other non-current debts	0	0
E Other non-current liabilities	0	0
F Deferred tax liabilities	1,901	1,275
<b>II CURRENT LIABILITIES</b>	66,334	63,845
A Provisions	0	0
B Current financial debts	57,295	54,166
a. Credit institutions	26,500	7,000
b. Finance leases	0	120
c. Other	30,795	47,046
C Other current financial liabilities	0	0
D Trade debts and other current debts	6,150	7,508
a. Exit tax	0	0
b. Other	6,150	7,508
E Other current liabilities	0	0
F Accrued charges and deferred income	2,889	2,171
<b>TOTAL LIABILITIES</b>	<b>334,925</b>	<b>349,426</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>771,771</b>	<b>719,614</b>

(€000s)	30/09/2022	30/09/2021
I Rental income	37,287	35,886
II Recovery of ceded and discounted rents	0	0
III Rental-related charges	456	-1,012
<b>NET RENTAL RESULT</b>	<b>37,744</b>	<b>34,874</b>
IV Recovery of property charges	580	568 <sup>(*)</sup>
V Recovery of rental charges and taxes normally paid by tenants on let properties	5,453	5,024 <sup>(*)</sup>
VI Costs borne by tenants and assumed by the owner on rental damages and repairs at the end of the lease	0	0
VII Rental charges and taxes normally paid by tenants on let properties	-5,554	-5,109 <sup>(*)</sup>
VIII Other revenue and rental-related charges	-263	29 <sup>(*)</sup>
<b>PROPERTY RESULT</b>	<b>37,959</b>	<b>35,385</b>
IX Technical costs	-700	-1,078 <sup>(*)</sup>
X Commercial costs	-515	-528 <sup>(*)</sup>
XI Rental charges and taxes on unlet properties	-383	-413 <sup>(*)</sup>
XII Property management costs	-1,947	-1,858 <sup>(*)</sup>
XIII Other property charges	-180	-52 <sup>(*)</sup>
<b>PROPERTY CHARGES</b>	<b>-3,726</b>	<b>-3,929</b>
<b>PROPERTY OPERATING RESULT</b>	<b>34,233</b>	<b>31,456</b>
XIV Corporate overheads	-4,916	-3,925
XV Other operating income and charges	1,230	536
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>30,547</b>	<b>28,067</b>
XVI Net gains and losses on disposals of investment properties	-159	0
XVII Net gains and losses on disposals of other non-financial assets	0	0
XVIII Change in the fair value of investment properties	14,229	5,362
<b>OPERATING RESULT</b>	<b>44,618</b>	<b>33,429</b>
XX Financial income	998	739
XXI Net interest charges	-5,567	-5,695
XXII Other financial charges	-536	-412
XXIII Change in fair value of financial assets and liabilities	38,135	5,704
<b>FINANCIAL RESULT</b>	<b>33,029</b>	<b>336</b>
<b>SHARE IN THE RESULT OF HOLDINGS INCORPORATED USING THE EQUITY METHOD</b>	<b>13,982</b>	<b>12,527</b>
<b>PRE-TAX RESULT</b>	<b>91,628</b>	<b>46,292</b>
XXIV Income from investments accounted for using the equity method	0	0
XXV Corporate tax	-975	-640
XXVI Exit Tax	0	0
<b>TAXES</b>	<b>-975</b>	<b>-640</b>
<b>NET RESULT</b>	<b>90,653</b>	<b>45,652</b>
<b>BASIC NET RESULT AND DILUTED (€/SHARE)</b>	<b>13.74</b>	<b>6.92</b>

<sup>(\*)</sup> Ascencio made a number of reclassifications within several income statement headings in the 2021/2022 financial year. For comparability purposes, these reclassifications have also been recorded in FY 2020/2021 without impacting on either EPRA Earnings or Net Result.

STATEMENT OF COMPREHENSIVE INCOME (€000s)	30/09/2022	30/09/2021
<b>I NET RESULT</b>	<b>90,653</b>	<b>45,652</b>
<b>II OTHER COMPREHENSIVE INCOME RECYCLABLE UNDER THE INCOME STATEMENT</b>		
A Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	107	0
B Other comprehensive income <sup>(*)</sup>	0	-2
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>90,761</b>	<b>45,650</b>

<sup>(\*)</sup> Revaluation at fair value of the property occupied by Ascencio.

PROPOSED APPROPRIATION (€000s)	30/09/2022	30/09/2021
<b>A NET RESULT</b>	<b>90,653</b>	<b>45,652</b>
<b>B TRANSFERS TO/FROM RESERVES</b>	<b>64,599</b>	<b>21,247</b>
1. Transfer to/from reserves of net change in fair value of property assets (-/+)	23,800	9,835
6. Transfer from reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (+)	38,135	5,704
10. Transfers to/from reserves	2,665	5,708
<b>C REMUNERATION OF CAPITAL (ART. 13, SECTION 1, PARA. 1)</b>	<b>18,954</b>	<b>24,240</b>
<b>D REMUNERATION OF CAPITAL - OTHER THAN C</b>	<b>7,100</b>	<b>165</b>

