



ascencio

ANNUAL  
REPORT  
2023







# CONTENT

- 06 • LETTER TO THE SHAREHOLDERS**
  
- 09 • ABOUT ASCENCIO**
  - 10 • A • Profile**
  - 16 • B • History**
  - 18 • C • Strategy**
  
- 21 • MANAGEMENT REPORT**
  - 22 • A • Key figures**
  - 25 • B • Activity report**
    - 25 • Macro-economic context
    - 25 • Operating activity
    - 29 • Annual consolidated results
    - 36 • Events occurring after end of financial year
    - 36 • Financing & interest rate hedging
  - 40 • C • Corporate governance declaration**
    - 40 • Corporate governance
    - 57 • Remuneration policy
    - 65 • Remuneration report
  - 79 • D • Real estate report**
    - 79 • Retail property market
    - 104 • Real estate portfolio
    - 120 • Experts' report
  - 123 • E • ESG report**
  - 153 • F • EPRA**
  - 163 • G • Ascencio on the stock exchange**
  - 167 • H • Outlook**
  
- 169 • FINANCIAL REPORT**
  - 172 • A • Consolidated financial statements**
  - 228 • B • Statutory accounts**
  - 234 • C • Statutory auditor's report**
  - 240 • D • Alternative performance measures**
  
- 245 • RISK FACTORS**
  
- 257 • GENERAL INFORMATION**
  - 258 • A • Identification**
  - 266 • B • Legal framework**
  - 271 • C • Declarations**
  
- 274 • GLOSSARY**



*Vincent H. Querton*

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

# LETTER TO THE SHAREHOLDERS

*Carl Mestdagh*

**Carl Mestdagh** →  
Chairman of  
d'administration



Dear Shareholders,

In such a complicated international economic and financial context at the end of this 2022/2023 financial year, we are pleased to propose a dividend at the next ordinary general meeting that is 5.1% higher than that of the previous financial year.

A dividend increase for the ninth consecutive year.

It is based on excellent EPRA Earnings of €5.46 per share, up 6.6%.

This great performance is the result of a well-established strategy that has been skilfully implemented both in terms of the management of our balance sheet and our real estate portfolio.

To cope with high inflation, a sustained rise in interest rates, a decrease in consumer purchasing power and reduced margins for our tenants, our team relied on its real estate and financial fundamentals.

The performance indicators of our real estate portfolio are excellent.

The EPRA occupancy rate is 97.9%, rental income is up 7.3%, the fair value of the portfolio is stable, etc.

Financing costs are under control with an embedded interest rate hedging policy.

The debt ratio is 43%.

Our Company's outstanding results should calm the stock markets, whose fears for the real estate sector have led to a significant downward effect on listed stocks.

These fears, financing difficulties and uncertainties about changes in property prices also brought the investment market to a halt.

In the long term, opportunities should emerge for those who will have the means to finance them. We should be among them.

In addition, during this financial year, our teams also completed the first phase of our "digital" project, which will further increase our efficiency.

Finally, we made significant progress in the deployment of our ESG policy.

In this review period, we would like to express our sincere thanks to all our shareholders. Your trust continues to drive our success and we are committed to maintaining this positive momentum.

Thank you.





# ABOUT ASCENCIO

# A · PROFILE

€51.3<sup>MILLION</sup>  
RENTAL  
INCOME

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

LISTED ON  
EURONEXT  
BRUSSELS  
SINCE  
**2007**

 **450,013 m<sup>2</sup>**  
PORTFOLIO  
SURFACE AREA

 **€740.9<sup>MILLION</sup>**  
FAIR VALUE OF  
THE PORTFOLIO

 **97.9%**  
EPRA  
OCCUPANCY  
RATE

 **€272<sup>MILLION</sup>**  
MARKET  
CAPITALISATION



"Omnicanality refers to a unified and interconnected shopping experience between the different distribution channels, i.e. physical sales and e-commerce."  
— Philippe Scheirlinckx,  
Director Asset Management & Acquisitions

## • OUR FOCUS: FOOD-ANCHORED RETAIL 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 real estate portfolio with the aim of optimising its operational performance and generating long-term value creation.

This is why Ascencio invests in food supermarkets or retail parks benefiting from an excellent **location**, paying particular attention to the commercial **mix**, the **flexibility** of the spaces, their ability to respond to the **omnichannel** nature of shopping and offering easy **access** and **parking**. Ascencio is also careful to apply its ESG policy both within its property portfolio and with local communities.

## MAIN CHARACTERISTICS OF OUT-OF-TOWN RETAIL

### RETAIL PARKS



  
Meeting consumers'  
primary needs



  
Accessibility  
in periphery



### FOOD SECTOR



  
40% of Ascencio's  
income

  
Meeting consumers'  
primary needs

  
Ascencio's  
DNA

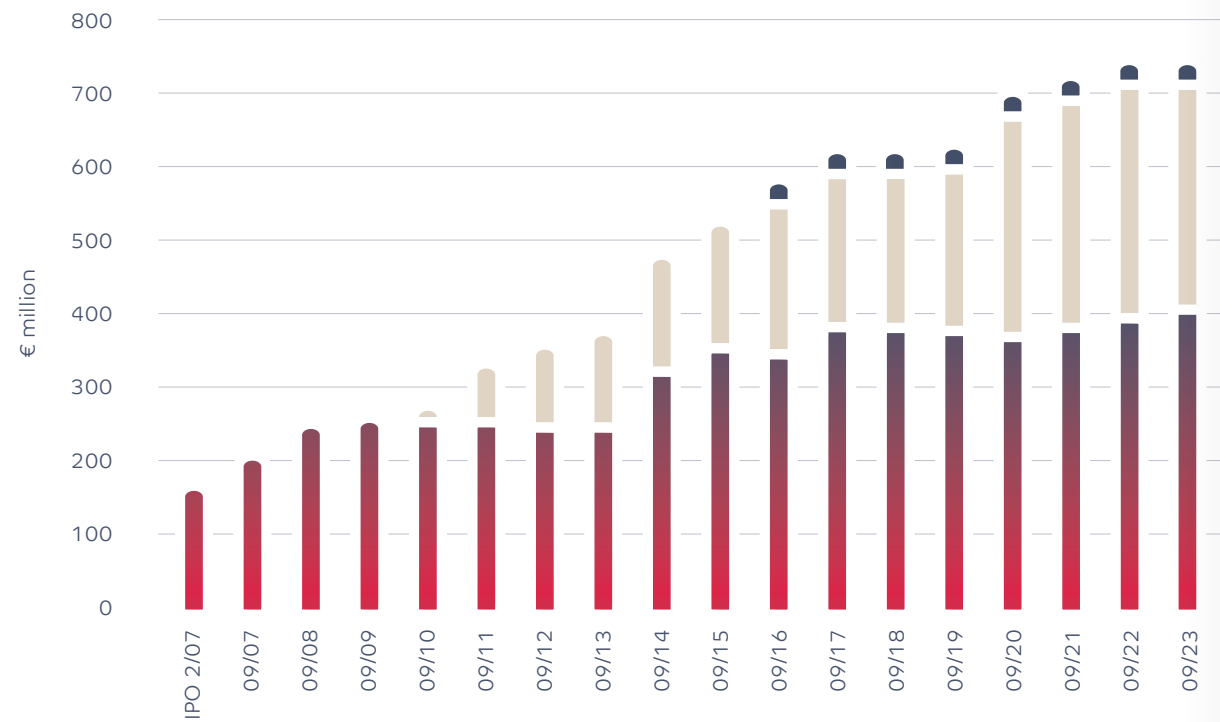


<sup>1</sup> Ascencio is a Société Immobilière Réglementée Publique ("SIRP") (public regulated real estate company ("public B-REIT")) incorporated under Belgian law, subject to the Law of 12/05/2014 on regulated real estate companies as amended by the Law of 22/10/2017 and to the Royal Decree of 13/07/2014 as amended by the Royal Decree of 23/04/2018 (the "B-REITs Law"). In France, the French branch of Ascencio SA and its subsidiaries have opted for a SIIC regime (Société d'Investissements Immobiliers Cotée) while in Spain, Ascencio SA has opted for the SOCIMI status (Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario).

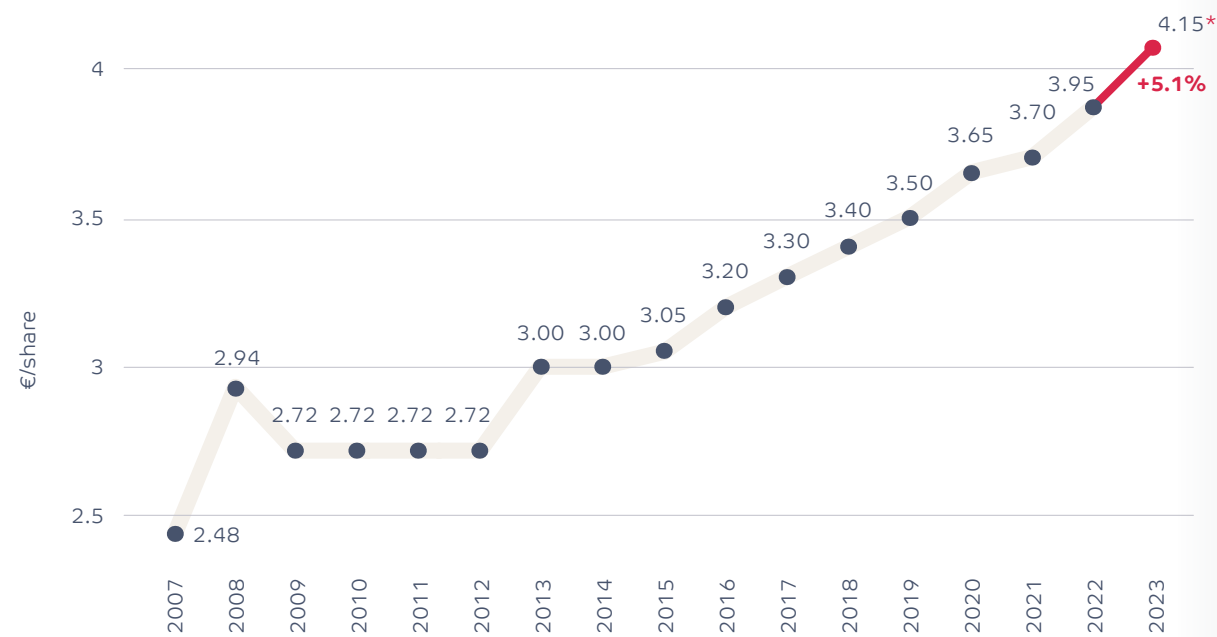


• **EVOLUTION OF THE PORTFOLIO**

• Belgium • France • Spain



• **GROWTH OF THE GROSS DIVIDEND PER SHARE**



\* For 2022/2023, this is the dividend proposal to be submitted for approval to the general meeting to be held on 31/01/2024.

• **OUR VALUES**

**CONNECTED**

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



**AMBITION**

TO GROW, WHILE  
RESPECTING MARKET  
CYCLES





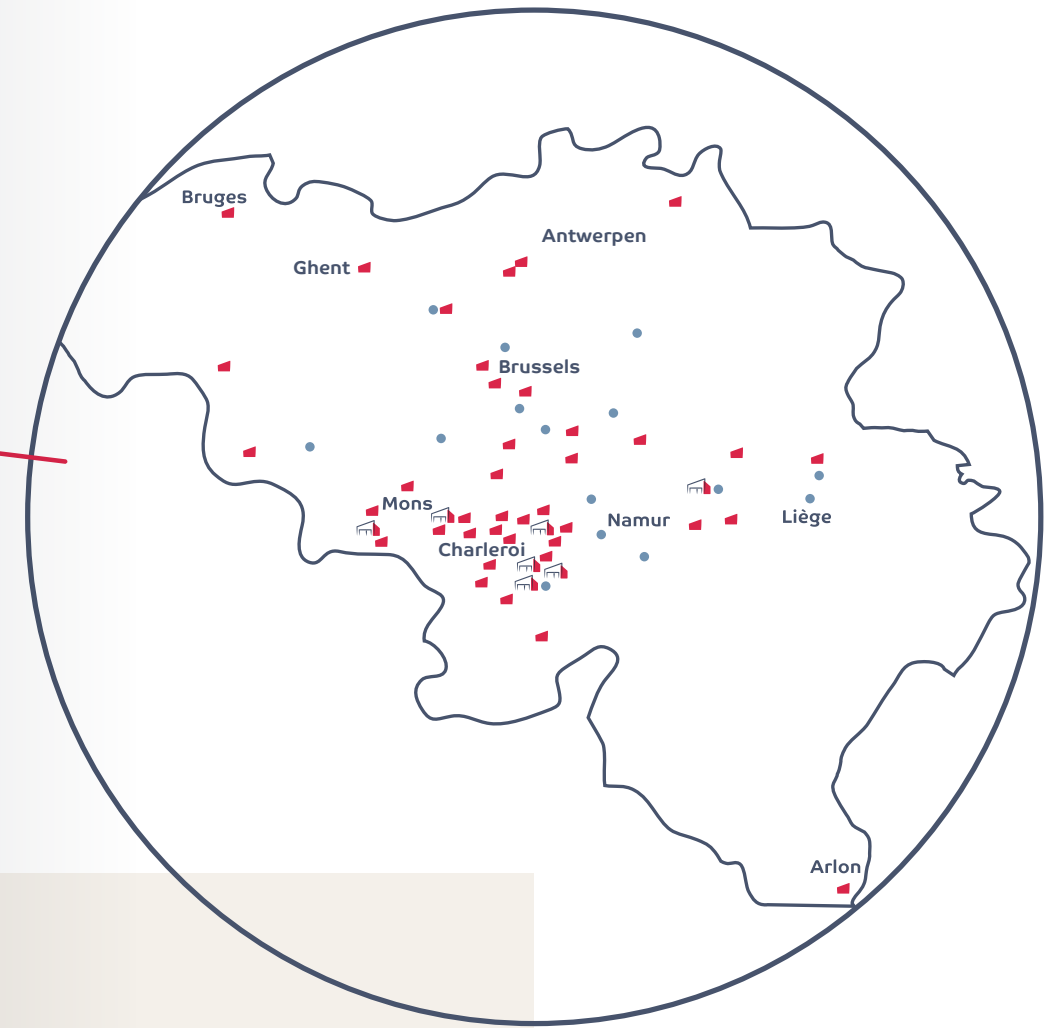
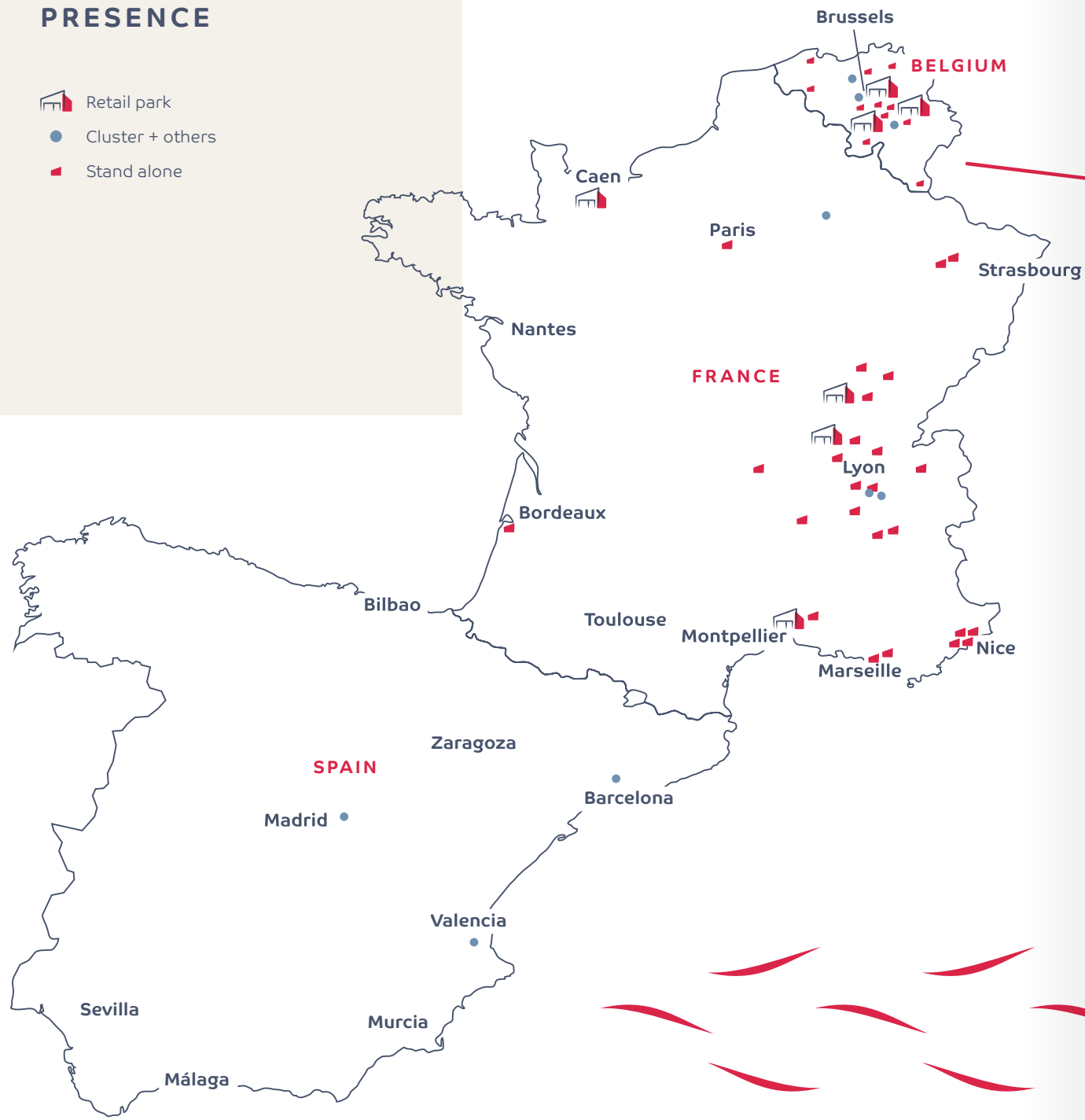
**POSITIVE MIND**

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



• **OUR PRESENCE**

-  Retail park
-  Cluster + others
-  Stand alone



**38% Men**



**62% Women**



## B • HISTORY



**2023**

EPRA Gold Award for the transparency of its sustainability reporting (sBPR)



**2022**

Takeover of the food retailer Mestdagh by the Les Mousquetaires group, under the Intermarché banner.