OBLIGATION TO DISTRIBUTE AS PER ROYAL DECREE OF 13 JULY 2014, as amended by the Royal Decree of 23 April 2018, on B-REITs.	30/09/2022 (€000s)	30/09/2021 (€000s)
<b>STATUTORY NET RESULT</b>	<b>90,653</b>	<b>45,652</b>
(+) Depreciation	35	82
(+) Reductions in value	114	30
(+/-) Other non-monetary items (Change in value of financial participation)	-8,607	-4,473
(+/-) Other non-monetary items (change in value of financial instruments)	-38,135	-5,704
(+/-) Other non-monetary items (change in value of deferred tax debts)	3,932	443
(+/-) Net gains/(losses) on disposals of property assets	159	0
(+/-) Change in fair value of property assets	-14,229	-5,362
<b>= CORRECTED RESULT (A)</b>	<b>33,923</b>	<b>30,667</b>
(+/-) Capital gains and losses realised <sup>(*)</sup> on property assets during the financial year	0	0
(-) Capital gains realised <sup>(*)</sup> on property assets during the financial year, exoner- ated from the distribution obligation, subject to reinvestment within 4 years	0	0
(+) Capital gains realised on property assets previously exonerated from the distribution obligation and not reinvested within 4 years	0	0
<b>= NET CAPITAL GAINS ON THE REALISATION OF PROPERTY ASSETS NON-EXONERATED FROM THE DISTRIBUTION OBLIGATION (B)</b>	<b>0</b>	<b>0</b>
<b>TOTAL ( (A + B) x 80%</b>	<b>27,138</b>	<b>24,534</b>
(-) REDUCTION IN BORROWINGS	-8,184	-294
<b>OBLIGATION TO DISTRIBUTE</b>	<b>18,955</b>	<b>24,240</b>
<b>AMOUNT DISTRIBUTED</b>	<b>26,054</b>	<b>24,405</b>
<b>PAY-OUT RATIO<sup>(**)</sup></b>	<b>76.8%</b>	<b>79.6%</b>

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

(\*\*) Amount distributed as compared to the corrected result.

(€000s)	Reserves*						Result for the financial year	Total equity
	Capital	Share premium account	C.b.	C.c.	C.e.	C.m.		
<b>BALANCE AT 30/09/2020</b>	<b>38,659</b>	<b>253,353</b>	<b>50,588</b>	<b>-10,031</b>	<b>-12,964</b>	<b>19,762</b>	<b>9,246</b>	<b>348,613</b>
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 recog- nised in the global result			-2					-2
Reclassification of reserves			-100		157	-57		0
Adjustment to reserves								0
<b>BALANCE AT 30/09/2021</b>	<b>38,659</b>	<b>253,353</b>	<b>29,966</b>	<b>-10,031</b>	<b>-12,491</b>	<b>25,079</b>	<b>45,653</b>	<b>370,188</b>
(€000s)	Reserves*						Result for the financial year	Total equity
	Capital	Share premium account	C.b.	C.c.	C.e.	C.m.		
<b>BALANCE AT 30/09/2021</b>	<b>38,659</b>	<b>253,353</b>	<b>29,966</b>	<b>-10,031</b>	<b>-12,491</b>	<b>25,079</b>	<b>45,653</b>	<b>370,188</b>
Distribution of dividends							-24,405	-24,405
Appropriation to reserves			9,860		5,704	5,683	-21,247	0
Capital increase								0
Net result							90,653	90,653
Other elements recog- nised in the global result				107				107
Reclassification of reserves			2,942		2,304	-5,246		0
Adjustment to reserves			303			0		303
<b>BALANCE AT 30/09/2022</b>	<b>38,659</b>	<b>253,353</b>	<b>43,071</b>	<b>-9,923</b>	<b>-4,483</b>	<b>25,516</b>	<b>90,653</b>	<b>436,845</b>

\* Réserves:

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

# C — Statutory auditor's report

## STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING FOR THE YEAR ENDED 30 SEPTEMBER 2022 - CONSOLIDATED FINANCIAL STATEMENTS

In the context of the statutory audit of the consolidated financial statements of Ascencio SCA ("the Company") and its subsidiaries (jointly "the Group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 31 January 2020, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 30 September 2022. We have performed the statutory audit of the consolidated financial statements of Ascencio SCA for 16 consecutive periods.

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

#### UNQUALIFIED OPINION

We have audited the consolidated financial statements of the Group, which comprise the consolidated statement of financial position as at 30 September 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 783 312 (000) EUR and the consolidated statement of net income shows a profit for the year then ended of 90 653 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as of 30 September 2022 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 739 million as at 30 September 2022 representing 94% 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

— 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 on our independence, and where applicable, related safeguards.

From the matters communicated to 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 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 additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

### SINGLE EUROPEAN ELECTRONIC FORMAT (ESEF)

In accordance with the draft standard on the audit of the compliance of the financial statements with the Single European Electronic Format ("ESEF"), we have also performed the audit of the compliance of the ESEF format and of the tagging with the technical regulatory standards as defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 ("Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format ("digital consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient and appropriate evidence to conclude that the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements as stipulated by the Delegated Regulation.

Based on our work, in our opinion, the format and the tagging of information in the French version of the digital consolidated financial statements included in the annual financial report of Ascencio SCA as of 30 September 2022 are, in all material respects, prepared in accordance with the ESEF requirements as stipulated by the Delegated Regulation.

Signed at Zaventem.

#### The statutory auditor

**Deloitte Réviseurs d'Entreprises SRL**  
Represented by Rik Neckebroek

### 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.

## D — Glossary of alternative performance measures (APMS)

An APM means 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 that are defined by IFRS rules or by law are not considered as 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 of

- the 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.