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.

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

Ascencio opts for 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 Casino supermarkets in France for €85.2 million.

**2019**

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

Ascencio included in the FTSE EPRA Nareit Developed Europe Index.

**2018**

Acquisition of 6 retail units "Le Parc des drapeaux" retail park in Caen (France).

**2017**

Acquisition of an urban commercial property in Anderlecht (Belgium). A Carrefour Market supermarket opened in 2018.

**2016**

Acquisition of the "Les Papeteries de Genval" retail park in Genval (Belgium), 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 "Bellefleur" retail park in Couillet (Belgium).

**2014**

Capital increase (€81,502,605).

Ascencio is approved as a Regulated Real Estate Company ("SIR publique").

**2013**

Acquisitions:

- +/- 30 retail units close to Cora outlets in Belgium
- the "Les Portes du Sud" retail park in Chalon-sur-Saône (France).

**2012**

Capital increase (€2,425,282) by contribution in kind of 5 buildings and acquisition of the "Le Parc des Drapeaux" retail park in Caen (France).

**2011**

Acquisition of the "Le Parc des Bouchardes" retail park close to Macon (France).

Acquisition of the project for the retail park "Les Cyprès" in the Montpellier region (France).

**2010**

Acquisition of 7 "Grand Frais" supermarkets in France.

Ascencio adopts the SIIC status in France.

**2008**

Acquisition of a retail park in Jemappes (Belgium).

**2007**

Ascencio IPO listed on Euronext Brussels.

Acquisition of a retail park in Hannut (Belgium).

**2006**

Creation of Ascencio.

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

## C • STRATEGY

### • ESTABLISHING AND MANAGING A RETAIL REAL ESTATE PORTFOLIO ON THE OUTSKIRTS OF CITIES

The core of Ascencio's strategy is to invest in retail spaces on the outskirts of cities, and more particularly supermarkets and retail parks, and to manage them over the long term in a sustainable way.

This commercial property niche offers surface areas suited to retailers operating in sectors that meet consumers' primary needs. These spaces also benefit from easily accessible locations and flexible space to meet the challenges posed by the evolution of consumption patterns towards omnicanality.

Ascencio is deploying this business strategy as follows:

#### PROACTIVE ASSET MANAGEMENT

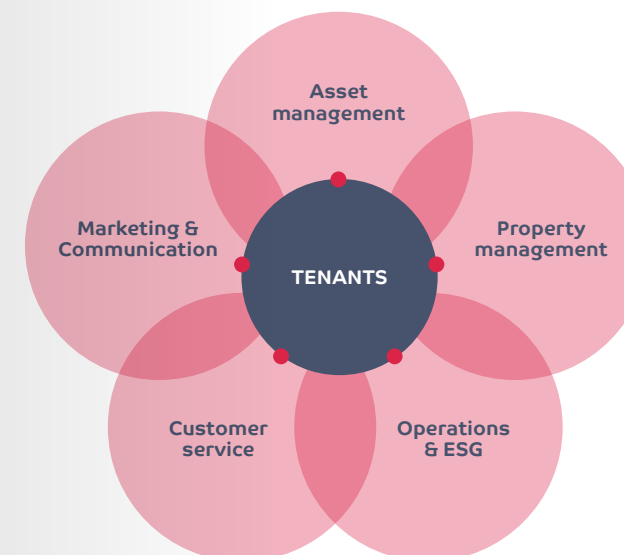
As a repository of recognised expertise in retail real estate, Ascencio constantly assesses its portfolio to identify its needs in terms of both management and investment.

As part of this analysis, the Company also integrates the parameters of its ESG strategy with the aim of improving the sustainability and environmental performance of its portfolio. Ascencio's ESG policy is described in the "ESG Report" section of this annual report.

In order to ensure the sustainability of its income, Ascencio is committed to maintaining over time the highest possible EPRA occupancy rate of its portfolio. To achieve this the Company pursues a commercial policy aimed at developing long-term relationships with its tenants to anticipate potential departures and to find other retailers who could quickly take over vacant

premises. The knowledge of its market and the brands evolving in it is one of Ascencio's essential skills. The Company favours leases to national or international chains whose financial health is regularly assessed.

### CUSTOMER-ORIENTED CENTRIC MANAGEMENT



The Company pays particular attention to its retailers and to the anticipation of their needs. To achieve this, it maintains regular contact with them through its teams, in particular:

- Asset managers, for the implementation and commercial management of occupancy contracts;
- Property managers, for day-to-day management of the technical maintenance of buildings;
- The Operations & ESG department, for the technical development of the portfolio and deployment of the ESG policy within it;
- Customer service for the contractual management of current leases;
- The Marketing & Communications department, for setting up events and communication campaigns.

### MANAGEMENT OF A RESPONSIBLE INVESTMENT STRATEGY

New investments are in line with the strategy, and must also offer financial prospects with a positive influence on the Company's performance both in terms of cash flow and value per share. In particular, investment opportunities are analyzed in terms their intrinsic real estate qualities, location, accessibility, catchment area, quality of tenants, commercial mix, as well as factors related to their energy performance. To ensure geographical consistency, Ascencio is currently present on the outskirts Belgian, French and Spanish cities. In the future, Ascencio may extend its scope of action to other European Union countries.

### DYNAMIC FINANCIAL MANAGEMENT OF THE COMPANY

Ascencio ensures proactive financial management by maintaining a solid balance sheet structure and maintaining a strong liquidity position. To achieve this, a particular attention is paid to controlling its debt ratio and maintaining a solid financing structure, both in terms of diversifying sources and extending the average duration of its debt.

Finally, the Company is careful to build up an effective hedging structure, both in terms of setting interest rates and the hedging horizon, in order to reduce its sensitivity to variations in interest rates.

### CONSISTENT POLICY OF DIVIDEND DISTRIBUTION

Under the Company's status, Ascencio must comply with the requirement to distribute a regulatory minimum amount. In this context, the Company aims to offer a steadily increasing dividend over the long term while preserving its balance sheet ratios to avoid altering its risk profile.



# MANAGEMENT REPORT



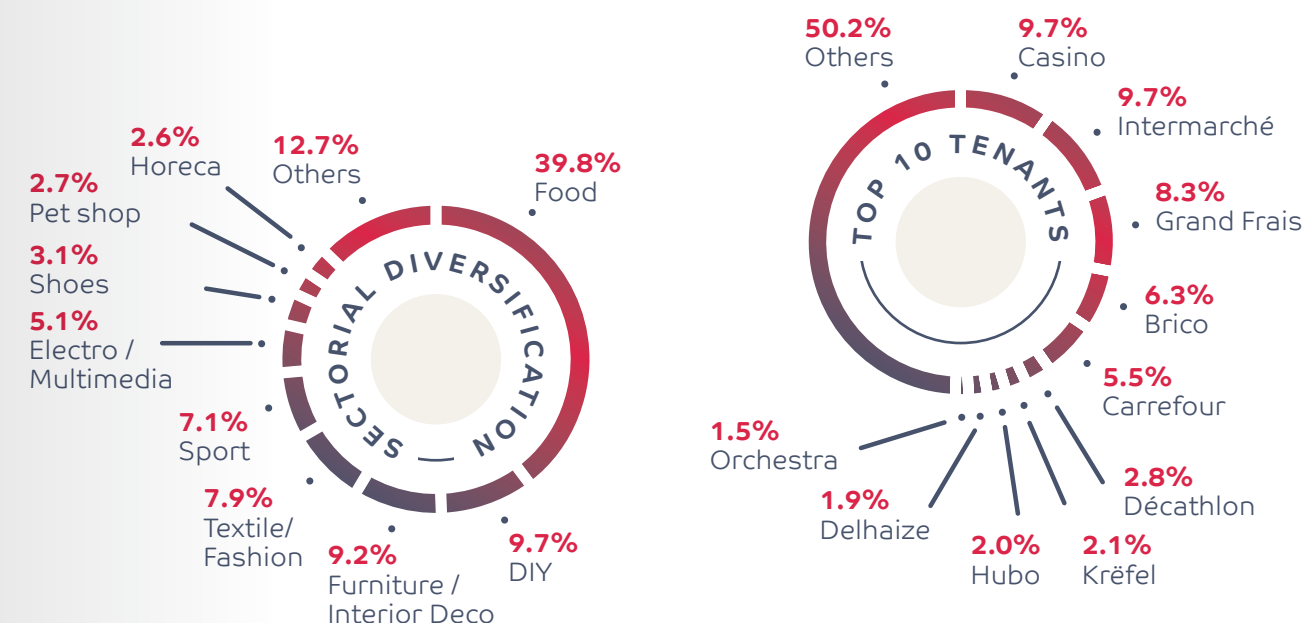
# A • KEY FIGURES

	30/09/2023	30/09/2022
<b>PROPERTY DATA</b>		
Fair value of investment properties (€000s)	740,856	738,933
EPRA occupancy rate	97.90%	96.54%
Gross yield of the portfolio	6.84%	6.43%
Average rent of the portfolio (€/m <sup>2</sup> )	120	115
<b>FINANCIAL DATA</b>		
<b>CONSOLIDATED RESULTS (€000s)</b>		
Rental income	51,322	47,849
EPRA Earnings	36,009	33,773
Net result	33,806	90,653
Gross dividend	27,373	26,054
<b>CONSOLIDATED RESULTS PER SHARE (€)</b>		
Weighted average number of shares in circulation	6,595,985	6,595,985
EPRA Earnings	5.46	5.12
Net result	5.13	13.74
Gross dividend <sup>1</sup>	4.15	3.95
Net dividend <sup>2</sup>	2.905	2.765
<b>CONSOLIDATED BALANCE SHEET</b>		
Equity (€000s)	444,763	437,011
Total number of shares in existence at balance sheet date	6,595,985	6,595,985
IFRS NAV per share (€)	67.43	66.25
EPRA NTA per share (€)	63.59	62.35
Debts and other liabilities included in the debt ratio (€000s)	332,508	337,237
Debt ratio <sup>3</sup>	44.02%	44.88%
EPRA LTV	43.40%	44.38%
<b>STOCK MARKET DATA</b>		
Closing price (€)	41.30	50.70
Stock market capitalisation (€000s)	272,414	334,416

<sup>1</sup> For 2022/2023, this is the dividend proposal subject to the approval of the general meeting of shareholders to be held on 31 January 2024.

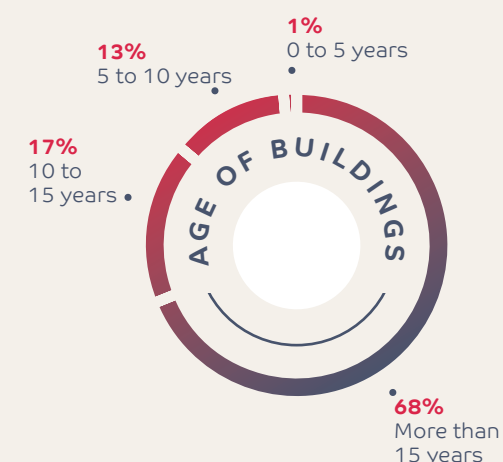
<sup>2</sup> Based on withholding tax of 30%.

<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.



## GROSS YIELD AND EPRA OCCUPANCY RATE ON THE PORTFOLIO OF PROPERTIES AVAILABLE FOR RENTAL (EXCLUDING IFRS 16)

(€000s)	30/09/2023	30/09/2022
Investment value (excl. projects in development and rights of use IFRS 16) [A]	768,837	766,988
Contractual rents [B]	52,571	49,280
<b>Gross yield = [B] / [A]</b>	<b>6.84%</b>	<b>6.43%</b>
ERV of unoccupied properties [C]	1,018	1,631
Total ERV [D]	47,894	47,138
<b>EPRA occupancy rate, % = 1 - ([C] / [D])</b>	<b>97.9%</b>	<b>96.5%</b>



At 30/09/2023 Ascencio held a portfolio of 104 properties spread among Belgium, France and Spain, with a total surface area of 450,013 m<sup>2</sup>.

Its fair value amounted to €740.9 million at 30/09/2023, compared with €738.9 million one year earlier.

	Surface area (m <sup>2</sup> )		Fair value (€000s)		Gross yield (%)	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022
Belgium	290,577	289,918	404,493	393,826	7.23%	6.95%
France	147,183	147,195	305,863	313,936	6.38%	5.92%
Spain	12,253	12,253	30,500	30,850	6.49%	5.16%
<b>TOTAL</b>	<b>450,013</b>	<b>449,366</b>	<b>740,856</b>	<b>738,612</b>	<b>6.84%</b>	<b>6.43%</b>
Development projects	0	670	0	320		
<b>TOTAL INVESTMENT PROPERTIES</b>	<b>450,013</b>	<b>450,037</b>	<b>740,856</b>	<b>738,933</b>		

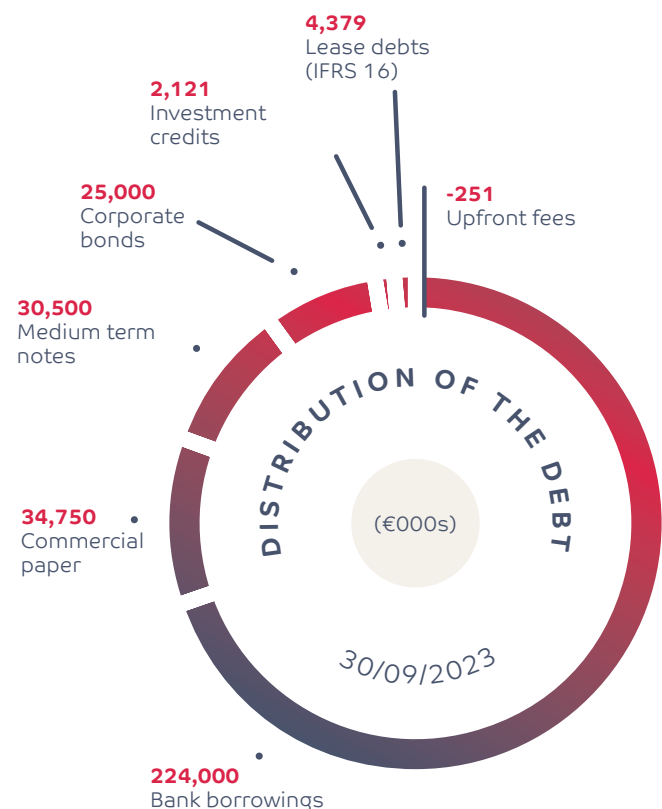
Based on the contractual rents in force at 30/09/2023, the average rent of the portfolio amounts to €120/m<sup>2</sup>, of which: €106/m<sup>2</sup> in Belgium, €143/m<sup>2</sup> in France and €167/m<sup>2</sup> in Spain.

**2.02%**  
AVERAGE  
FINANCING COST

**3.4 years**  
DEBT  
DURATION

**95.0%**  
HEDGING  
RATIO

**€84.3  
million**  
AVAILABILITY  
OF CREDIT LINES



**€4.15**  
GROSS DIVIDEND  
PER SHARE

**78.0%**  
PAY-OUT  
RATIO

**€5.46**  
EPRA EARNINGS  
PER SHARE

## B • ACTIVITY REPORT

### • MACRO-ECONOMIC CONTEXT

During the previous financial year, the macro-economic context was marked by the outbreak of the conflict between Russia and Ukraine, which had the collateral effect of causing inflation to rise rapidly and sharply. This rise, caused by uncertainties over energy supplies in Western countries, forced central banks to react quickly by tightening monetary policy and significantly raising key interest rates.

Over the past financial year, interest rates have continued to rise at a steady pace (from 1.25% to 4%). This policy helped to curb inflation, which peaked in October 2022. At 30/09/2023, inflation was at more moderate levels, although still above the target set by the central banks.

While inflation had a positive short-term impact on property companies' revenues (which are indexed to the rate of inflation), soaring interest rates quickly had a dampening effect on property valuations, in terms of both share prices and the market values of the underlying assets. In addition, the combined effect of high inflation and interest rates has put pressure on households' purchasing power, reducing consumption and leading to lower revenues and margins for retailers within commercial property portfolios. This has led in particular to increased tension in the food sector, where margins had already been squeezed by the fierce competition that has prevailed for several years.

After more than 10 consecutive years of negative interest rates followed by the recent surge in rates, and taking into account the slowdown in economic growth,

the market is now wondering about the continuation of the monetary policy to be applied by the European Central Bank and where the new equilibrium will lie in the medium term, in terms of both inflation levels and interest rates.

In the second half of the year, this climate of uncertainty also led to a slowdown both in the rental market for out-of-town properties, as some retailers put the brakes on their expansion policy, and in the investment market, with buyers and sellers finding it difficult to reach a new equilibrium in valuation and due to the reluctance of the banking sector. It also highlighted the importance for any property company of maintaining a strong balance sheet and a healthy liquidity position, in an environment where both equity and debt financing have become scarcer and more expensive.

### • OPERATING ACTIVITY

#### LETTING

Ascencio has once more enjoyed sustained rental activity, both by attracting new tenants and by extending occupancy contracts with existing tenants. In total, 62 transactions were concluded (10 new leases signed and 52 leases renewed), representing approximately 75,000 m<sup>2</sup>, about 17% of the real estate portfolio's surface area and 16% of its rents, at levels on average 8.5% higher than the estimated rental value and 1.5% lower than the previous rents for the units concerned.

This rental activity was in particular achieved by the following transactions:

• **BELGIUM:**

- the renewal of all 18 leases expiring in 2024 with the Intermarché food chain, on the current financial terms and conditions, representing total annual income of €3.6 million, or 6.9% of the Company's rental income. These 18 renewals secure Intermarché's occupancy within Ascencio's portfolio and establish a long-term relationship with a fast-growing, internationally-renowned food retailer tenant;
- in Genval: 2 new leases (Tenshi and Afflelou) and 14 renewals signed;
- in Hannut: 2 new leases signed (including one with food retailer Bio Planet);
- in Couillet: 3 renewals signed.

• **FRANCE:**

- in Saint-Aunès: 1 new lease (Grand Vision) and 5 renewals signed;
- in Bourgoin-Jallieu: 1 new lease (Maxi Bazar) and 1 renewal signed.

• **SPAIN:**

- in Madrid: 1 new lease signed (Tansley);
- in Valencia: 1 new lease signed (JumpYard).

The arrival of a new tenant in Valencia means that the Spanish portfolio's EPRA occupancy rate has returned to 100%, following the void left by its previous tenant since 2021. In Madrid, the Worten chain announced several years ago that it was to discontinue its Spanish activities, and Ascencio proactively replaced this tenant, thereby stabilising the rental situation for this asset.

In addition, Ascencio concluded 14 short-term leases, primarily to maintain flexibility of occupancy in buildings affected in the short term by renovation or redevelopment projects. This is particularly the case in Belgium at Uccle, where 10 short-term leases have been signed to allow for a forthcoming major renovation of the site, and in Couillet, with a view to the redevelopment of a number of units.

This excellent rental performance illustrates the attractiveness of Ascencio's sites, which benefit from strategic locations, and is in line with its desire to establish long-term relationships with its tenants. It also testifies to the quality of the Ascencio's letting team.

All these transactions have enabled the Company to further consolidate its property portfolio EPRA occupancy rate, which stood at 97.9% at 30/09/2023 compared with 96.5% at the end of the previous financial year. At 30/09/2023, the weighted average lease term ("WALT") of Ascencio's portfolio was 7.0 years and the weighted average lease break ("WALB") was 2.7 years.

**INVESTMENTS**

The Company did not make any new acquisition during the past financial year but invested €2.1 million of works within its real estate portfolio, mainly corresponding to

- the completion of extension works of on its Intermarché supermarket in Ottignies (Belgium);
- the renovation of the roofs of 3 retail units in its "Orchidée Plaza" retail park in Hannut (Belgium), as part of a programme to redevelop and recommercialise the site that has been in progress for several years;
- the renovation of the roof of its Casino supermarket in Aix-en-Provence (France).

**PROPERTY VALUATIONS**

Taking all these transactions into account and excluding investments, the value of Ascencio's consolidated portfolio remained stable (-€0.2 million/-0.02%) compared with the sharp increase of €23.8 million in the previous financial year. This stability is all the more remarkable given that it comes at a time when interest rates have been rising at an unprecedented rate for over a year. Unlike other real estate segments, out-of-town retail property has demonstrated its resilience in times of

crisis and has even constituted an interesting alternative for investors looking for yield. This segment of real estate has in fact always evolved at higher yield levels, thus making its values less sensitive to changes in interest rates.

However, the experts did occasionally apply a few rate adjustments to certain assets, the negative impact of which was generally offset by the increase in market rents over the same period.

The valuations of Ascencio's property portfolio at the end of the last two financial years were as follows:

Investment properties	30/09/2023				30/09/2022		
	% total Fair Value	Fair Value (€000s)	EPRA occupancy rate	Gross yield	Fair Value (€000s)	EPRA occupancy rate	Gross yield
Belgium	54%	404,493	96.9%	7.23%	393,826	96.1%	6.95%
France	42%	305,863	99.0%	6.38%	313,936	98.3%	5.92%
Spain	4%	30,500	100.0%	6.49%	30,850	83.5%	5.16%
<b>TOTAL PROPERTIES AVAILABLE FOR RENT</b>	<b>100%</b>	<b>740,856</b>	<b>97.9%</b>	<b>6.84%</b>	<b>738,612</b>	<b>96.5%</b>	<b>6.43%</b>
Development projects		0			320		
<b>TOTAL INVESTMENT PROPERTIES</b>		<b>740,856</b>			<b>738,933</b>		

**SUSTAINABILITY**

In line with its sustainability policy as described in its Annual Report 2022 and drawing on the experience of its strengthened Operations & ESG team, Ascencio has undertaken to roll out its ESG strategy both at the corporate level and within its property portfolio.

sites by making them hubs for electromobility, offering a complementary service to consumers and local communities. In parallel, the Company is working on a project to install charging stations for its Belgian portfolio based on a similar model of collaboration.

The main initiatives and achievements during the year were as follows:

**At the environmental level:**

1. Ascencio has signed a partnership agreement with the company Powerdot. It undertakes to invest in the installation of almost 260 fast charging points for electric vehicles in the car parks of its French assets. These facilities will further enhance the attractiveness of the

2. Ascencio has set itself the target of obtaining a BREEAM *in-use* label, at least "very good" for its 6 largest retail parks by 2026. Over the past financial year, the retail parks of Genval and Couillet in Belgium and Caen in France underwent an initial assessment, and investment programmes were identified with a view to achieving the required certification. These works will begin in 2024.



3. The Company has continued the process of collecting consumption data from its tenants in the Belgian and French portfolios. To date, almost 92% of the data has been obtained for the French portfolio, while data for the Belgian portfolio is currently being collected.

4. The Company has drawn up a green appendix to all new leases and lease renewals in which tenants undertake namely to provide their consumption data.

#### At the social level:

1. As part of the HR development program, Ascencio has set up an Academy, a mentoring plan and training tailored to the needs of its employees.

2. The transition of the company vehicle fleet to electromobility is underway, with 50% of the fleet now being hybrid or electric.

3. Ascencio is finalizing a program to redesign its offices in order to boost collaboration and internal communication.

4. The promotion of sport and the fight against hunger were the subject of various initiatives during the financial year.

#### At the corporate governance level:

1. The Ascencio executive committee was completed by the arrival of Bernard Sergeant as Operations & ESG director.

2. Ascencio has obtained the "Gold" label as part of its EPRA sBRP (sustainability best practice recommendations) reporting.

3. Ascencio has started a Company digitalization project aimed at improving the efficiency of its internal processes and monitoring the performance indicators of its real estate portfolio.



## ANNUAL CONSOLIDATED RESULTS

(€000s)	30/09/2023	30/09/2022
<b>RENTAL INCOME</b>	<b>51,322</b>	<b>47,849</b>
Rental related charges	-223	684
Recovery of property charges	956	681
Rental related charges and taxes not recovered	-312	-108
Other revenue and rental related charges	-26	-239
<b>PROPERTY RESULT</b>	<b>51,716</b>	<b>48,867</b>
Property charges	-4,633	-4,004
Corporate overheads	-4,657	-4,481
Other operating income and charges	1	-1
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>42,427</b>	<b>40,381</b>
<i>Operating margin*</i>	<b>82.7%</b>	<b>84.4%</b>
Financial income	765	134
Net interest charges	-6,157	-5,710
Other financial charges	-685	-554
Taxes	-342	-477
<b>EPRA EARNINGS</b>	<b>36,009</b>	<b>33,773</b>
Result on sales of investment properties	0	-159
Change in the fair value of investment properties	-745	23,800
<b>Portfolio result</b>	<b>-745</b>	<b>23,641</b>
Change in fair value of financial assets and liabilities	-1,543	38,135
Deferred tax	85	-4,896
<b>NET RESULT</b>	<b>33,806</b>	<b>90,653</b>
<b>EPRA EARNINGS PER SHARE (€)</b>	<b>5.46</b>	<b>5.12</b>
<b>NET RESULT PER SHARE (€)</b>	<b>5.13</b>	<b>13.74</b>
<b>TOTAL NUMBER OF EXISTING SHARES</b>	<b>6,595,985</b>	<b>6,595,985</b>

Rental income came to €51.3 million, up by 7.3% on the comparable period of the previous financial year (like-for-like equivalent to 7.3%). The breakdown by country is as follows:

RENTAL INCOME (€000s)	30/09/2023		30/09/2022		Δ
Belgium	28,638	56%	26,152	55%	9.5%
France	20,608	40%	19,781	41%	4.2%
Spain	2,076	4%	1,917	4%	8.3%
<b>TOTAL</b>	<b>51,322</b>	<b>100%</b>	<b>47,849</b>	<b>100%</b>	<b>7.3%</b>

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

The growth in revenues in all three countries was due to the combined effect of high inflation, which was reflected in the rent indexation, and good asset management, which increased the EPRA occupancy rate. The differences in income growth rates between the three countries are mainly explained by the different levels of indexation. Spain also saw a significant change in its rental situation, with the arrival of a new tenant in the vacant space in Valencia and the replacement of a tenant in the Madrid building, resulting in the receipt of an early departure indemnity.

**Rental related charges** returned to positive territory at €0.2 million and relate to write-downs taken on doubtful trade receivables, whereas they had been negative the previous year (- €0.7 million) due to the reversal of provisions linked to the Covid pandemic in anticipation of potential rent reductions that were ultimately not granted.

These various elements, together with the recovery of property charges and rental related charges and taxes not recovered, enable **property results** to reach €51.7 million at 30/09/2023, up by 5.8% as against €48.9 million of previous financial year.

**Property charges** rose by 15.7% (€4.6 million vs. €4.0 million), mainly due to an strengthening in Ascencio's real estate management team and a rise in the number of technical interventions carried out on the property portfolio.

**Corporate overheads** rose by 3.9% (€4.7 million vs. €4.5 million). This limited increase illustrates the effectiveness of the cost control policy applied by the Company despite an environment marked by high inflation.

After deducting property charges and corporate overheads, **operating result before result on portfolio** came to €42.4 million, up by 5.1% compared with the previous financial year's figure of €40.4 million, giving an operating margin of 82.7% (vs. 84.4%).

The **financial income** was remarkably stable (+0.9%), mainly as a result of the increase in interest charges on financing (- €4.2 million / +74%) and arrangement up-front fees on financing (- €0.1 million) being offset by the appearance of financial income generated by hedging

instruments held by the Company (+ €3.8 million) and by the realisation of a capital gain on the unwind of hedging instruments (+ €0.8 million vs. + €0.1 million).

Taking into account these changes and a reduction in tax charges, **EPRA Earnings** came to €36.0 million at 30/09/2023, up by 6.6% compared with €33.8 million generated in the previous year. EPRA Earnings per share therefore increased to €5.46, compared to €5.12.

The **revaluation of the property portfolio** was perfectly stable, with a revaluation excluding investments of - €0.2 million (-0.02%) compared with an increase of + €23.8 million (+3.3%) in the 2021/2022 financial year. Against a backdrop of interest rate rises of unprecedented speed and magnitude, a stable value for the property portfolio would appear to be a good performance, illustrating the particularly resilient and defensive nature of Ascencio's property portfolio. In addition, this section includes a negative revaluation of financial debts recognized according to IFRS 16 for a negative amount of €0.6 million.

The **revaluation of hedging instruments** amounted to - €1.5 million at 30/09/2023 (compared with + €38.1 million in the previous financial year, which accounted for most of the rise in long-term interest rates).

Lastly, **net result** was €33.8 million at 30/09/2023 compared with €90.7 million a year earlier, or €5.13 and €13.74 per share respectively. This significant fall (-62.7%) is exclusively due to the revaluation differences illustrated above.

## • CONSOLIDATED BALANCE SHEET

(€000s)	30/09/2023	30/09/2022
<b>ASSETS</b>	<b>786,469</b>	<b>783,312</b>
Intangible assets	236	24
Investment properties	740,856	738,933
Other tangible assets	49	35
Other non-current assets	30,670	31,514
Current financial assets	867	885
Trade receivables	5,556	4,956
Cash and cash equivalents	5,423	4,356
Other current assets	2,811	2,611
<b>EQUITY AND LIABILITIES</b>	<b>786,469</b>	<b>783,312</b>
Equity	444,763	437,011
Non-current financial debts	262,670	268,677
Other non-current liabilities	2,806	2,476
Deferred tax liabilities	6,085	6,170
Current financial debts	57,829	58,038
Other current liabilities	12,316	10,939
<b>IFRS NAV (€/share)</b>	<b>67.43</b>	<b>66.25</b>
<b>EPRA NTA (€/share)</b>	<b>63.59</b>	<b>62.35</b>
<b>Debt ratio (in accordance with the Royal Decree)</b>	<b>44.0%</b>	<b>44.9%</b>
<b>EPRA LTV</b>	<b>43.4%</b>	<b>44.4%</b>

## ASSETS

The portfolio of **investment properties** accounts for 94% of the Company's assets. Its total fair value (including investments and development projects) amounted to €740.9 million at 30/09/2023, compared with €738.9 million at 30/09/2022. It should be noted that, in accordance with IFRS 16, this portfolio includes the rights

of use held by the Company in the form of leaseholds in a revalued amount of €4.4 million.

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

Investment properties	% total Fair Value	Fair Value (€000s) 30/09/2023	Fair Value (€000s) 30/09/2022	Δ Fair Value 2022/2023
Belgium	54%	404,493	393,826	+2.1%
France	42%	305,863	313,936	-2.7%
Spain	4%	30,500	30,850	-1.1%
<b>TOTAL PROPERTIES AVAILABLE FOR RENT</b>	<b>100%</b>	<b>740,856</b>	<b>738,612</b>	<b>-0.02%</b>
Development projects		0	320	
<b>TOTAL INVESTMENT PROPERTIES</b>		<b>740,856</b>	<b>738,933</b>	<b>-0.02%</b>

In Belgium, the value of the portfolio increased both through revaluation (+ €8.2 million) and through investments amounting €1.8 million, the latter mainly relating to the completion of the extension of the Ottignies supermarket and works linked to the commercialisation of the "Orchidée Plaza" retail park in Hannut.

In France, the portfolio suffered a negative revaluation of - €8.4 million, while €0.3 million was spent on capital expenditure, mainly to renew the roof of the Casino supermarket in Aix-en-Provence.

In Spain, the revaluation of the portfolio amounted to - €0.4 million, and no investment was made during the year.

Furthermore, no new acquisition or disposal was effected within the investment property portfolio.

**Other non-current assets** mainly comprise hedging instruments maturing in more than one year and benefiting from positive valuations, which amounted to €30.3 million at 30/09/2023 as against €31.0 million a year earlier.

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

The balance of **trade receivables** was €5.6 million at 30/09/2023 (vs €5.0 million). Against a backdrop of high inflation, which is putting pressure on companies' profitability, Ascencio has attached particular importance to monitoring its receivables from customers. During the past year, there was no significant increase in unpaid receivables that would have required significant provisions to be recognised.

**Cash and cash equivalents** balance increased slightly due to the anticipation of a cash payment due the day after the balance sheet date, while **other current assets** remained relatively stable and require no specific comment.

## • EQUITY AND LIABILITIES

At 30/09/2023, the total **equity** was €444.8 million, up by 1.8% compared with €437.0 million recorded at 30/09/2022. This increase is due to the realisation of a net profit (+ €33.8 million) higher than the dividend distributed in February 2023 (€26.1 million). On this basis, the IFRS net asset value per share is €67.43 (compared to €66.25 at 30/09/2022), while the EPRA NTA per share is €63.59 (vs €62.35).

On the liabilities side, **financial debts** (non-current and current) amounted to €320.5 million compared with €326.7 million at 30/09/2022. In addition to the financing lines actually used and amounting to €316.4 million, including outstanding bank loans but also issued institutional debts (treasury notes, medium term notes and bonds), the financial debts include lease liabilities amounting to €4.4 million recorded under IFRS 16, as well as arrangement up-front fees for an amount of - €0.3 million.

The balance of **other non-current liabilities** increased from €2.5 million to €2.8 million. This item mainly comprises rental guarantees received from tenants, particularly in Spain with the arrival of the new tenant in Valencia.

**Deferred tax liabilities** were revalued very slightly (+ €0.01 million), since the basis for calculating the deferred tax liability (the difference between the fair value

of French assets and their net book value) remained relatively stable.

The consolidated **debt ratio** was 44.0% at 30/09/2023 (EPRA LTV: 43.4%), down from 44.9% at 30/09/2022 (EPRA LTV: 44.4%). The Company therefore benefits from a solid balance sheet structure, enabling it to finance its operations and to have the flexibility to make new investments without having to consider raising new equity in the short term.

## • CONSOLIDATED DATA PER SHARE

	30/09/2023	30/09/2022
<b>RESULT PER SHARE (€)</b>		
<b>EPRA Earnings</b>	<b>5.46</b>	<b>5.12</b>
<b>Earnings per share (EPS)</b>	<b>5.13</b>	<b>13.74</b>
Net asset value (NAV) IFRS (€000s)	444,763	437,011
<b>NAV IFRS per share (€)</b>	<b>67.43</b>	<b>66.25</b>
Restatements:		
Deferred tax (€000s)	6,085	6,170
Fair value of financial instruments (€000s)	-31,149	-31,928
Intangible assets according to the IFRS balance sheet	-236	0
<b>EPRA NTA (€000s)</b>	<b>419,463</b>	<b>411,254</b>
Number of shares	6,595,985	6,595,985
<b>EPRA NTA per share (€)</b>	<b>63.59</b>	<b>62.35</b>



## • PROPOSED APPROPRIATION OF RESULTS

Based on the results for the 2022/2023 financial year, the board of directors of Ascencio Management SA, sole statutory director of Ascencio SA, will propose to the ordinary general meeting of 31/01/2024 that it approves the statutory annual accounts at 30/09/2023 (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 €4.15 per share (€2.905 net per share), an increase of 5.1% compared to the previous financial year. The granting of this dividend represents a pay-out ratio of 78.0% of the net proceeds generated during the financial year, the balance being allocated to the Company's reserves to preserve the strength of its balance sheet.

PROPOSED APPROPRIATION (€000s)	30/09/2023	30/09/2022
<b>A NET RESULT</b>	<b>33,806</b>	<b>90,653</b>
<b>B TRANSFERS TO/FROM RESERVES</b>	<b>6,432</b>	<b>64,599</b>
1. Transfer to/from reserves of net change (positive or negative) in fair value of property assets (-/+)	-745	23,800
6. Transfer from reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (+)	-1,543	38,135
10. Transfer to/from reserves	8,720	2,665
<b>C REMUNERATION OF CAPITAL (ART. 13, §1, SUBSECTION 1)*</b>	<b>24,055</b>	<b>18,954</b>
<b>D REMUNERATION OF CAPITAL - OTHER THAN C</b>	<b>3,319</b>	<b>7,100</b>

\* According to the Royal Decree of 13 July 2014, as amended by the Royal Decree of 23 April 2018, on B-REITs.