	30/09/2022	30/09/2021
Net interest charges (heading XXII excluding IFRS 16) (€000s)	5,550	5,738
Commissions on undrawn balances under credit facilities	416	330
Opening commission and charges for credit facilities	68	44
Change in fair value of CAP options	0	8
<b>TOTAL COST OF FINANCIAL DEBTS</b> = A	<b>6,033</b>	<b>6,120</b>
<b>WEIGHTED AVERAGE DEBT FOR THE PERIOD</b> = B	<b>334,551</b>	<b>338,491</b>
<b>AVERAGE COST OF DEBT</b> = A / B	<b>1.80%</b>	<b>1.81%</b>

## 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 via interest rate swaps (IRS).

The denominator is the total amount of financial debts.

The components of this APM relate to debts and hedging instruments at the closing date.

### USE

A significant portion of the Company's financial debt 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)		30/09/2022	30/09/2021
Fixed-rate financial debts		130,720	96,517
Financial debts converted into fixed-rate debts by means of IRS		178,000	173,000
Financial debts converted into capped-rate debts by means of caps		0	10,000
<b>TOTAL FIXED RATE OR CAPPED FINANCIAL DEBTS</b>	<b>= A</b>	<b>308,720</b>	<b>279,517</b>
<b>TOTAL VARIABLE RATE FINANCIAL DEBTS</b>		<b>14,395</b>	<b>50,152</b>
<b>TOTAL FINANCIAL DEBTS</b>	<b>= B</b>	<b>323,115</b>	<b>329,669</b>
<b>HEDGING RATIO</b>	<b>= A / B</b>	<b>95.5%</b>	<b>84.8%</b>

## OPERATING MARGIN

### DEFINITION

This is the operating result before portfolio result 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 measures the Company's operating profitability as a percentage of rental income.

### RECONCILIATION

Details of the calculation of this APM are provided hereunder.

		30/09/2022	30/09/2021
Operating result before result on portfolio (€000s)	= A	40,381	37,236
Rental income (€000s)	= B	47,849	46,285
<b>OPERATING MARGIN</b>	<b>= A / B</b>	<b>84.4%</b>	<b>80.4%</b>



# Risk factors



IN VIEW OF THE ENTRY INTO FORCE OF THE PROSPECTUS REGULATION OF 21 JULY 2019, ONLY THE RISK FACTORS LISTED BELOW ARE CONSIDERED BY ASCENCIO TO BE SPECIFIC AND SIGNIFICANT FOR THE COMPANY. NON-SPECIFIC RISKS ARE NOT INCLUDED IN THIS CHAPTER.

In this chapter, for each risk that Ascencio faces, the potential impact of the identified risks is described.

If some of these risks were to materialise, it is likely that Ascencio's results would be adversely affected.

The list of risks is based on information known at the time of writing. There may be other risks that are unknown, unlikely, non-specific or that are not likely to have a material adverse effect on the Company, its business and its financial condition.

## 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 remains attentive to the quality of the locations made available to its tenants and develops the reputation of its main retail parks, particularly through digital marketing. Ascencio's portfolio is furthermore well diversified with, on the one hand, food stand-alones and, on the other hand, retail parks dedicated to the essential needs of the consumer.

#### DESCRIPTION OF THE RISK

##### RENTAL MARKET FOR COMMERCIAL PROPERTY

Weakening demand for retail property, oversupply and deteriorating financial situation of customers.

Changing consumer habits and e-commerce are an aggravating factor.

#### POTENTIAL IMPACT

1. Decreased rental demand and higher rental vacancies.
2. Lower rents: pressure on rents when negotiating new leases or (re)negotiating rents downwards before the expiry of contracts.
3. Freeze on rent indexation.
4. Insolvency and/or bankruptcy of tenants.
5. Decrease in the fair value of the properties and consequently in the net asset value (NAV) per share.

##### COMMERCIAL PROPERTY INVESTMENT MARKET

The commercial property investment market could see a decline in demand from property investors. This would have the effect of reducing the market price observed by the independent appraisal experts for properties comparable to those held by Ascencio.

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

## REAL ESTATE PORTFOLIO

The result of the implementation of the Company's investment strategy is a geographically and sectorally diversified property portfolio. 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 that sector.

### POTENTIAL IMPACT

1. Decreased rental demand and higher rental vacancies.
2. Lower rents: pressure on rents when negotiating new leases or (re)negotiating rents downwards before the expiry of contracts.

#### RISK OF NEGATIVE CHANGE IN FAIR VALUE OF REAL ESTATE ASSETS

The market value of properties is subject to change and depends on various factors, some of which are beyond Ascencio's control, such as consumer habits and e-commerce.

1. Negative impact on net profit, NAV and leverage.
2. Impact on dividend payout capacity if cumulative changes exceed distributable reserves. In this respect, reference is made to the financial table drawn up in accordance with article 7:212 of the Code of Companies and Associations.

#### 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 below.

1. Carrying out major works and related risks (schedule overrun, budget, subcontractor failure, vacant building, etc.).
2. Damage to the commercial attractiveness of the buildings which may result in a rental vacancy.
3. Decrease in the fair value of properties.
4. Decrease in the price and potential attractiveness of the properties in case of sale.

## CLIENTS

Ascencio engages in responsible dialogue with its retailer clients in order to support them in their project and, where appropriate, to assist them in building a strong long-term relationship.

### DESCRIPTION OF THE RISK

#### RISK OF NON-PAYMENT OF RENTALS AND BANKRUPTCY OF TENANTS.

This risk is aggravated by the pressure on tenants in the current context of high inflation (rent indexation) and a significant increase in energy costs (charges).