In this way the Company aims to maintain a consistent dividend distribution policy relative to its EPRA earnings.

	30/09/2023	30/09/2022
Consolidated EPRA Earnings per share (€)	5.46	5.12
Gross dividend <sup>1</sup> per share (€)	4.15	3.95

<sup>1</sup> For 2022/2023, this is the dividend proposal subject to the approval of the general meeting of shareholders to be held on 31 January 2024.



After approval, the payment of this dividend will be made in accordance with the financial calendar shown on page 166 of this annual report.

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

The proposed dividend complies with the requirement of article 13, §1, subsection 1 of the Royal Decree of 13/07/2014 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)	30/09/2023 (€000s)	30/09/2022 (€000s)
<b>STATUTORY NET RESULT</b>	<b>33,806</b>	<b>90,653</b>
(+) Depreciation	23	35
(+) Reductions in value	-169	114
(+/-) Other non-monetary items (change in value of financial participations)	-1,732	-8,607
(+/-) Other non-monetary items (change in value of financial instruments)	1,543	-38,135
(+/-) Other non-monetary items (change in value of deferred tax debts)	-383	3,932
(+/-) Net gains/(losses) on disposals of property assets	0	159
(+/-) Net gains/(losses) on disposals of financial assets and liabilities	-765	0
(+/-) Change in fair value of property assets	2,775	-14,229
<b>= CORRECTED RESULT (A)</b>	<b>35,098</b>	<b>33,923</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>28,078</b>	<b>27,138</b>
(-) <b>REDUCTION IN BORROWINGS</b>	<b>-4,023</b>	<b>-8,184</b>
<b>OBLIGATION TO DISTRIBUTE</b>	<b>24,055</b>	<b>18,954</b>
<b>AMOUNT DISTRIBUTED</b>	<b>27,373</b>	<b>26,054</b>
<b>PAY-OUT RATIO (**)</b>	<b>78.0%</b>	<b>76.8%</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)	30/09/2023	30/09/2022
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 (+)	62,951	63,696
Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties (-)	-9,923	-9,923
Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (+/-)	22,837	29,697
<b>Equity not distributable under article 7:212 of the Code of Companies and Associations</b>	<b>367,878</b>	<b>375,482</b>
<b>Statutory equity after distribution</b>	<b>417,224</b>	<b>410,792</b>
<b>Remaining margin after distribution</b>	<b>49,346</b>	<b>35,310</b>

## • EVENTS OCCURRING AFTER END OF THE FINANCIAL YEAR

Ascencio acquired, on 14/11/2023, 100% of the shares of the company Holdtub SA, owner of 3 recently redeveloped and fully rented commercial cells in the "Bellefleur" retail park in Couillet (Charleroi - Belgium), for a total surface area of almost 3,000 m<sup>2</sup>.

This investment, financed entirely by debt, is made on the basis of an asset valuation of €7.0 million, in line with the market value determined by the expert.

This operation fits perfectly with Ascencio's strategy of investing in retail parks benefiting from the intrinsic qualities required, both in terms of location, commercial attractiveness and historical performance.

## • FINANCING & INTEREST RATE HEDGING

Against the current macro-economic backdrop of high interest rate volatility and deteriorating availability of funding sources, managing the liquidity position remained a key priority for Ascencio.

The Company has continued to manage the duration of its debt portfolio, anticipating the refinancing of credit lines maturing within 12 months' time. By this proactive management, the Company has succeeded in maintaining availability at all times on its credit lines, which are secured for an amount of around €85 million, thus ensuring the Company's liquidity. Given the shallowness of the market and the unattractive conditions on the bond markets, Ascencio has concentrated its efforts on refinancing through bank credit lines, both by maintaining its business relationships with its existing banking partners and by developing relationships with new institutions.

Essentially, Ascencio has concluded 7 new revolving credit lines with 4 financial institutions (Belfius Banque, BNP Paribas Fortis, Caisse d'Epargne Hauts de France



and CBC Banque), with fixed terms of between 4 and 8 years, for a total nominal amount of €80 million, on financial terms that are broadly in line with previous refinancing arrangements.

These new credit lines will enable the Company to increase the average residual maturity of its debt to 3.4 years (compared with 3.3 years at 30/09/2022) and to benefit from unused credit lines totalling €119 million at 30/09/2023, of which €57 million will remain available after taking into account the 100% back-up of commercial paper issues and the forthcoming financing of the year's dividend.

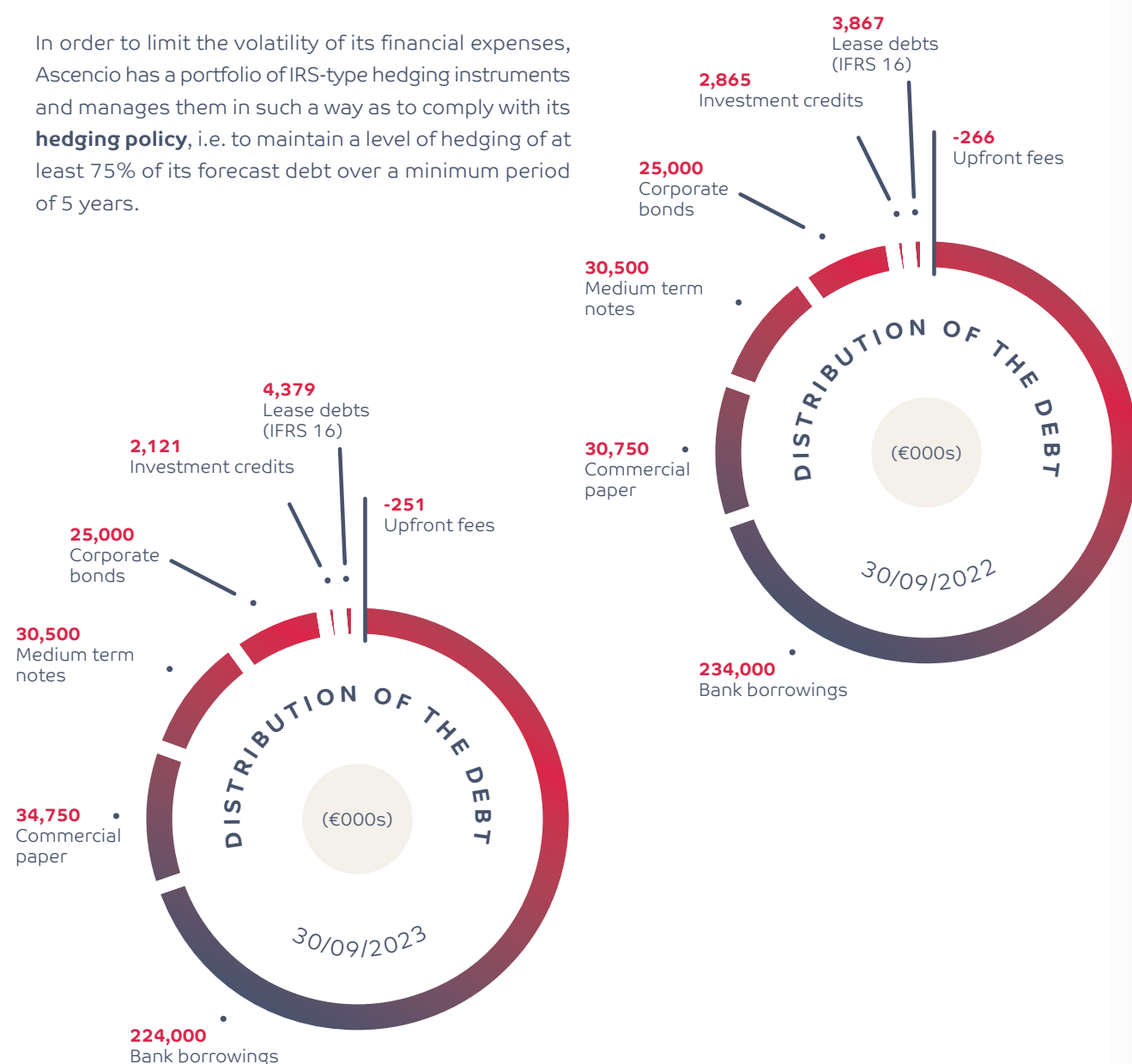
Against a backdrop of financial markets under pressure, characterised by a drying-up of institutional property financing and increased selectivity on the part of banking institutions in granting credit, Ascencio has demonstrated its ability to secure its refinancing on a long-term basis by concluding these new lines of credit on market terms.

At the end of the financial year, the Company's financial debt broke down as follows:

(€000s)	30/09/2023		30/09/2022	
	Non-current	Current	Non-current	Current
Bank borrowings	221,249	2,500	207,234	26,500
Commercial paper	0	34,750	0	30,750
Medium Term Notes	10,500	20,000	30,500	0
Institutional bonds	25,000	0	25,000	0
Investment credits	1,542	579	2,121	743
<b>Lease debts (excluding IFRS 16)</b>	<b>258,291</b>	<b>57,829</b>	<b>264,855</b>	<b>57,993</b>
Lease debts IFRS 16	4,379	0	3,822	45
<b>Lease debts (including IFRS 16)</b>	<b>262,670</b>	<b>57,829</b>	<b>268,677</b>	<b>58,038</b>
<b>Total financial debts</b>	<b>320,499</b>		<b>326,716</b>	



In order to limit the volatility of its financial expenses, Ascencio has a portfolio of IRS-type hedging instruments and manages them in such a way as to comply with its **hedging policy**, i.e. to maintain a level of hedging of at least 75% of its forecast debt over a minimum period of 5 years.

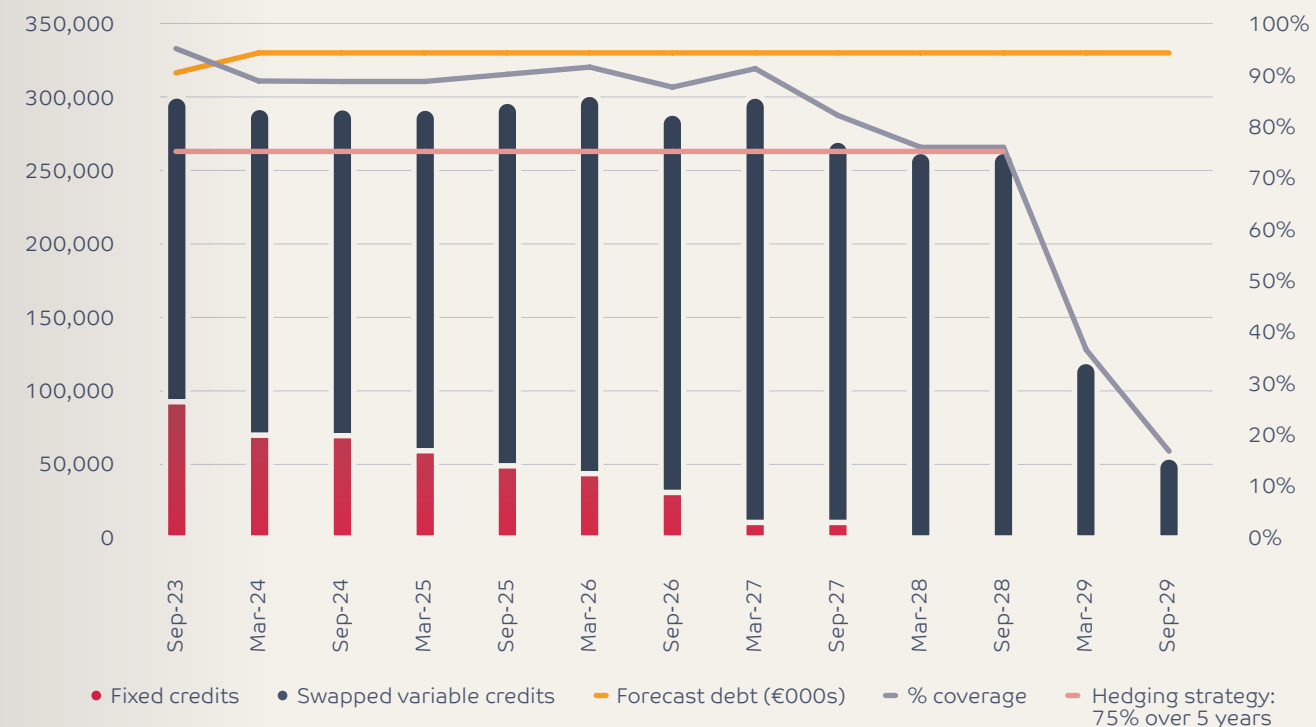


To achieve this medium-term strategic objective while strengthening its short-term hedging ratio, Ascencio has carried out a number of transactions:

- the acquisition of 4 interest rate swaps (IRS) with a total notional amount of €40 million, half of which relates to the hedge period from 30/06/2023 to 31/12/2029 and the other half to the period from 31/12/2026 to 31/12/2028;
- the unwind of 4 IRS in its existing portfolio, with a total notional amount of €45 million and relating to hedge periods between March 2025 and June 2030, and the reinvestment of unwinded proceed in the acquisition of 3 new IRS active over the same periods and with variable notional amounts.

As a result of these transactions, the Company had a hedging ratio of 95.0% at 30/09/2023 and has achieved its hedging objective set out above until December 2028.

### HEDGING STRUCTURE



Taking into account these refinancing transactions and the strengthening of the hedging portfolio, the Company's average cost of financing was 2.02% at 30/09/2023 (compared with 1.80% at 30/09/2022) for average debt of €326.3 million.



**"This marginal increase in the average cost of financing, despite the significant rise in interest rates over the past year, illustrates the effectiveness of Ascencio's hedging strategy."**

— Cédric Biquet, Chief Financial Officer



# C • CORPORATE GOVERNANCE DECLARATION

- 40 • **Corporate governance**
- 42 • Management structure of the company
- 43 • Shareholding structure
- 44 • The sole statutory director and its body: the board of directors
- 51 • The committees
- 55 • Diversity policy
- 57 • **Remuneration policy**
- 65 • **Remuneration report for the 2022-2023 financial year**
- 69 • Settlement of conflicts of interest
- 71 • Internal control

## • CORPORATE GOVERNANCE

Ascencio applies the 2020 Belgian Code of corporate governance (the "2020 Code"), taking account of the specificities of the B-REIT legislation. The 2020 Code 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 this annual financial report, Ascencio complies with the provisions of the 2020 Code, except for certain principles explained in the remuneration report (see below).

Ascencio's consideration of its governance is constantly evolving and the Company is committed to providing a regular evaluation on this subject. Ascencio's rules of governance take account of the specific organisational

characteristics of B-REITs, the legal form chosen by Ascencio, the close ties it intends to keep with its reference shareholders, and its size, while at the same time preserving its independence.

The corporate governance charter describes the main aspects of corporate governance of Ascencio SA and of its sole statutory director, Ascencio Management 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:

- 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.

## Ascencio Management SA



## Ascencio SA (Belgium - B-REIT status)



### Ascencio SA branch (France - Status SIIC)

### Ascencio Iberia SAU (Spain - SOCIMI status)



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



Subsidiaries of the French branch

## MANAGEMENT STRUCTURE OF THE COMPANY

Ascencio SA is incorporated in the form of a public limited company, the sole statutory director of which is the public limited company Ascencio Management. Ascencio has opted for a one-tier governance structure, as provided for in Articles 7:85 et seq. of the Companies and Associations Code.

Ascencio's corporate governance structure comprises:

<p><b>BOARD OF DIRECTORS</b></p> <ul style="list-style-type: none"> <li>• Sets the Company's strategic guidelines</li> <li>• Actively monitors the quality of management and its compliance with the strategy</li> <li>• Examines the quality of information given to investors and the public</li> <li>• Determines corporate governance</li> <li>• Establishes ESG guidelines and supervises their implementation</li> </ul>	<p><b>EFFECTIVE MANAGERS</b></p> <ul style="list-style-type: none"> <li>• Under the supervision of the board of directors, ensure compliance with the management structure, internal control, internal audit, compliance and risk management</li> </ul>	<p><b>COMPLIANCE OFFICER</b></p> <ul style="list-style-type: none"> <li>• Ensures compliance with the code of conduct: conflicts of interest, respect for corporate values, market abuse and manipulation</li> <li>• Ensures compliance with all legal and regulatory provisions in force</li> </ul>
<p><b>AUDIT COMMITTEE</b></p> <ul style="list-style-type: none"> <li>• Assists the board of directors: <ul style="list-style-type: none"> <li>· in preparing financial, non-financial and sustainability information</li> <li>· in monitoring the efficacy of the internal control and risk management systems</li> <li>· in monitoring the internal audit and its efficacy</li> <li>· with the statutory audit of the annual and consolidated accounts</li> <li>· with environmental, social and governance aspects</li> </ul> </li> </ul>	<p><b>NOMINATION AND REMUNERATION COMMITTEE</b></p> <ul style="list-style-type: none"> <li>• Assists the board of directors: <ul style="list-style-type: none"> <li>· in any matter relating to the composition of the board of directors and its committees</li> <li>· in the selection, assessment and appointment of members of the board of directors</li> <li>· with the remuneration policy for members of the board of directors and the executive committee</li> </ul> </li> </ul>	<p><b>EXECUTIVE COMMITTEE</b></p> <ul style="list-style-type: none"> <li>• Ensures the day-to-day management of the company, chaired by the CEO</li> <li>• Proposes the company's strategy, including ESG, to the board of directors</li> <li>• Executes the strategy selected by the board of directors</li> </ul>
<p><b>INTERNAL AUDITOR</b></p> <ul style="list-style-type: none"> <li>• Performs all verification tasks as directed by the audit committee</li> <li>• Examines the reliability, consistency and integrity of information and operational procedures</li> <li>• Reviews the systems in place to ensure that the organisation complies with rules, plans, procedures, laws and regulations that may have a significant impact on operations</li> </ul>	<p><b>INVESTMENT COMMITTEE</b></p> <ul style="list-style-type: none"> <li>• After analysis and exchange of views, gives an advisory opinion to the board of directors on investment and divestment projects</li> </ul>	

### THIS NEW ESG FUNCTION WITHIN THE EXECUTIVE COMMITTEE

- Ensures a holistic approach to environmental, social and governance aspects by integrating these aspects into the activities of the various departments
- Promotes dialogue with all stakeholders to determine where efforts should be pursued, and to develop long-term partnerships that increase the positive impact of actions taken
- Assesses and manages the risks and opportunities associated with climate change and proposes concrete and financially reasonable measures to improve the environmental performance of the Company, its assets and, by extension, the spaces occupied by its tenants
- Ensures that the Company complies with national and international legal requirements in terms of the environment
- Monitors on the ground, in collaboration with the operational teams, the implementation of the Group's environmental strategy in all business sectors

The shareholders  
Carl, Eric and John Mestdagh  
100%

The shareholders

The sole statutory director,  
Ascencio Management SA

The B-REIT Ascencio SA

## SHAREHOLDING STRUCTURE

All shareholders of Ascencio SA 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](http://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.

At 30/09/2023 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. There are no preferred shares.

In accordance with the conditions, time frames and methods stipulated by the Law of 02/05/2007 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.

The Company's obligations and shareholders' rights in relation to the general meeting are set out extensively, from the notice of meeting to participation and voting, in the "Investors" section of Ascencio's website ([www.ascencio.be](http://www.ascencio.be)).

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

AG Finance SA	5%	329,572
Carl, Eric and John Mestdagh and companies controlled by them	10%	684,578
Free float	85%	5,581,835
<b>TOTAL</b>	<b>100%</b>	<b>6,595,985</b>

## • THE SOLE STATUTORY DIRECTOR AND ITS BODY: THE BOARD OF DIRECTORS

In accordance with its articles of association, as sole statutory director, Ascencio Management SA has the power, in particular:

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

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

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

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The powers of the sole statutory director of the Company will be exercised by the board of directors of Ascencio Management SA or under its responsibility.

**The board of directors of the sole statutory director is responsible for performing all such acts as may be necessary or conducive to the fulfilment of the corporate object of Ascencio SA, 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;
- approving the annual accounts and drawing up the semi-annual accounts of Ascencio SA; drawing up the management report for 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 in accordance with the rules of corporate governance.

**As part of the duties described above, the board of directors of the sole statutory director made decisions during the past financial year on various matters, including:**

- the Company's strategy in its various actual and potential markets;
- the Company's financing and hedging policy;
- the report of the effective managers on internal control;
- investment and divestment cases;
- convening an extraordinary general meeting with a view to amending the articles of association concerning the legal form of the Company, modifying the Company's corporate object and obtaining authorisations for authorised capital, the purchase and sale of treasury shares;
- ESG issues.

## FUNCTIONING OF THE BOARD OF DIRECTORS

The board of directors of the sole statutory director will meet at least four times a year at the invitation of the Chairman. Additional meetings are held in accordance with the Company's requirements. During the past financial year, the board of directors of Ascencio Management SA met five times.

All resolutions of the board of directors relating to the management of Ascencio Management SA (and for as long as it is the sole statutory director 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.

## ESG MISSION

The board of directors' ESG responsibilities focus on guiding, supervising and validating the Company's corporate social responsibility strategies and practices. They include establishing of a clear vision of ESG issues relevant to the Company and integrating this vision into the overall strategy.

The board plays a key role in ensuring that the Company actively assesses and manages the risks and opportunities associated with these issues, while ensuring transparency and effective communication to stakeholders.

It is also responsible for ensuring that ESG issues are taken into account in operational and strategic decisions. This means working closely with the executive committee to set clear objectives, monitor progress and ensure that the Company complies with all relevant regulations. In addition, the board can also play a role in promoting corporate culture, ensuring that ESG values are embedded at all levels of the organisation.



## COMPOSITION OF THE BOARD OF DIRECTORS

The board of directors (hereinafter "the Board") is composed of at least three directors. The directors of Ascencio Management 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 Companies and Associations Code and Article 3.5 of the 2020 Code;
- the Board is composed of a majority of directors not linked to shareholders.

For as long as the AG Finance SA Group ("AGF"), a company forming part of the Ageas Group, of which AG Real Estate ("AGRE") also forms part, holds shares in Ascencio SA representing at least 8% of the total shares issued, the board of directors will include two directors nominated by AGRE. This number will be reduced to one if the shares held by AGF should represent less than 8% but at least 5% of the total shares issued. To date, the AG Finance SA Group has declared that it holds 5% of Ascencio shares so that it has a seat on the Board.

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

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

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

Directors are appointed for a maximum 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 the sole statutory director – non-executive		May 2008 <sup>1</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 2024
Olivier Beguin	Non-executive director		March 2018	June 2026
Jean-Louis Watrice	Non-executive director	X	June 2021	June 2025
Gérard Lavinay	Non-executive director	X	June 2022	June 2024

<sup>1</sup> As a natural person or via CAI sprl.

## CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS DURING 2022/2023 FINANCIAL YEAR

Alexandra Leunen's term of office expired at the ordinary general meeting of 09 June 2023.

After deliberation and having noted that Alexandra Leunen meets all of the independence criteria as defined by Article 7:87 of the Belgian Companies and Associations Code and Article 3.5 of the 2020 Code, the general meeting unanimously decided to renew her mandate as an independent director for a term of one year, i.e. until the ordinary general meeting called to approve the accounts for the year ended 31 December 2023.

## THE CHAIRMAN OF THE BOARD OF DIRECTORS

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 implementation 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 managing director and the effective managers, providing them with support and advice while respecting their executive responsibilities;
- may at any time require from the managing director 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 managing director 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 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, Chairman of the nomination and remuneration committee, Non-executive**  
 > Equilis Europe SA  
 Avenue Jean-Mermoz 1/4  
 6041 Gosselies

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



**SERGE FAUTRÉ**  
**Vice-chairman, Non-executive**  
 > 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 (UPSI) and a director of *Société de la Tour Eiffel*. He also chairs the Advisory board of the EMI (Executive Master in Real Estate) of the University of St Louis in Brussels.

- 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 SA  
 Avenue Jean-Mermoz 1/4  
 6041 Gosselies

Vincent H. Querton holds a law degree and an MBA from INSEAD-CEDEP. 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. Vincent H. Querton is chairman of the board of directors of Befimmo SA.

- Start of term of office: October 2017
- Term of office expires: June 2025
- Shares held in Ascencio: 1,995



**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 and head of courses of the Executive Master in Real Estate (Saint-Louis/UCLouvain).

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



**PATRICK TACQ**  
**Independent Non-executive director**  
 > Zwanenlaan 28  
 2610 Wilrijk

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

- Start of term of office: June 2017
- Term of office expires: June 2025
- Shares held in Ascencio: 0



**STÉPHANIE BONIFACE**  
**Independent Non-executive director**  
 > Avenue de Brigode 183  
 F-59650 Villeneuve D'Ascq

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 real estate consultant. She then joined the real estate company Immochan (now Nhood) in 2007 as Head of Sales for France in various positions in the Projects, Renovations and Site Sales divisions.

- Start of term of office: March 2018
- Term of office expires: June 2024
- Shares held in Ascencio: 0



**ALEXANDRA LEUNEN**  
**Independent Non-executive director**  
 > Rue Van Hammée 41  
 1030 Brussels

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

- Start of term of office: March 2018
- Term of office expires: June 2024
- Shares held in Ascencio: 0



**OLIVIER BEGUIN**  
**Non-executive director**  
 > Equilis Europe SA  
 Avenue Jean-Mermoz 1/4  
 6041 Gosselies

Olivier Beguin is CEO of Equilis Europe, a 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



**JEAN-LOUIS WATRICE**  
**Independent**  
**Non-executive director,**  
**Chairman of the audit**  
**committee**  
 > Avenue Fond du Diable 26  
 1310 La Hulpe

Jean-Louis Watrice holds degrees in Administrative Sciences and External Trade from the Lucien Cooremans (now Francisco Ferrer) Institute of Higher Education of the City of Brussels. He is also a Chartered Surveyor (MRICS). He has spent his entire career in banking and insurance, notably with Citibank Belgium (Banque Sud Belge now BeObank), 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 and creating 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: 5,025



**GÉRARD LAVINAY**  
**Independent**  
**Non-executive director**  
 > Ch. de Saint Zacharie 236  
 13790 Peynier

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 recent assignment 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 corporate governance charter, 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 Companies and Associations Code 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 sole statutory director at its next meeting. It met five times during the past financial year.

#### The responsibilities of the audit committee are as follows:

- to monitor the process of drawing up the financial information;
- 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.

## ESG MISSION

The audit committee's ESG (Environment, Social, Governance) and financial reporting responsibilities are primarily to ensure that the Company appropriately identifies, assesses, manages and communicates ESG-related risks and opportunities. This involves ensuring that the ESG information presented in the financial and extra-financial reports is accurate, complete, relevant and reliable.

In addition, the committee is responsible for ensuring that the Company has robust internal processes for the collection, verification and disclosure of ESG data, and that these processes are consistently integrated into the wider corporate governance and internal control framework.

In addition, the audit committee plays a crucial role in monitoring the Company's compliance with relevant ESG and financial reporting standards, regulations and guidelines.



The audit committee reports regularly to the board of directors on the performance of its responsibilities, and at least at the time the board of directors approves the annual and half-yearly accounts, the consolidated accounts and, if applicable, the abridged financial statements for publication.

The Company's statutory auditor reports to the audit committee on important matters coming to light in the exercise of its legal audit of the accounts. The audit committee informs the board of directors of this report.

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

- quarterly, half-yearly and annual accounting positions and related financial communication;
- financing and interest rate hedging policy;
- examination of key performance indicators;
- review of its internal regulations;
- 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;
- the risk report;
- compliance programme.

The audit committee's internal regulations, which form an integral part of Ascencio's corporate governance charter, set out in detail the responsibilities of the audit committee and are available on Ascencio's website ([www.ascencio.be](http://www.ascencio.be)).

## THE NOMINATION AND REMUNERATION COMMITTEE

The nomination and remuneration committee is composed of three non-executive directors: Carl Mestdagh, Laurence Deklerck and Patrick Tacq. The majority of the members of the nomination and remuneration committee are independent directors in the meaning of Article 7:87 §1 of the Companies and Associations Code 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 twice during the past financial year.

The role of the nomination and remuneration committee is to advise and assist the board of directors of the sole statutory director. The nomination and remuneration committee performs its duties under the supervision and responsibility of the board of directors of the sole statutory director.

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, members of the executive committee 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;
- 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 person 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 Companies and Associations Code 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 3 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:**

- evaluating performance objectives and the award criteria linked to the variable remuneration of the members of the executive committee;
- preparing the remuneration report.

Following an in-depth review and consideration of several relevant criteria, the Committee issued a reasoned and reasoned and argued opinion on the renewal of the term of office of a director whose term expired during the financial year, highlighting his contribution to the company's strategy and governance.

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 for the performance of its responsibilities. It met seven times during the past financial year.

The investment committee is a consultative committee whose responsibility is to give advice to the board of directors on all investment cases submitted to it.

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

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

The investment committee performs its duties in strict compliance with the rules of good corporate governance laid down in Ascencio's 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).

## 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 the 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 sole statutory director and report on their management.

In addition to Vincent H. Querton, who assumes the role of Chief Executive Officer, 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 then held the position of CFO with the 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>3</sup>  
**Director Asset Management & Acquisitions**

Philippe Scheirlinckx joined Ascencio in 2017.

Following several years 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 center management company (Devimo Consult).

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.

<sup>3</sup> For SPRL Philippe Scheirlinckx.

- **BERNARD SERGEANT**<sup>4</sup>  
**Director Operations & ESG**

Bernard Sergeant joined Ascencio in 2022.

Bernard Sergeant began his professional career in general contracting as a project manager at IBO (International Building Organisation) before joining, for 2 years, 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 tertiary 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, in 2003 Stéphanie Vanden Broecke joined the Lhoist Group as head of corporate housekeeping. This position enabled her to gain great experience in company law and corporate governance.

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



**"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."**

**— Stéphanie Vanden Broecke,  
Secretary General & General Counsel**

<sup>4</sup> NV Beryllium.

## THE EFFECTIVE MANAGERS

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

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

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

- **DIVERSITY POLICY**

The objective of this policy is to guarantee diversity in all its facets (cultural, gender, language, professional experience, etc.), equal opportunities and respect for human capital and rights being inherent in Ascencio's corporate culture. The means implemented in the area of diversity include complementarity of skills, knowledge and expertise and diversity of educational background, gender, age, experience, nationality, etc. in the composition of the board of directors and the executive committee.

This translates into a balanced composition of the board of directors in terms of skills, knowledge and experience. The 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 Companies and Associations Code).

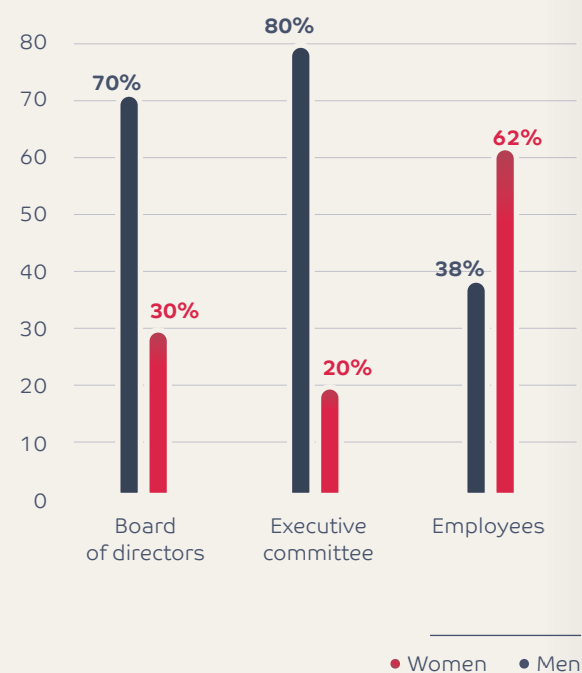


The members of the executive committee also form a balanced team, each presenting the required expertise. This is evident from the *curriculum vitae* of each of the members, presented in this corporate governance declaration.

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 (38%-62%);
- compliance with gender quotas on the board of directors;
- gender-neutral staffing of the corporate bodies while respecting the complementarity of skills, experience, age and knowledge;
- training in "career orientation" and "personal development" with a view to team development, individually or collectively.



• **REMUNERATION POLICY**

**INTRODUCTION**

The remuneration report has been prepared in accordance with Article 3:6, §3, paragraph 2 of the Companies and Associations Code, the 2020 Code and the of SRD II Directive transposed into Belgian law by the Law of 28/04/2020.

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 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.

**REMUNERATION POLICY**

The remuneration policy was updated by the board of directors of Ascencio Management SA as sole statutory director of the B-REIT "Ascencio SA" at the proposal of the nomination and remuneration committee.

The remuneration policy of Ascencio SA, its sole statutory director, its branch and its subsidiaries (hereinafter "Ascencio") is established in accordance with the Companies and Associations Code, the Law of 12/05/2014 on regulated real estate companies (the "B-REITs Law") 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 SA's corporate governance charter and can be consulted on the Company's website ([www.ascencio.be](http://www.ascencio.be)).

The remuneration policy is approved by the general meeting. It is submitted to the general meeting 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.

**REMUNERATION POLICY OF THE SOLE STATUTORY DIRECTOR, ASCENCIO MANAGEMENT SA**

**DECISION-MAKING PROCESS**

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

**BREAKDOWN OF REMUNERATION**

The sole statutory director receives a share of the profit of the B-REIT. It is further entitled to reimbursement of all expenses directly linked to the management of the B-REIT. The sole statutory director'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. 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.

The calculation of the share of the sole statutory director is subject to the auditor's control.

The interests of Ascencio Management 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 MANAGEMENT SA

### DECISION-MAKING PROCESS

The remuneration of the non-executive directors of Ascencio Management SA is determined by the general meeting of Ascencio Management 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 paid by Ascencio SA. This distribution of powers, established by law, ensures the absence of (potential) conflicts of interest at this level.

### BREAKDOWN OF REMUNERATION

#### The remuneration consists of:

- a fixed annual amount;
- attendance fees.

These are allocated to non-executive directors for their participation in board meetings and for their participation in meetings of committees set up by the board of directors. Attendance fees (one fee per working day) are also allocated to directors tasked by the board of directors with specific duties, in addition to the reimbursement of expenses incurred (e.g. site visit 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 Ascencio Management SA for a maximum term of four years. There is no provision for specific statutory notice periods or compensation in lieu of notice, and the general rule that directors can be revoked at will by the general meeting applies, such that directors' term of office can be revoked at any time and without compensation in lieu of notice.

## THE CHIEF EXECUTIVE OFFICER (CEO)

The managing director of Ascencio Management SA, which is the sole executive director, acts as Chief Executive Officer. He is also the permanent representative of the sole statutory director and an effective manager of Ascencio SA 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 term of office of the Chief Executive Officer in his capacity as executive director of Ascencio Management SA will not be remunerated.

### DECISION-MAKING PROCESS

The remuneration of the CEO is determined by the board of directors of Ascencio SA 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 Chief Executive Officer to be appropriately prevented.

Furthermore, the Chief Executive Officer 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 Chief Executive Officer is set by the board of directors at the proposal of the nomination and remuneration committee and is paid by Ascencio SA. 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.

The 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 COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

#### Target short-term variable remuneration

The target amount of the Chief Executive Officer'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 Chief Executive Officer's performance relating to short-term variable remuneration, and their weighting, have been set as follows, divided into two parts:

- **1<sup>st</sup> 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: EPRA 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 communication and marketing</b> Development of the corporate identity and communication to all stakeholders	Qualitative and quantitative criteria

- **2<sup>nd</sup> component**, representing 20% of target variable remuneration: complementary individual objectives relating to the aforementioned objectives in line with the specific responsibilities of the Chief Executive Officer 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 Chief Executive Officer'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 evaluating medium-term variable remuneration*

The criteria for assessing the Chief Executive Officer'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>Digitalisation 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 and benefits in kind:** Ascencio bears the operating expenses reasonably incurred by the Chief Executive Officer 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 Management SA.

Apart from the provision of a laptop and a tablet, the Chief Executive Officer does not receive any other benefits in kind.