### POTENTIAL IMPACT

1. Decrease 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.

#### RISK OF RENTAL VACANCY

Unforeseen circumstances such as bankruptcies, relocations, pandemics, etc.

Non-renewal on expiry.

High risk resulting from the mandatory right to terminate commercial leases at the end of each three-year period.

1. Decrease in rental income.
2. Decrease in the fair value of the portfolio.
3. Increase in direct costs related to vacancies (charges and taxes on unlet properties) and marketing costs.



## Risks linked to ascencio's financial situation

Ascencio pursues a policy of 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 ensures an adequate and conservative hedging policy in order to limit its risk. We refer to the note on financial risks for more details.

### DESCRIPTION OF THE RISK

#### LIQUIDITY RISK

Non-availability of financing or of financing at the desired term.

This risk must be considered together with the risk of early termination of the credit lines in the event of non-compliance with the covenants, in particular the debt ratio set at 65% for B-REITs.

### POTENTIAL IMPACT

1. Non-renewal or termination of existing credit lines resulting in additional restructuring costs and possibly higher costs for new facilities.
2. Impossibility of financing acquisitions or having to finance them at higher costs, leading to a decrease in estimated profitability.
3. Need to sell assets on sub-optimal terms.

#### INTEREST RATE RISK

Fluctuating interest rates and increase in lending margins.

The risk of interest rate fluctuation concerns only borrowings at variable interest rates. This debt is hedged.

1. Increase in financial charges in the case of a rise 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 net income due to the effect of a decrease in the fair value of financial instruments in the event of a decrease in interest rates.

#### RISK ASSOCIATED WITH OBLIGATIONS CONTAINED IN THE 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).

Most credit agreements also include a change of control clause. This provides that in the event of a change of control of Ascencio, the lenders have the right to terminate the loans granted and demand early repayment.

1. Possible termination of credit agreements and consequent additional cost of refinancing or disposing of assets on sub-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. In addition, the Company must comply with the mandatory provisions of the Code of Companies and Associations and the specific regulations on town planning, commercial location and the environment in Belgium, France and Spain. As France and Spain are not Ascencio's home countries, it is assisted by local professionals in the context of its activities and the applicable legislation.

### DESCRIPTION OF THE RISK

#### RISK ASSOCIATED WITH NON-COMPLIANCE WITH THE LEGAL REGIME

Ascencio enjoys a special status in Belgium, France and Spain, which is reflected in particular in tax transparency for certain activities. These are the status of Regulated Real Estate Company in Belgium ("SIR"), Listed Real Estate Investment Company in France ("SIIC") and Sociedades Cotizadas de Inversión en el Mercado Inmobiliario ("SOCIMI").

Regarding this latter, Ascencio Iberia S.A.U. has opted for the SOCIMI regime with application as from the start of the financial year 2021-2022.

In this regard, a ruling request has been submitted to the Spanish tax authorities. The latter has not yet responded.

### POTENTIAL IMPACT

1. Loss of authorisation and consequent loss of the tax transparency regime in the event of non-compliance with the SIR/SIIC/SOCIMI legal regime.
2. Non-compliance with covenants and obligation to repay loans early.
3. Potentially negative impact on results and/or NAV.

#### CHANGES IN RETAIL LICENSING LEGISLATION

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

The conditions for obtaining these administrative authorisations are essential for Ascencio. The difficulties that Ascencio may encounter in obtaining these authorisations have an impact on its ability to re-let vacant units quickly.

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, particularly in relation to pollution clean-up.
3. Potentially negative impact on the fair value of the properties and therefore on the NAV.

## DESCRIPTION OF THE RISK

### CHANGES TO THE LEGISLATION ON COMMERCIAL LEASES

Legislators have intervened in Belgium, France and Spain in order to regulate the commercial lease contract with a certain degree of contractual freedom, depending on the country, particularly with regard to rent indexation.

Since the pandemic and the current economic situation, it has been noted that the legislator is tempted to intervene on an ad hoc basis and limit this freedom contractually.

For example, in France, the law of 16 August 2022 on emergency measures to protect purchasing power introduced a measure capping the annual variation in the ILC commercial rent index at 3.5% for the quarters between Q2 of 2022 and Q1 of 2023.

## POTENTIAL IMPACT

1. Decrease in rental income.
2. Difficulty in contract negotiation and finalisation of contracts.
3. Budgetary and anticipation difficulties.

### RISK OF CHANGES IN TAX LEGISLATION

Changes to domestic tax provisions or bilateral agreements between countries.

1. Decrease in rental income.

## Risk associated with internal control

### DESCRIPTION OF THE RISK

An inadequate **internal control system** may prevent the parties concerned (internal auditor, compliance officer, risk officer, executive committee, audit committee, board of directors) from performing their duties, which could jeopardise the effectiveness of internal control.

(see section “Internal Control and Risk Management” in the chapter “Corporate Governance Declaration”).

### POTENTIAL IMPACT

1. The Company would not be managed in an orderly and prudent manner.
2. Weaknesses in risk management could result in poor protection of the Company’s assets.
3. Lack of integrity and reliability of financial and management data.

### INTEGRITY OF COMPUTER SYSTEMS, CYBER CRIME AND CYBER FRAUD

1. Operational interruption of systems.
2. Data loss and theft.
3. Financial losses (ransomware, extortion, etc.).

## Environmental, social and governance (“ESG”) risks

ESG criteria are a set of non-financial criteria for analysing the socially responsible dimension of a company.