#### OFFICES PERFORMED IN SUBSIDIARIES AND BRANCH

The Chief Executive Officer may perform the office of executive or non-executive director, permanent representative and/or consultant with subsidiaries and the branch of Ascencio SA. Any remuneration for these mandates will be included in the remuneration report. Unless otherwise stipulated by the parties, the termination of the agreement between the Chief Executive Officer and Ascencio SA will result in the termination of the offices held by the Chief Executive Officer with the subsidiaries of Ascencio SA and its branch.

#### END-OF-SERVICE INDEMNITY

In the event of early termination of the agreement between the Chief Executive Officer and Ascencio SA on Ascencio SA's initiative and with the exception of the cases provided contractually in the event of serious failing or negligence, in which no compensation is due, the Chief Executive Officer is contractually entitled to end-of-service compensation 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 SA during the twelve months preceding the termination.

#### MAIN CHARACTERISTICS OF THE CONTRACT

The rights and obligations inherent in the position of Chief Executive Officer 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 Chief Executive Officer on this subject.

##### BREAKDOWN OF REMUNERATION

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

Fixed remuneration is paid monthly in arrears and is adjusted every January by reference to indexation.

The **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

##### *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:

- **1<sup>st</sup> 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 set out above for the Chief Executive Officer.

- **2<sup>nd</sup> 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 EPRA 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

### *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 evaluating 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 Chief Executive Officer 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, a tablet and an entertainment allowance. The employer makes contributions to health insurance and group insurance policies.

## MAIN CHARACTERISTICS OF CONTRACTS

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 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 Chief Executive Officer), and on the basis of a reasoned proposal by the Chief Executive Officer 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 Companies and Associations Code 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, 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 on 31/01/2022.

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 Chief Executive Officer's annual proposals for the overall (not individual) fixed and variable remuneration budget for Ascencio employees.

The board of directors has delegated to the Chief Executive Officer 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.

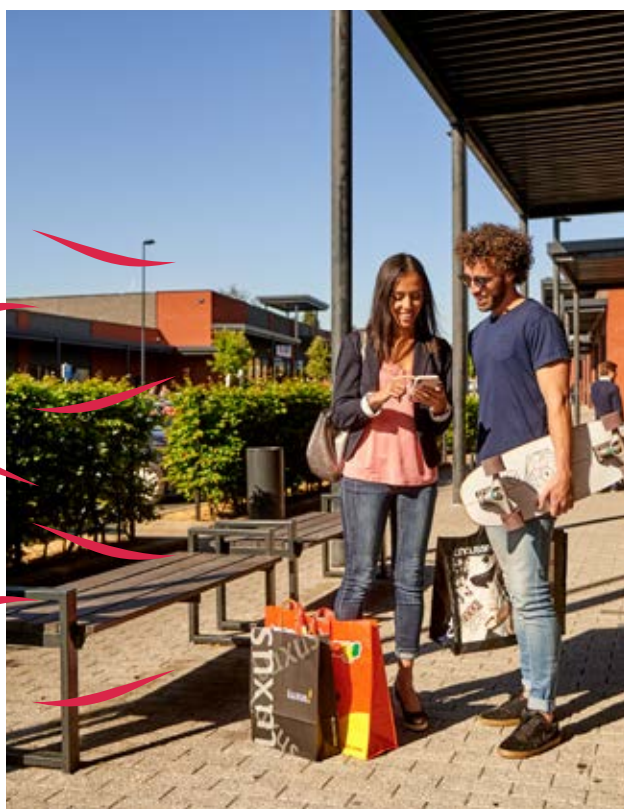
The variable remuneration of employees consists of a part linked to individual objectives and a part linked to collective performance objectives (CCT 90 bonus plan). EPRA earnings and the EPRA occupancy rate thus determine the degree to which the collective variable remuneration is allocated.



## CONTRIBUTION OF THE REMUNERATION POLICY TO THE BUSINESS STRATEGY, LONG-TERM INTERESTS AND 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 corporate governance charter 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 Chief Executive Officer or by the other members of the executive committee. As a 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 be-

lieves 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 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 Chief Executive Officer 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 THE 2022-2023 FINANCIAL YEAR

The remuneration report provides an overall view of remuneration, including all benefits granted or due during the 2022-2023 financial year to the sole statutory director, the directors, the Chief Executive Officer and the other members of the executive committee.

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

### REMUNERATION OF THE SOLE STATUTORY DIRECTOR: ASCENCIO MANAGEMENT SA

For the past financial year the sole statutory director's remuneration amounted to €1,095,000.

### REMUNERATION OF THE NON-EXECUTIVE DIRECTORS

**Directors' remuneration consists of:**

- a fixed annual amount
- attendance fees

The basic remuneration of the Chairman of the board of the sole statutory director is €15,000 p.a. excluding VAT. That of the other, non-executive, directors is €6,000 p.a. excluding VAT. Attendance fees are €1,500 for each attendance of a board meeting of the sole statutory director 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 2024 following the ordinary general meeting of the sole statutory director and is detailed as follows:

		Annual fixed remuneration (in €)	Attendance fees										Total (in €)	
			Board of Directors		Audit Committee		Investment Committee		Nomination and Remuneration Committee		Committee of Independent Directors			Working group
			Presences (6)	Fees (in €)	Presences (5)	Fees (in €)	Presences (7)	Fees (in €)	Presences (2)	Fees (in €)	Presences (2)	Fees (in €)		
<b>Mestdagh Carl</b>	Chairman of the board of directors	15,000	6	9,000	-	-	-	-	2	3,000	-	-	-	<b>27,000</b>
<b>Fautré Serge</b>	Vice-chairman of the board of directors	6,000	5	7,500	-	-	-	-	-	-	-	-	-	<b>13,500</b>
<b>Deklerck Laurence</b>	Non-executive director	6,000	6	9,000	5	7,500	-	-	2	3,000	-	-	-	<b>25,500</b>
<b>Tacq Patrick</b>	Non-executive director	6,000	6	9,000	-	-	6	9,000	2	3,000	2	3,000	-	<b>30,000</b>
<b>Beguín Olivier</b>	Non-executive director	6,000	6	9,000	5	7,500	7	10,500	-	-	-	-	-	<b>33,000</b>
<b>Boniface Stéphanie</b>	Non-executive director	6,000	5	7,500	-	-	6	9,000	-	-	2	3,000	-	<b>25,500</b>
<b>Leunen Alexandra</b>	Non-executive director	6,000	5	7,500	-	-	-	-	-	-	-	-	-	<b>13,500</b>
<b>Watrice Jean-Louis</b>	Non-executive director	6,000	6	9,000	5	7,500	-	-	-	-	2	3,000	-	<b>25,500</b>
<b>Lavinay Gérard</b>	Non-executive director	6,000	4	6,000	-	-	-	-	-	-	-	-	-	<b>12,000</b>
<b>Total directors (in €)</b>		<b>63,000</b>		<b>73,500</b>		<b>22,500</b>		<b>28,500</b>		<b>9,000</b>		<b>9,000</b>		<b>205,500</b>

## REMUNERATION OF THE EXECUTIVE COMMITTEE

### THE CHIEF EXECUTIVE OFFICER (CEO)

The managing director of Ascencio Management SA, which is the sole executive director, acts as Chief Executive Officer. He is also the permanent representative of the sole statutory director and an effective manager of Ascencio SA in the meaning of Article 14 §3 of the Law on regulated real estate companies.

The term of office of the Chief Executive Officer in his capacity as executive director of Ascencio Management SA will not be remunerated.

For the past financial year, the Chief Executive Officer's variable remuneration was decided taking account of criteria common to the executive committee and individual criteria. On 22/11/2023, 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.

### 2022/2023 financial year

Basic objectives linked to the performance of the Company as described in the remuneration policy (80%)

Specific and particular objectives for the 2022/2023 financial year (20%)

**Boost ESG policy, analysis, decision-making and result (charging stations, photovoltaic panels policy, etc.)**

**Implement the Company digitalisation project (taking the decision and guiding implementation)**

**Confirm Ascencio's presence in Spain in all business sectors**

**Integrate our new head of "Operations & ESG"**

CEO – Medium term objectives as set out in the remuneration policy

Specific objectives An&Mo

**Align the portfolio with ESG legislation**

- Reassess the rating of the French portfolio

- Strengthen our banking relationships in France

**Analyse and make recommendations about Ascencio's French legal structure**

## 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.

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

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.

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 22/11/2023, the board of directors concluded, after due analysis and with the opinion of the nomination and remuneration committee, that all the objectives had been attained.

(in €)	Remuneration <sup>1</sup>	Variable Remuneration <sup>2</sup>	Group insurance	Benefits in kind	Total remuneration
<b>CEO</b>					
Vincent H. Querton	€220,000	€90,000	NA	NA	€310,000
sprl AN&MO	€115,000	€40,000	NA	NA	€155,000
<b>Total CEO</b>	<b>€335,000</b>	<b>€130,000</b>	<b>NA</b>	<b>NA</b>	<b>€465,000</b>
<b>Other members of the executive committee</b>	<b>€791,771</b>	<b>€260,896</b>	<b>€17,879</b>	<b>€9,000</b>	<b>€1,079,546</b>
<b>Total executive committee</b>	<b>€1,126,771</b>	<b>€390,896</b>	<b>€17,879</b>	<b>€9,000</b>	<b>€1,544,546</b>
					<b>Ratio of variable to total remuneration<sup>3</sup></b>
<b>CEO</b>					<b>27.96%</b>
<b>Other members of the executive committee</b>					<b>24.17%</b>

<sup>1</sup> Includes gross remuneration and flat expense allowance.

<sup>2</sup> Includes bonus and CCT 90 (performance-linked bonus with tax advantages).

<sup>3</sup> Total remuneration in the meaning of article of association 3:6 § 3 1 of the Code of Companies and Associations.

## 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 1/14.

Annual variation in%	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	vs 2017/2018	vs 2018/2019	vs 2019/2020	vs 2020/2021	vs 2021/2022
<b>Remuneration of the Manager</b>	3%	4%	1%	7%	5%
<b>Remuneration of non-executive directors<sup>1</sup></b>					
<b>SPRL CAI (Ended 09/06/2017) - Carl Mestdagh (Appointed 09/06/2017)</b>	-19%	29%	5%	-4%	-18%
<b>Serge Fautré (Appointed 08/06/2012)</b>	0%	0%	22%	0%	-18%
<b>Laurence Deklerck (Appointed 25/01/2015)</b>	-22%	24%	19%	-16%	-19%
<b>Patrick Tacq (Appointed 09/06/2017)</b>	-30%	13%	50%	-30%	5%
<b>Olivier Beguin (Appointed 28/03/2018)</b>	NA	27%	29%	-11%	38%
<b>Stéphanie Boniface (Appointed 28/03/2018)</b>	NA	7%	25%	-5%	-11%
<b>Alexandra Leunen (Appointed 28/03/2018)</b>	NA	33%	0%	8%	-31%
<b>Jean-Louis Watrice (Appointed 11/06/2021)</b>	NA	NA	NA	292%	0%
<b>Gérard Lavinay (Term of office started 28/06/2022)</b>	NA	NA	NA	NA	300%
<b>Remuneration of the CEO<sup>2</sup></b>	2%	6%	-5%	10%	1%
<b>Average remuneration of the other members of the executive committee</b>	4%	12%	1%	6%	6%
<b>Average remuneration of employees on a full-time equivalent basis<sup>3</sup></b>	21%	30%	8,72%	8%	10%
<b>Company performance</b>					
<b>Fair value of the property portfolio</b>	1%	11%	3%	4%	0%
<b>EPRA earnings per share<sup>4</sup></b>	7%	3%	4%	11%	7%
<b>Gross dividend per share</b>	3%	4%	1%	7%	5%

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

<sup>2</sup> Vincent Querton & Sprl ANGMO 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

### PRINCIPLES

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

- the relevant applicable legal provisions common to listed companies as provided in Articles 7:96 and 7:97 of the Companies and Associations Code;
- a specific regime provided by Article 37 of the Law of 12/05/2014 on B-REITs, notably establishing the obligation to inform the FSMA in advance of certain transactions with the persons referred to in this provision, to carry out these transactions on normal market terms and to disclose them publicly;
- and also by the rules provided in its corporate governance charter.

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

### APPLICABLE LEGAL PROVISIONS

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

In accordance with Article 7:96 of the Companies and Associations Code, 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 Companies and Associations Code

If a listed company envisages carrying out a transaction with a related company (subject to certain exceptions), Article 7:97 of the Companies and Associations Code requires an ad hoc committee composed of three independent directors to be put in place; this committee, assisted by an independent expert, must communicate a reasoned assessment of the transaction envisaged to

the board of directors, which cannot take its decision before it has taken note of this report. The statutory auditor must deliver an assessment as to the consistency of the information contained in the committee's opinion and in the minutes of the board of directors meeting. The board of directors then specifies in its minutes whether the procedure was complied with and, if applicable, the reasons why the committee's opinion was derogated from. The committee's decision, the extract of the minutes of the board meeting and the statutory auditor's assessment are covered in the management report.

All decisions or 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 12/05/2014 on B-REITs and Article 8 of the Royal Decree of 13/07/2014 on B-REITs

Article 37 of the B-REITs Law obliges public B-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.

<sup>5</sup> As a reminder, under the Companies and Associations Code, 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 12/05/2014 on B-REITs.



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

- Application of the procedure referred to in Article 7:96 of the Companies and Associations Code

In the meeting of the board of directors of 23 November 2023, Vincent H. Querton, CEO, abstained from the deliberations and the resolution on the establishment of the CEO's variable remuneration for financial year 2021/2022.

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 2021/2022, variable remuneration of:

- €80,000 to Vincent H. Querton in his capacity as Chief Executive Officer,
- €50,000 to SPRL AN&MO for the assignments carried out for Ascencio's French branch.

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

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

#### PROVISIONS OF THE GOVERNANCE CHARTER

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

If Ascencio SA 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 SA nevertheless considers it necessary that this director informs 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 Companies and Associations Code 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 SA for the director concerned to be informed of the conditions on which Ascencio SA 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 chapter headed "Corporate Governance" of the annual report, but without the entire minutes relating to the transaction concerned having to be reproduced there.

##### II. Corporate opportunities

The directors of Ascencio Management 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 SA has decided to apply a procedure based largely on that provided by Article 7:96 of the Companies and Associations Code 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 SA or the competing company decides not to submit a bid).

This procedure is applied in addition to Article 7:96 of the Companies and Associations Code when it is applicable (for example because the director in question has an equity interest in conflict with that of Ascencio SA). 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 sole statutory director. 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 accounts and reports comply with the regulations in force;
- the orderly and prudent conduct of business within well-defined objectives;
- the economic and effective use of the resources committed;
- the implementation of general policies, internal plans and procedures;
- compliance with laws and regulations.

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

- the first line of defence is that of operations;
- the second line of defence is formed by risk management and compliance functions (risk manager and compliance officer);
- 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 19/02/2019, the effective managers draw up a report on internal control in the month preceding the ordinary general meeting for the attention of the FSMA and the Company's statutory auditor. This report contains descriptions of the Company's internal control process and its key procedures and an assessment of the process.

In accordance with Article 17 of the Law of 12/05/2014 on B-REITs, 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.

### INTEGRITY POLICY

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

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

### CORPORATE ETHICS

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

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

### POLITICAL ACTIVITIES

Ascencio 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 prohibited from communicating this information to third parties – including their 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 the members of the administrative body of the sole statutory director of Ascencio;
- 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 five years.

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

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

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

<sup>7</sup> Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16/04/2014 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 27/06/2016 amending, with a view to transposing Directive 2013/50/EU and implementing Regulation 596/2014, the Law of 02/08/2002 on the supervision of the financial sector and financial services, the Law of 16/06/2006 on public offers of investment instruments and admissions of investment instruments to trading on regulated markets, and the Law of 02/05/2007 on the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market.



## INSIDER

**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 acquires or sells 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 cancels or alters 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).

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

## CLOSED AND PROHIBITED PERIODS

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

- the thirty calendar days preceding the date of publication of the annual results;
  - the thirty calendar days preceding the date of publication of the half-yearly results;
- it being understood that to each period is added the stock exchange day during which publication of the results takes place.

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

<sup>9</sup> This means any subsequent transaction once the amount of €5,000 is reached in a calendar year.

## WHISTLEBLOWING POLICY

In accordance with the legislation in force, the Company has implemented a whistleblowing policy which allows all stakeholders, whether employees, internal consultants, members of the board of directors or others, to report reprehensible or non-compliant actions in complete confidentiality. This policy aims to encourage the escalation of information about possible wrongdoing while ensuring transparency and integrity within the organisation, and protecting the whistleblower from retaliation.

## 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 an ongoing process whereby the Company deals methodically with the risks inherent in or external to its activities as part of its pursuit of sustainable performance.

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

### The 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 four criteria (financial, operational, legal and reputation) in accordance with a four-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.

The risks are evaluated annually and the conclusions of the analysis are presented to the audit committee, which reports on them to the board of directors. In addition, each major project is subject to a specific risk analysis that improves the quality of information in the decision-making process.

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, effective manager, has been appointed as the internal head of the internal audit function within the Company.

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

During the past financial year, the internal auditor's work covered the property valuation process.

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 14/11/2007 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 in 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 SA amounted to €39,575,910 and was represented by 6,595,985 shares at 30/09/2023. 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 shares.

There are no holders of securities conferring special rights.

There is no employee shareholding scheme.

There are no legal or statutory restrictions on voting rights.

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

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

7. *The rules applicable to the appointment and replacement of members of the governing body and to amendments of the issuer's articles of association;*

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

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

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

On 05/07/2023, the extraordinary general meeting of Ascencio SA decided to remove, insofar as necessary, purely and simply the authorisations granted to the sole director (former statutory manager) in connection with the capital authorised by the extraordinary general meeting of 17/10/2019 according to the minutes published in the appendices to the Moniteur belge (Belgian Official Journal) of 25/11/2019, under number 15013964 and to grant the sole director a statutory authorisation to increase the capital pursuant to Articles 7:198 et seq. of the Belgian Companies and Associations Code.