### DESCRIPTION OF THE RISK

#### SUSTAINABILITY OF THE PROPERTIES

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

### POTENTIAL IMPACT

1. Rental vacancy.
2. Fall in the fair value of buildings.
3. Decrease in the price and potential attractiveness of the properties in case of sale.

#### CSR TRANSPARENCY

Corporate Social Responsibility (“CSR”) at the centre of general public opinion, private investors and institutional investors. CSR covers many aspects, for example the effects of the company’s activities on the environment, the community and governance.

There may be a risk of perceived lack of transparency in some of these aspects or reference to different normative frameworks.

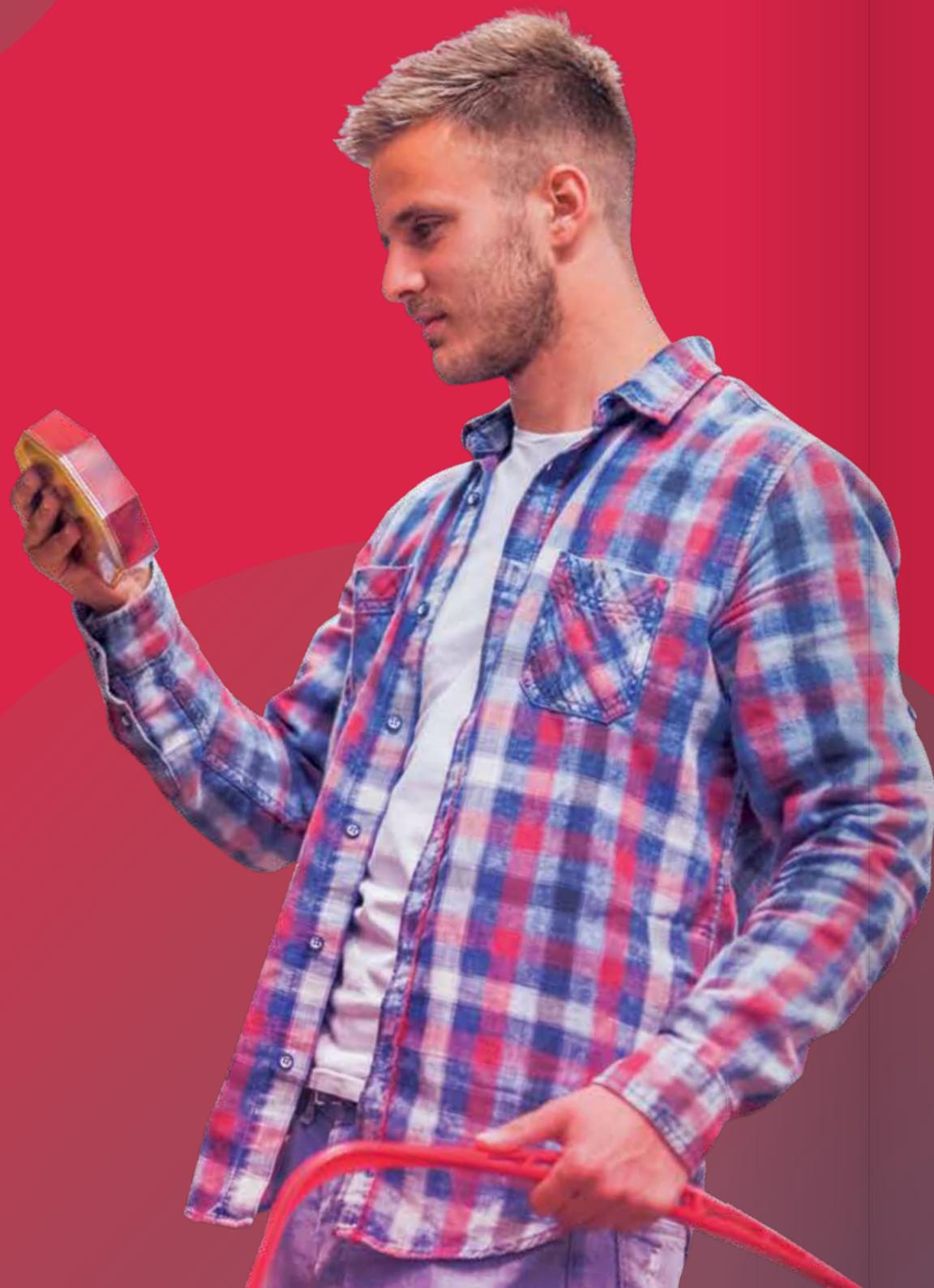
1. Deterioration of the Company’s reputation among its various stakeholders.
2. Less access to the capital market (debt and equity).

#### LEGISLATIVE AND REGULATORY CONSTRAINTS

The legislator is gradually intervening by imposing certain constraints on owners in terms of the energy performance of buildings or infrastructure.

For example, the legislator is progressively imposing the installation of electric charging stations.

1. Additional infrastructure costs
2. Decreasing attractiveness of sites
3. Rental vacancy
4. Loss of income



# General information

# A — 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 (Official Belgian State Gazette) of 24 May 2006 under number 06087799.

The coordinated articles of association are available on the Ascencio website ([www.ascencio.be](http://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, §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 one/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 shares.

## 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 of 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 (22<sup>nd</sup>) 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 notice of meeting.

## 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 (14<sup>th</sup>) 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 (14<sup>th</sup>) 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 takes place as follows:**

— Shareholders intending to attend the general meeting of shareholders must give notice of such intention not later than the sixth (6<sup>th</sup>) 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 (6<sup>th</sup>) day prior to the date of the meeting.

In accordance with article 7:129 and 7:146, of the Code of Companies and Associations, any shareholder may vote by correspondence using the form of proxy established by the Company. This form can be obtained from the Company's website ([www.ascencio.be](http://www.ascencio.be)) or by requesting it from the Company.

In accordance with articles 7:142 and 7:143 of the Code of Companies and Associations, shareholders may also be represented by a proxy, using the proxy form established by the Company. This form can be obtained from the Company's website ([www.ascencio.be](http://www.ascencio.be)) or by requesting it from the Company.

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 (6<sup>th</sup>) day prior to the date of the meeting.

The general partner(s) shall be admitted by right to any General Meeting without having to complete any admission formality.

## ACTIONS NECESSARY TO CHANGE 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 SA - CHANGE OF CONTROL

The shareholders of Ascencio SA have not mutually granted one another pre-emptive rights to shares.

## PROVISION CONCERNING MEMBERS OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The provisions relating to this point are set out in Title IV of Ascencio SCA's articles of association.

The articles of association of the statutory manager, Ascencio SA, 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 SA is the statutory manager of the Company, it shall be represented in accordance with its own rules as regards general representation and day-to-day management.

## ARTICLES OF ASSOCIATION OF ASCENCIO SCA

The articles of association of Ascencio SCA were last amended on 17 October 2019. The articles of association are available from the Clerk of the Court of the Charleroi Trade Tribunal, from Ascencio at its registered office and on its website ([www.ascencio.be](http://www.ascencio.be)).

## THE STATUTORY AUDITOR

The statutory auditor is appointed subject to the prior approval of the FSMA. It also exercises performs a dual control.

On the one hand, in accordance with the Code of Companies and Associations, it audits and certifies the accounting information contained in the annual accounts.

On the other, in accordance with the law, it collaborates in the supervision carried out by the FSMA. It may also be instructed by the FSMA to confirm the accuracy of information which the FSMA has asked to be provided.

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 Mr Rik Neckebroek, auditor.

## PROPERTY EXPERTS

In accordance with applicable regulations, Ascencio SCA calls upon several independent experts for periodic or occasional 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 for 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 fixed on a flat-rate basis per property appraised.

In accordance with article 24 of the B-REIT Act, Ascencio rotates its experts every 3 years.

Until 30 September 2024 the Company's property experts are:

	Jones Lang LaSalle SPRL	Roderick Scrivener	Avenue Marnix 23 1000 Brussels
BELGIUM	Cushman & Wakefield SPRL	Ardalan Azari	Avenue des Arts 58 1000 Brussels
	CBRE SA	Pieter Paepen	Boulevard de Waterloo 16 1000 Brussels
FRANCE	Cushman & Wakefield (ex DTZ)	Valérie Parmentier	Rue de l'Hôtel de Ville 8 92522 Neuilly-Sur-Seine
	Jones Lang LaSalle Expertises SAS	Pierre-Jean Poli	Rue de la Boétie 40-42 75008 Paris
	CBRE Valuation <sup>1</sup>	Béatrice Rousseau	Avenue Wagram 131 75017 Paris
SPAIN	Cushman & Wakefield	Tony Laughran	Jose Ortega 4 Gasset 29 - 6 <sup>o</sup> Planta 28006 Madrid

<sup>1</sup> End of mandate 31 December 2022, in the process of being extended.

## FINANCIAL SERVICES

The Company uses BNP Paribas Fortis Bank NV for its financial services.

## HISTORICAL INFORMATION INCLUDED BY REFERENCE

The annual financial reports, interim statements and half-yearly financial reports for the last three financial years are included by reference in this document and can be consulted at the registered office or downloaded from the Ascencio website ([www.ascencio.be](http://www.ascencio.be)).

The conclusions of the property experts updated at the end of the first three quarters in accordance with the applicable legislation are also included by reference (article 47§2 of the B-REIT Act).

## PLACES 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 the Company's website ([www.ascencio.be](http://www.ascencio.be)):

- latest articles of association of the Company;
- historical financial information on the Company;
- annual reports including the statutory auditor's and property experts' reports;
- 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](http://www.ejustice.just.fgov.be).

## B — Legal framework

### STATUS OF PUBLIC REGULATED REAL ESTATE COMPANY

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 a “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 “SCA” (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 SA. The functions and powers of the Manager of the public B-REIT are performed by the board of directors of Ascencio SA or under its responsibility.

As a public B-REIT, the Company benefits from a transparent tax regime. The results (rental income) are exempt from corporate taxes at the level of the SIRP 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, de-

velopment (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);

- 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 on 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 assets of the public B-REIT must be diversified in such a way as to ensure an adequate spread of risk in terms of real estate assets, by geographical region and by category of user or tenant; no operation of the public B-REIT may result in more than 20% of its consolidated assets being invested in properties that form a “single property complex”.

#### ACCOUNTING

European legislation stipulates that public B-REITs, like all other listed companies, are required to prepare their consolidated annual accounts in accordance with the IAS/IFRS international accounting standards. Furthermore, 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 the public B-REIT 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. The SIIC regime has been amended several times by the Finance Act.

This regime allows Ascencio’s French branch and subsidiaries to benefit from a corporate tax exemption on their rental income and realised capital gains in return for the obligation to distribute 95% of their profits from the leasing out of their real estate assets.