Accordingly, in accordance with Article 8 of the articles of association of Ascencio SA, the sole statutory director is entitled to increase the capital in one or more instalments up to a maximum of:

- a. nineteen million seven hundred and eighty-seven thousand nine hundred and fifty-five euros (€19,787,955.00) i.e. fifty per cent (50%) of the capital on 05/07/2023, if the capital increase to be carried out is a capital increase by contributions in cash,
  - i. with the possibility for shareholders of the Company to exercise the preferential right, as provided for in Articles 7:188 et seq. of the Companies and Associations Code, or
  - ii. with the possibility for shareholders of the Company to exercise rights granted in a rights issue, as provided for in Article 26, §1, para. 1 and 2 of the B-REITs Law;
- b. seven million nine hundred and fifteen thousand one hundred and eighty-two euros (€7,915,182.00), i.e. twenty per cent (20%) of the capital on 05/07/2023, if the capital increase to be carried out is a capital increase as part of the distribution of an optional dividend, as provided for in Article 26, §1, last para. of the B-REITs Law; and
- c. three million nine hundred and fifty-seven thousand five hundred and ninety-one euros (€3,957,591.00), i.e. ten per cent (10%) of the capital on 05/07/2023 for:
  - i. capital increases by contributions in kind,
  - ii. capital increases by contributions in cash without the possibility for the shareholders of the Company to exercise the preferential right or rights granted in a rights issue, or
  - iii. any other form of capital increase.

The capital, within the framework of this authorisation, may not under any circumstances be increased by an amount greater than the cumulative amount of the various authorisations referred to above in terms of authorised capital.

This authorisation is granted for a period of five years from the date of publication in the appendices to the Moniteur belge (Belgian Official Journal) of the minutes of the extraordinary general meeting on 05/07/2023, or 03/08/2023, that granted this authorisation.

This authorisation may be renewed for a maximum period of five years, by decision of the general meeting adopted in accordance with the rules for amending the articles of association, with the prior specific consent of the sole director.

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

9. *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 Companies and Associations Code.

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

There is an agreement between Vincent H. Querton and Ascencio SA 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 compensation, we refer to the section headed "Remuneration report" in this annual report.

# D • REAL ESTATE REPORT

## • RETAIL PROPERTY MARKET

### THE COMMERCIAL REAL ESTATE MARKET IN BELGIUM

#### MACROECONOMIC INDICATORS

Economic indicators (in %)	2019	2020	2021	2022
Annual change in GDP (% annual change)	2.1	-5.7	6.1	3.1
Annual change in the unemployment rate <sup>1</sup>	5.5	5.8	6.3	5.6
Annual change in inflation (% change)	0.9	0.35	6.6	10.2

Source BNB & Inflation.eu

The Belgian economy, one of the most stable in Europe, has generally proved resilient in the face of a series of shocks in recent years: COVID-19, floods in the summer of 2021 and then, as a result of the war in Ukraine, an energy and wage crisis in 2022.

After a strong expansion (+6%) recorded in 2021, Belgian GDP continued to grow in 2022 (+3.1%) at the same pace as the average for eurozone countries; foreign trade, private household consumption and public government spending contributed positively to this growth.

In terms of employment, Belgium benefits from a solid labour market – the harmonised unemployment rate was 5.6% in 2022, lower than the same period a year earlier and well below the eurozone average (6.5%) – despite a high job vacancy rate (4.7% vs. 2.6% on average in the eurozone) with skills shortages in key sectors such as construction and IT.

Lastly, the annual inflation rate for 2022 was +10.2% – a trend slightly higher than the averages of the European Union (+9.3%) and the eurozone (+8.5%) – but nevertheless dropped significantly in the following months to reach 4% in August 2023.

#### RETAIL MARKET – RENTAL TAKE-UP

Demand for commercial premises in 2022 was particularly high, reaching a record of 516,000 m<sup>2</sup> for around 1,000 completed transactions. Boosted by out-of-town retail (330,000 m<sup>2</sup>), this figure surpassed the previous year's record (480,000 m<sup>2</sup>).

This performance was driven by renewed confidence among retailers – despite a general decline in retail sales due to soaring food and energy prices, partially offset by wage indexation and an increase in visits to retail sites – and the numerous out-of-town developments that led to an increase in rental demand for this asset class.

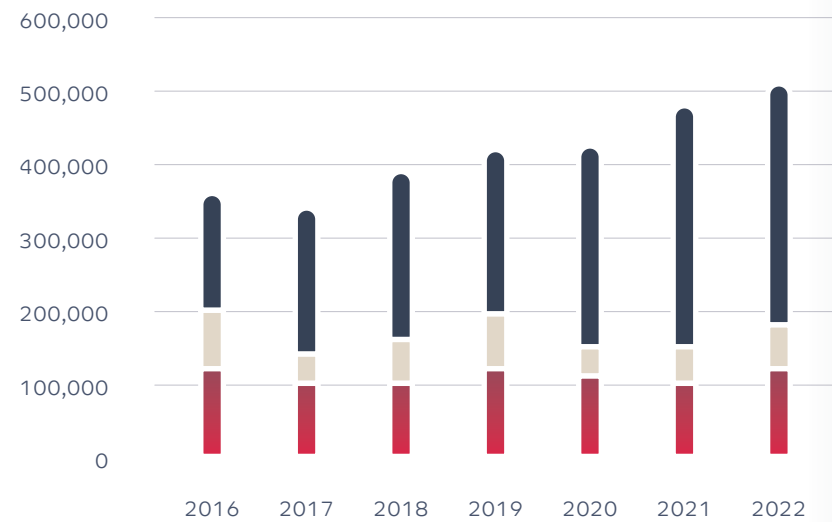
<sup>1</sup> This series corresponds to the results of the Labour Force Survey (LFS) for those aged 15 and over, adjusted monthly using national administrative data, in accordance with Eurostat methodology.



Take-up in high streets and shopping centres – stable with 124,000 m<sup>2</sup> and 61,000 m<sup>2</sup> of occupancy respectively – largely concerned existing sites, because, apart from the expansion of Westland Shopping in Anderlecht, no major new projects were developed in 2022.

### BELGIUM RETAIL TAKE-UP (2016-2022)

- Shopping streets
- Shopping centres
- Retail parks



In terms of demand, the growth seen in 2022 is, among other things, due to the expansion of supermarket chains (Jumbo, Albert Heijn, Delhaize, Carrefour, Lidl, etc.), the growing popularity of leisure packages (O’Learys, MONK, Basic Fit, etc.) and the signing of several major leases in the fashion sector (JBC, Zara, H&M, P&C, New Yorker, Nike, etc.).

A more specific analysis of this demand shows that the brands base their development on a network composed mainly of stores managed by independent operators that are more agile in adapting to changes in consumer behaviour, such as opening on Sundays, for example.

At the end of September 2023, the number of transactions was 598 for a total surface area of 295,550 m<sup>2</sup> for 600 operations (vs. 350,000 m<sup>2</sup> for the same period in 2022).

The fact that take-up is lower than last year is mainly linked to the decline in activity in the rental of out-of-town stores and retail parks. In this segment, occupancy fell by more than 27% and transactions were down by a quarter.

Only a few new projects are currently being let, with the exception of the Frun Park of De Vlier in Châtelineau.

Shopping centres also performed as expected with a take-up of 35,000 m<sup>2</sup> (-5%) and 113 transactions (+5%). Major transactions were notably concluded with SportsDirect.com (1,700 m<sup>2</sup>) in Rive Gauche, Naumy (1,665 m<sup>2</sup>) in the Galeries St-Lambert and BasicFit (1,523 m<sup>2</sup>) in Les Bastions.

With a record take-up of 93,000 m<sup>2</sup>, the high street segment can nevertheless be considered the strong segment of the market. Occupancy is even a quarter higher than the average of previous years. Ten transactions of more than 1,000 m<sup>2</sup> were finalised, the main ones being New Yorker (2,549 m<sup>2</sup>) in Bruges, H&M (2,353 m<sup>2</sup>) in Namur and CGA (2,200 m<sup>2</sup>) in Hasselt.

Among the leases recorded up to the end of September 2023, hotels, restaurants and catering remains the most active sector, accounting for 22% of transactions. Fashion and home deco complete the top 3, although both remain well below the levels of the last 5 years.

As in previous years, the geographical distribution of retail shows a preponderance for the Flemish Region, where 61% of transactions took place. The Walloon Region accounts for 20% of transactions and the remaining 19% were registered in Brussels.

### RENTAL VACANCY

Rental vacancy and take-up are not communicating vessels and there is nothing to stop them increasing at the same time, but alongside record take-up, rental vacancy fell for the second consecutive year; at the end of 2022, 22,557 commercial buildings were unoccupied, with the vacancy rate falling from 11.6% to 11.3%.

Again, this might be explained by the limited number of new large-scale developments, a strong demand for small convenience stores (probably a result of the health crisis) coupled with a trend of converting retail spaces into offices or housing.

At the end of 2022, 8.4% of retail space was vacant in the Flemish Region, nearly 10% in the Walloon Region and 9.1% in the Brussels Region.

### RENTAL VALUES

Rents in the retail sector had been subject to downward corrections in recent years, mainly due to the health crisis and increased competition from e-commerce.

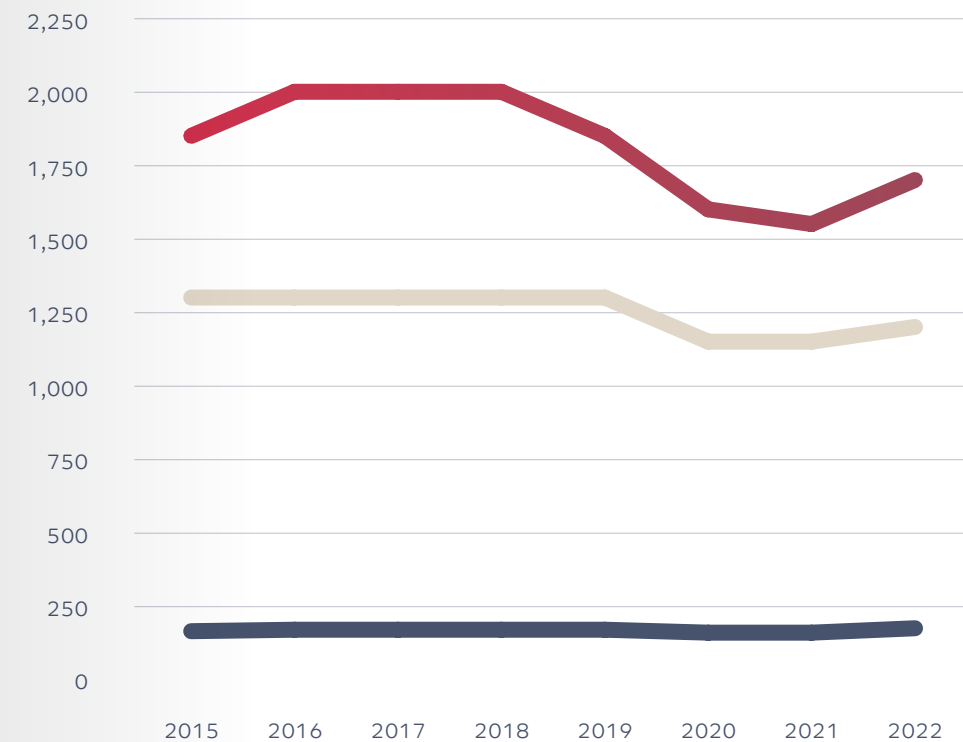
Since 2021, however, prime rents have remained stable.

In the high street category, this kind of rent varies between €1,550 and €1,650/m<sup>2</sup>/year excluding VAT. For shopping centres, it is between €1,050 and €1,150/m<sup>2</sup>/year excluding VAT.

More resilient to the disruptions of successive crises, the out-of-town segment saw its average prime rent exceed €170/m<sup>2</sup>/year excluding VAT for a surface area of approximately 1,000 m<sup>2</sup> in 2023, up slightly compared with previous years (€160/m<sup>2</sup>/year excluding VAT in 2020 and 2021, €170/m<sup>2</sup>/year excluding VAT in 2022).

### CHANGE IN PRIME RETAIL RENTS

- Retail parks
- Shopping centres
- Shopping streets





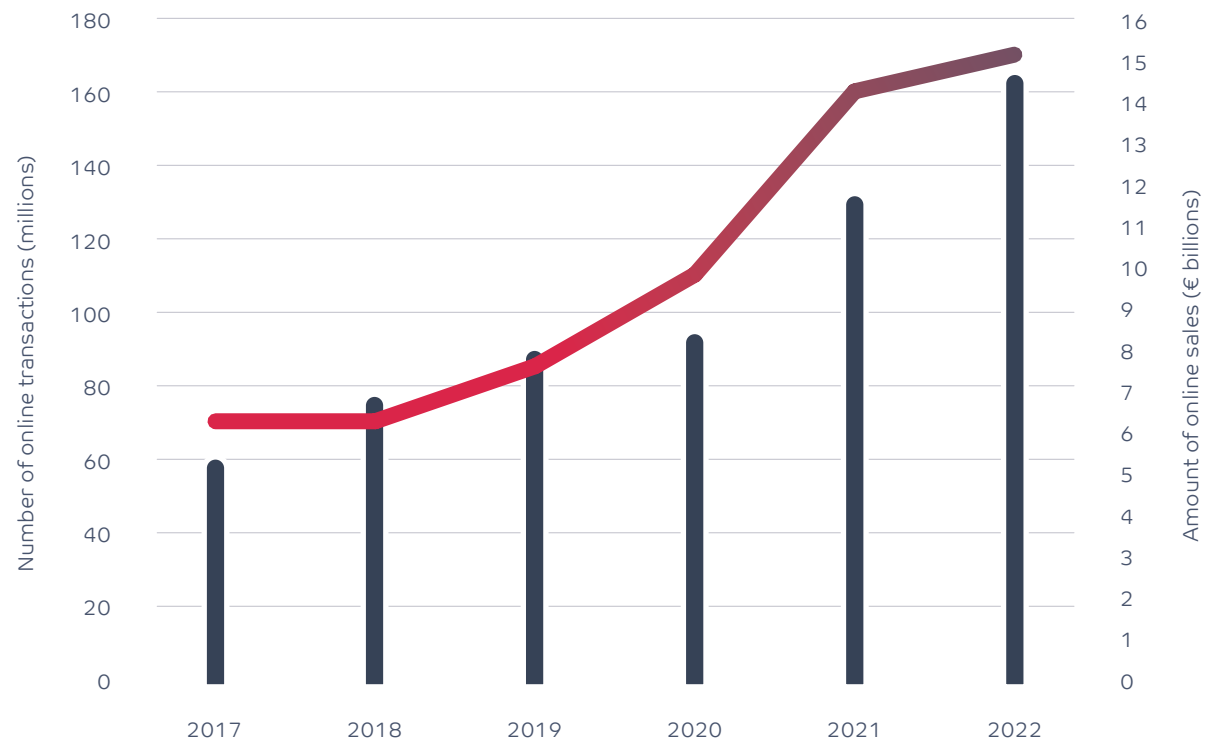
## E-COMMERCE

In 2022, 8.5 million Belgians made 170 million online purchases (vs. 160 million in 2021), for a total amount of €14.7 billion (vs. €11.7 billion in 2021).<sup>2</sup>

E-commerce is becoming increasingly popular (+75% in 5 years): 15% of product spending takes place online. For services, this figure even reaches 66% (flights, accommodation, recreational activities, cultural events, etc.).

### ONLINE RETAIL SALES VS. NUMBER OF TRANSACTIONS

● Number of online transactions ● Amount of online sales

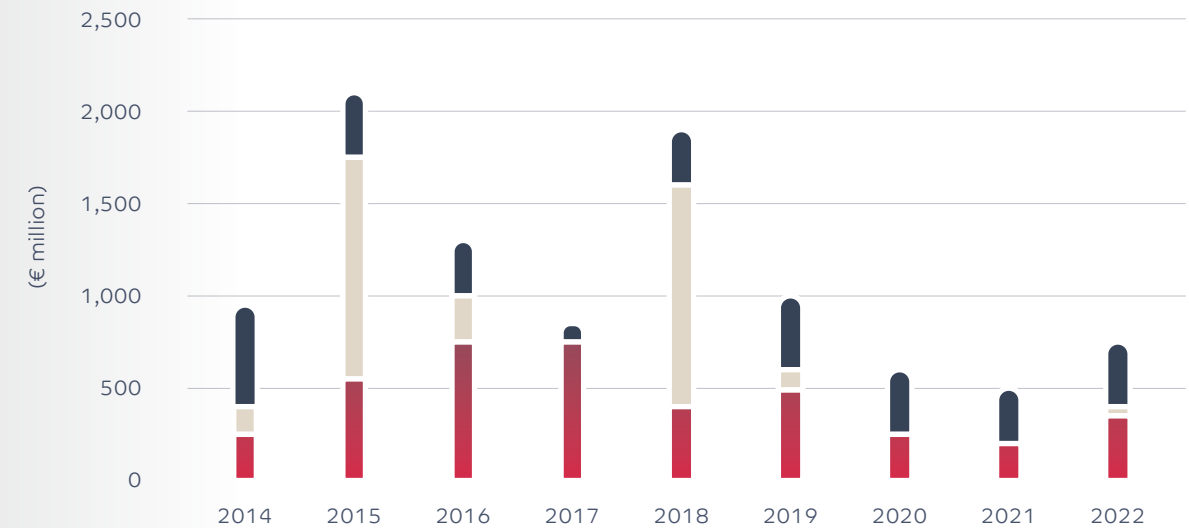


<sup>2</sup> According to a survey conducted by GfK for BeCommerce, the Belgian e-commerce federation.

## INVESTMENT MARKET AND OUTLOOK

### CHANGE IN RETAIL INVESTMENT (2014-2022)

● Shopping streets ● Shopping centres ● Retail parks



While in 2020 and 2021, the market had fallen back to historically low levels, driven mainly by "family offices" and carried by the acquisition of out-of-town stores and supermarkets, 2022 saw appetite returning for urban retail, also from institutional investors.

Whereas office and logistics investments dried up in the summer of 2022, commercial real estate was able to make the most of the correction that yields and rents had already suffered during the pandemic, a period during which there was still no talk of war, rampant inflation and rising rates of return, resulting in a volume of €774 million (source: Expertise) spread over more than 140 transactions.