### The main characteristics of the SIIC regime are as follows:

- the parent company must be an SA (société anonyme, or public limited company) or another form of company limited by shares admissible for trading on a European stock market;
- the main activity of the SIIC is limited to the acquisition and/or construction of properties with a view to letting them, as well as direct or indirect portfolio investments in partnerships or other companies subject to corporate tax, with activities and objectives similar to those of the SIIC. Ancillary activities must not exceed 20% of the gross book value of the Company’s assets.

- a majority shareholder or a group of shareholders acting in concert may not hold more than 60% of the shares of Ascencio;

- The French SIIC regime does not impose specific leverage restrictions.

- the Company benefits from a corporate tax exemption on the portion of the profits deriving from (i) rental of property, (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, 70% of the exempted gains from the disposal of properties, securities of partnerships and subsidiaries coming under the SIIC system and 100% of the dividends distributed to them by their subsidiaries liable for corporate tax on companies opting for the SIIC regime;

- when the Company opts for the SIIC system, this option gives rise to payment over four years of an exit tax at the reduced rate of 19% on unrealised capital gains relating to properties held by the SIIC or its subsidiaries opting for the SIIC regime, and to the securities of partnerships not liable for corporate tax.

- profits, net of corporation tax, of permanent establishments of foreign companies may be subject to additional tax. With regard to Belgium, article 17 of the Franco-Belgian Convention provides for a withholding tax of 5%. This convention has been amended so that the withholding tax will increase to 25% once the convention is ratified by France and Belgium.

## STATUS OF SPANISH “SOCIMI” (SOCIEDAD ANÓNIMA COTIZADA DE INVERSIÓN EN EL MERCADO INMOBILIARIO OR LISTED PUBLIC REAL ESTATE INVESTMENT COMPANY)

The Spanish REIT was established in October 2009 under the name Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario (“SOCIMI”). Its legal regime was defined in Law 11/2009 of 26 October, which was subsequently amended by Law 16/2012 of 27 December in order to relax the legal conditions for its constitution, remove regulatory obstacles and improve the tax treatment applicable from 2009.

Specifically, SOCIMIs will be taxed at a rate of 0%. In addition, and as in other European states, a special levy of 19% has been introduced in order to avoid regimes where the profits distributed by SOCIMI are free or subject to low taxation at investor level. Thus, distributed dividends must be taxed at a minimum rate of 10%.

In July 2021, a further special levy of 15% was introduced on the amount of profits earned during the financial year that are not distributed, for the part that comes from income that has not been taxed at the standard corporate rate and is not income covered by the reinvestment period.

### The main characteristics of the SOCIMI regime are as follows:

- The parent company must be an SA (société anonyme, or public limited company) or another form of company limited by shares admissible for trading on a European stock market;
- The shares of the parent company must be registered or it must be possible to identify at least 95% of its shareholders;

- The purpose of the unlisted subsidiary SOCIMI is the acquisition, sale and development of urban real estate for rental. The Spanish subsidiary SOCIMI cannot hold shares in the capital of real estate companies and must hold its assets directly.

- The Spanish SOCIMI regime does not impose specific leverage restrictions.

### Asset testing

- at least 80% of SOCIMI’s assets must be “eligible assets”, i.e. urban real estate intended for rental, plots of land intended for the erection of real estate intended for rental (provided that the development begins within three years of the date of purchase).

- there is no asset diversification rule and SOCIMIs are allowed to hold a single property asset.

### Activity test

- at least 80% of SOCIMI’s income must be derived from the rental of eligible assets.

- therefore, SOCIMIs are able to develop ancillary activities that represent less than 20% of total income during the tax period.

### Minimum holding period

- eligible assets must be held by the SOCIMI for a period of three years from (i) the acquisition of the asset or (ii) the first day of the financial year in which the company became a SOCIMI, if the asset was owned by the company before it became a SOCIMI.

- the operating period means that these assets must be rented; the period during which the asset is on the rental market (even if it is vacant) will be taken into account, with a maximum of one year.

— Obligation to distribute

**OPERATIONAL INCOME**

Obligation to distribute 80% of profits from rental income and ancillary activities.

**CAPITAL GAINS**

- Obligation to distribute 50% of the profits from the disposal of eligible assets where the operating period has been met;
- The remaining 50% must be reinvested in eligible assets within three years.

**PERIOD**

- The resolution to distribute must be taken within a maximum of six months of the end of the financial year;
- Dividends must be distributed to shareholders within one month of this resolution.



## C — Declarations

### PERSON RESPONSIBLE

**The statutory manager of Ascencio SCA, Ascencio SA, whose registered office is at Avenue Jean Mermoz 1, box 4, 6041 Gosselies, Belgium:**

- declares that it assumes responsibility for the information contained in this report except for information provided by third parties, including the auditor's and property experts' reports;
- 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 of the companies included in the consolidation; the financial statements are in accordance with reality and are free from omissions;
- declares that, to the best of its knowledge, the management report contains a true statement of the development of the business, the results and situation of Ascencio SA and the companies included in the consolidation, as well as a description of the main risks they face;
- certifies, having taken all reasonable care to ensure that such is the case, that the information contained in the registration document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import;
- subject to the press releases issued by the Company since the preparation of this annual report, the Company has not identified any significant changes to its financial or trading position since 30 September 2022.

### DECLARATION REGARDING THE DIRECTORS AND EFFECTIVE MANAGERS

**The statutory manager of Ascencio SCA declares, on the basis of the information made available to him, that during the last five years, none of the directors or *dirigeants effectifs* (effective managers) of the Company:**

- has been convicted of fraud;
- has been convicted, declared bankrupt or placed in receivership or liquidation;
- or has been the subject of any accusation or official public sanction on the part of statutory or regulatory authorities or has been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from being involved in the management or conduct of business.

**The statutory manager of Ascencio SCA declares on the basis of the information provided to it:**

- that the directors do not hold shares in the Company except as specified in the section "Declaration of Governance - The statutory manager and its body: the board of directors - The directors" in this report;
- that to date no options on the Company's shares have been granted;
- that no family ties exist among the directors.

## JUDICIAL AND ARBITRATION PROCEEDINGS

During the financial year covered by this report, there were no governmental, judicial or arbitration proceedings that had or might have a significant effect on the financial situation or profitability of the Company.

## INFORMATION FROM THIRD PARTIES, EXPERT'S DECLARATIONS

Ascencio confirms that the information provided by the 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.

COMPANY NAME	ASCENCIO SCA
STATUS	Regulated Real Estate Company
HEAD OFFICE	Avenue Jean Mermoz 1 Bât H Bte 4 6041 Gosselies - Belgium
BRANCH ADDRESS	Tour Pacific – Cours Valmy 11/13 92977 Paris La Défense - France
TELEPHONE	+32 (71) 91 95 00
FAX	+32 (71) 34 48 96
E-MAIL	info@ascencio.be
WEBSITE	www.ascencio.be
REGISTER OF LEGAL PERSONS	Charleroi
COMPANY NUMBER	0881.334.476
DATE OF FOUNDATION	10 May 2006
APPROVAL AS A PUBLIC B-REIT	28 October 2014
DURATION	Indefinite
STATUTORY AUDITOR	Deloitte - Rik Neckebroeck
PROPERTY EXPERTS	JLL - Cushman & Wakefield - CBRE
FINANCIAL SERVICES	BNP Paribas Fortis Banque SA
CLOSING OF THE FINANCIAL YEAR	30 September
SHARE CAPITAL	€39,575,910
NUMBER OF SHARES	6,595,985
LISTING	Euronext Brussels
FAIR VALUE OF THE PROPERTY PORTFOLIO	€734,871,869
NUMBER OF PROPERTIES	104
TYPE OF PROPERTIES	Out-of-town retail 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.

## d i s c l a i m e r <sup>1</sup>

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.

<sup>1</sup> This report is based on the consolidated financial statements. The complete 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.



## 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, which are riskier but less expensive than 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 LEASING AREA)

Is the sum of the sales, internal circulation and storage surface areas.

## HIGH-STREET

The most important shopping streets in a city or country in terms of the number and quality of shops, and where the pedestrian traffic is the highest in the area.

## PRIME RENTAL

The highest rental that can be achieved in a normal arm's-length 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

A term used in real estate to refer to activities related to retailing and therefore to 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 3,000 m<sup>2</sup>. 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

A 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 m<sup>2</sup>. 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

### VINCENT H. QUERTON

Chief Executive Officer  
vincent.querton@ascencio.be

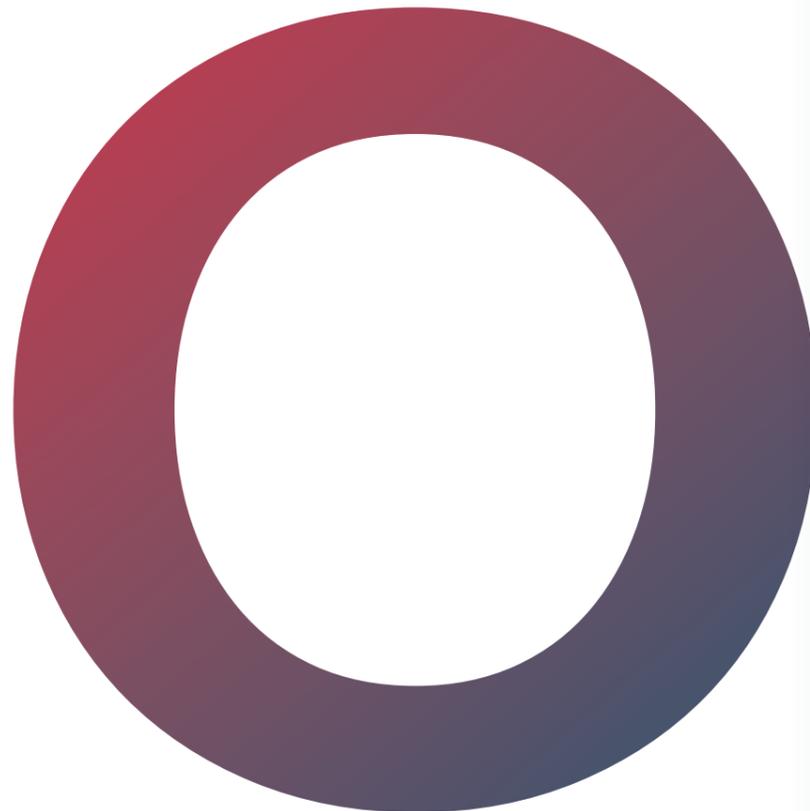
### CÉDRIC BIQUET

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### STÉPHANIE VANDEN BROECKE

Secretary General & General Counsel  
stephanie.vandenbroecke@ascencio.be

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