The market mainly focused on small to medium-sized transactions (no sales in the shopping center segment in 2022).

Despite the return of urban stores, activity in the out-of-town and supermarket segment (€110 million for this sector alone) remained strong and amounted to €437 million (vs. €317 million in 2021 and €303 million on annual average), the highest volume in the last 10 years.

The largest transactions in 2022 included the sale of Redevco's Shopping Fléron (€35 million), a portfolio of 11 Equilis supermarkets to the Vanhee group (€30 million), two acquisitions of Pertinea in Bree (Gerdingen Park) and Gosselies (Parenthèse – Equilis), the "Court-Village" in Court-Saint-Etienne and phases 2 and 3 of the Papeteries de Genval by Equilis, the flagship store of the Zara brand and its adjacent stores in Brussels (€60 million), the commercial base of the Antwerp Tower to Baloise (€35 million) and the former Sarma in the Korenmarkt in Ghent to QRF (€21 million).

## TOP TRANSACTIONS 2022

Asset	Category	Value (estimated)	Buyer	Agent
Bruxelles, Rue Neuve 20 (Zara)	Shopping street	€60 million	Lone Star Funds	CBRE JLL Savills
Fléron, Shopping Fleron	Retail park	€35 million	Private	CBRE
Anvers, Meir 23	Shopping street	€35 million	Bestseller	CW
Anvers, De Keyserlei 5, Anvers Tower Retail	Shopping street	€35 million	Baloise Insurance	Avenue CBRE
Portfolio Equilis Intermarché	Retail park	€30 million	Groep Vanhee	CBRE CW
Gosselies N5, Parenthèse	Retail park	€23 million	Pertinea	CW
Bree, Sportlaan, Gerdingen Park	Retail park	€22 million	Pertinea	DG Real Estate CW
Ghent, Korenmarkt 1	Shopping street	€21 million	QRF	Avenue CW
Dour, Rue d'Elouges, Espace C	Retail park	€20 million	Private	N/A
Bruxelles, Rue Neuve 39	Shopping street	€14 million	Immobilière Sontag	N/A

Source: Expertise Database 2023

Activity seems robust in 2023. There are live instructions for the sale of the portfolios of Mitiska (5 retail parks including Malinas), De Vlier (3 retail parks) and Nextensa (retail park in Zaventem), and activity is picking up in the high street segment (investment by FICO in Meir in Antwerp and a vast portfolio of urban stores, particularly in Antwerp, Brussels and Ghent, is about to change ownership).

In mid-September 2023, investment volume reached €585 million, 5% above the 5-year average at the end of the third quarter.

45% of this volume invested concerns retail parks and other out-of-town stores, 32% high street stores and 23% shopping center stores. In the latter segment, the largest transaction concerns part of the Woluwe Shopping Center (the part still owned by AG Real Estate

was sold for €69.6 million to Eurocommercial Properties, which now has full ownership of the center). The second transaction is the sale, for €60 million, by IRET Development to Axa of the Grand Bazar in Antwerp (17,900 m<sup>2</sup> for 50 stores renovated in 2011). These are the first 2 contracts signed since the health crisis.

In the out-of-town segment, 23 transactions have been recorded since the beginning of the year, the largest being the sale of Shopping Pajot in Sint-Pieters-Leeuw in the outskirts of Brussels for €40 million to private investors.

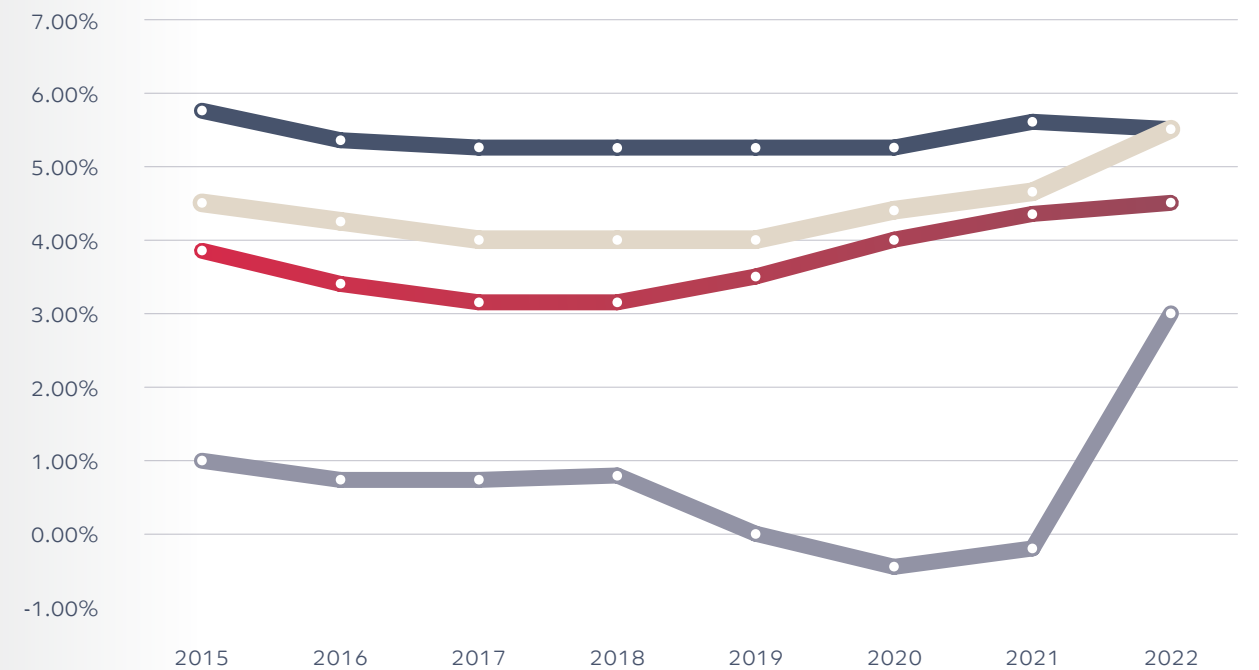
## TOP 8 INVESTMENT TRANSACTIONS – 1<sup>ST</sup> HALF 2023 (€ million, excluding portfolio)

Category	Address	City	Total surface area	Price	Vendor	Buyer
Shopping center	Rue St Lambert 1	Brussels	10,000	€70 million	AG Real Estate	Eurocommercial Properties
Shopping center	Beddeenstraat 2 / Groenplaats	Antwerp	17,904	€65 million	Axa IM Real Estate	IRET Development
High street	Rue Neuve 20	Brussels	5,800	€60 million	Private Investor Belgium	Lone Star Funds
Retail park	Bergensesteenweg 65	St-Pieters-Leeuw	15,000	€40 million	RVM Invest	Private Investor Belgium
High street	De Keyserlei 7	Antwerp	4,200	€35 million	Matexi	Baloise Insurance
High street	Meir 61-63	Antwerp	1,645	€16 million	Prowinko	FICO
Retail park	Zeelsebaan 83	Dendermonde	16,000	€11 million	Primonial	Private Investor Belgium
Out-of-town retail	Antwerpsesteenweg 384	Lier	3,000	€9 million	Group Bouwen	Private Investor Belgium

## YIELDS

### CHANGE IN PRIME YIELDS VS. GOVERNMENT BONDS

● Shopping streets ● Shopping centres ● Retail parks ● Government bonds -10 years





Yields underwent an upward adjustment in the last quarter of 2022; international firm Cushman & Wakefield (CW) now expects a prime yield of 4.70% on ground floor premises (vs. 4.35% in 2021), a sector for which CBRE is sticking to 4.50%.

Prime shopping center yields have risen 45 basis points since Q3 to 2022 to 5.20% at present.

In the out-of-town segment, the prime yield stands at 5.80% (vs. 5.60% in 2021), and according to CW, it is unlikely to see an upward revision of its yields as long as it is based on a high-performing supermarket. For CBRE, this type of premium product is trading at 5.50% or less.

However, the trend in yields is expected to move upwards in late 2023/early 2024.

## DEVELOPMENTS

As stated above, in 2022, the main commercial real estate developments focused on the out-of-town category.

A total of 60,000 m<sup>2</sup> of new retail space was delivered in 2022 (vs. just over 100,000 m<sup>2</sup> in 2021).

Among the achievements include Rich'L in Waterloo (23,600 m<sup>2</sup>), Westpark in Veurne (11,350 m<sup>2</sup>), ZR in Zoersel (9,875 m<sup>2</sup>), Quartier Enée in Gembloux (10,500 m<sup>2</sup>) and Ninouter in Ninove (10,300 m<sup>2</sup>).

Administrative restrictions (the "Stop Béton" movement), the cost of financing and inflation (high costs of construction materials) have had a real impact on the market and the "realistic" pipeline for 2023 and 2024

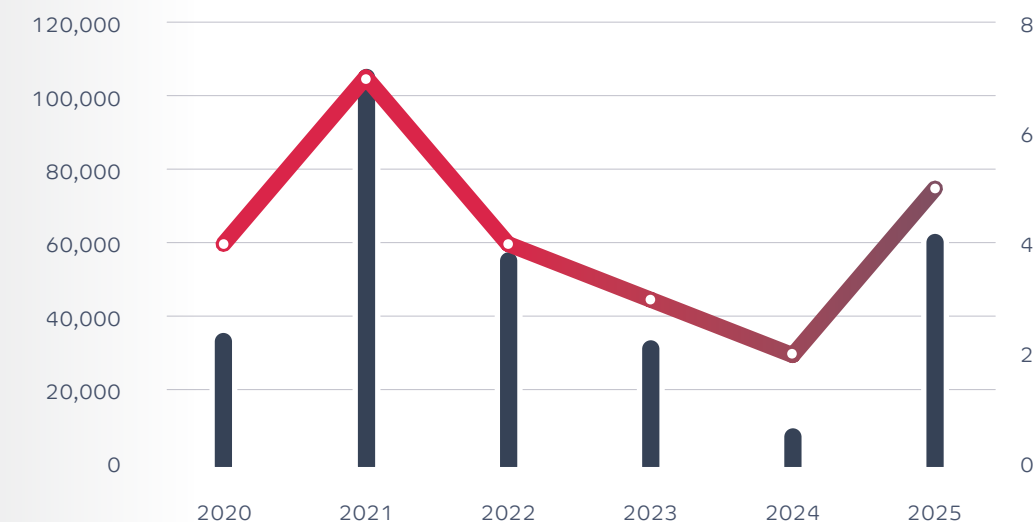
is much more limited, with an estimated overall surface area totalling around 50,000 m<sup>2</sup> over the next 2 years.

Only the most highly capitalised players will be able to bear the additional costs of time-consuming feasibility studies, longer periods for permits and recourse proceedings, repeated modifications to plans and environmental impact studies.

On the positive side, projects that do get off the ground are covered by a more refined process offering the market products that are more qualitative, more aesthetically pleasing and more ecological, in close harmony with the urban visions of the cities of the future.

## RETAIL OPENINGS AND PIPELINE

● Surface (m<sup>2</sup>) ● Number



Sources: BNB, SPF Economie, PME, Classes Moyennes et Energie, BeCommerce, GKK, Cushman & Wakefield Belgium, CBRE Belgium, JLL Belux





## THE COMMERCIAL REAL ESTATE MARKET IN FRANCE

### MACROECONOMIC INDICATORS

Economic indicators (in %)	2019	2020	2021	2022
Annual change in GDP	1.8	-7.9	6.8	2.5
Annual change in the unemployment rate (*)	8.1	7.8	7.8	7.2
Annual inflation (HICP**)	1.1	0.5	1.6	5.2

Sources: JLL, INSEE

(\*): ILO, metropolitan France, as % of labour force, annual average

(\*\*): Harmonised Index of Consumer Prices

In 2022, France escaped recession despite uncertainties related to the energy crisis, the slowdown in global economic activity and the tightening of financing conditions. With two negative but non-consecutive quarters (-0.2% in the first quarter and fourth quarter), growth stood at +2.5% at the end of the year according to INSEE (versus +3.3% in the eurozone), driven by the maintenance of household demand and the rebound in services.

Faced with exponential public debt and according to the recommendations of the IMF (International Monetary Fund), the discontinuation of massive support granted to companies and households has put an end to "whatever it takes", favouring targeted aid in a still high inflationary environment.

Inflation continued to curb consumption among households (+1.6% in 2021 vs. +5.2% in 2022) which, despite some wage increases, drew on their savings to offset the decline in purchasing power (-0.6% per capita in 2022).

The gradual deterioration in economic indicators weighed on household confidence, down 13 points on average compared to 2021, while the business climate was relatively stable (-0.75 points in 2022).

The labour market remained particularly strong, although the pace of growth has slowed since 2021; the unemployment rate stabilised at 7.2% at the end of the year, growing at the same pace as the working population.

At the same time, corporate bankruptcies accelerated (+48% in 2022), mainly among VSEs/SMEs, faced with the repayment of their state-guaranteed loan (PGE) and rising energy costs.

In the first half of 2023, the French economy was solid. After a very slight increase of 0.1% in GDP in the first quarter of 2023, it grew by 0.5% in the second quarter thanks to the rebound in exports, industrial production and business investment.

However, a slowdown in the second half is expected (+0.1% in the third quarter and 0.2% in the fourth quarter) because in the meantime, the business climate has fallen below its usual average, while the government's deficit reduction target means that public spending will no longer support the economy to the same extent.

A rebound in consumption therefore seems unlikely despite the slow decline in inflation; households remain very cautious and intentions to make significant purchases continue to decline.

### RETAIL MARKET – RENTAL TAKE-UP

In contrast to 2021, when retail activity benefited fully from the post-COVID-19 catch-up effect, the situation has become more uncertain in 2022.

After the yellow vests movement ("gilets jaunes"), the transport strikes, the COVID-19 epidemic and the historic price surge, the impact of inflation on rental charges affecting their affordability ratio and fears of recession are new tests for the French retail market.

However, the latter has held up well so far, benefiting in particular from the continuation of brands' expansion plans: for example, between 2019 and 2022, the cumulative number of stores of 6 discount brands (ACTION, STOKOMANI, CENTRAKOR, GIFI, B&M and NORMAL) increased from 1,540 to just over 2,000 in France (+33% over the period).

Discount brands are not the only ones to grow: 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).

On the other hand, the share of fashion retailers continues to decline.

The increase in the number of new foreign brands opening their first shop in France is further evidence of the market's resilience. In all sectors combined, 49 foreign brands opened their first store in France in 2022 (Aquazzura, David Yurman, P448, Airness, Stussy, Ganni, etc.), a level not reached in 10 years except for 2019.

This increase continued in 2023; 29 new brands were identified from January to September, including several luxury and high-end brands (Jovadi, Dita, Palm Angels, etc.) as well as a discount heavyweight, the German TEDI.

Following the very large number of takeovers in 2020 and 2021, in 2022 there have more takeovers of brands, whether in difficulty or not, in sectors such as restaurants (Pitaya, taken over by the Bertrand Group, Invivo Retail which took over Boulangeries Louise, toys (Joué Club which took over LGR), fashion (JD for GAP) and sport (Intersport for Go Sport).

In terms of store openings, the most dynamic brands in development in 2022 and early 2023 were Basic Fit (+126 openings in the last 12 months from September 2022 to September 2023), Action (+50 points of sale), Marie Blachère (+44 points of sale), Normal (+40 points of sale), Dreams Donuts (+39 points of sale) and Rituals (+29 points of sale).

### RENTAL VACANCY

All categories combined, the vacancy rate was 9.13% in 2022 (vs. 9.83% in 2021), including 6.54% out-of-town.

All sectors combined, proceedings continued in 2022 (14 brands) and have multiplied since the beginning of 2023, i.e. 32 proceedings at the end of August.

Between 2020 and the third quarter of 2023, there were 103 proceedings concerning 80 brands, the majority of which are active or have been active in the textile sector (44%); among these were several major French retailers such as Conforama, Courte Paille, Camaïeu, La Grande Récré, La Halle, Naf Naf, DPAM, GAP, Sergent Major, André, etc.

The proceedings are only a minority to have led to the disappearance of brands. However, their impact on the real estate market is far from negligible given the reductions in point-of-sale networks they engender: of the 8,800 stores that these 80 brands initially had, 3,200 have closed. While some of these points of sale have been re-let, others are still available for rental, posing the risk of a lasting increase in vacancies in the less sought-after commercial sites and territories in France (secondary streets in city centres, malls in decline, second-tier commercial areas).

## RENTAL VALUES

Rental values have been heavily impacted by successive crises in recent years, but the downward trend nevertheless seems to be waning. They were generally maintained throughout 2022.

Only retail parks, a type of asset that has been relatively resilient to crises, kept their prime reference value consistent at around €210/m<sup>2</sup>/year.

### 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

The French spent nearly €147 billion on the internet in 2022. This performance was driven by the strong recovery in service sales, particularly in tourism/leisure.

In general, the current trend seems to be towards the normalisation of online consumption, linked in particular to the decline in teleworking, the rise in inflation, supply problems but also the end of the free return of products by certain sales platforms.

However, with the return of customers to stores and the end of the COVID-19 period, online sales of physical products stabilised in 2023.

### E-COMMERCE REVENUE IN FRANCE (€ billions)



Source: Fevad

## INVESTMENT MARKET AND OUTLOOK

2022 was the third best year of the decade in terms of volumes transacted in retail premises with €5.6 billion, in particular due to transactions returning to volumes greater than €100 million (i.e. 16 transactions vs. 7 over the last 2 years, including 3 of more than €200 million).

Shopping centres returned to their 2020 level (29%), thanks to 6 transactions above €100 million, a third of which were arbitrages carried out by URW (Carré Sénart and V2).

Thus, activity was mainly concentrated in the first 9 months, while the market contracted sharply in the fourth quarter, under the effect of rampant inflation and the rate rise.

The safe bet still seems to be the out-of-town retail park and its promise of low prices (21% of total invested). Four large-scale transactions (more than €80 million) drove the 2022 market to levels of value that are unusual for this type of asset, including the parks "Shopping Park Carré Sénart", "Mon Beau Buchelay" and "Enox" in the Ile-de-France region.

In the end, the share of retail in commercial real estate investment exceeded its pre-crisis level, reaching 22%, mainly driven by French investors (76% vs. 60% on average over 10 years).

This exceptional performance is a sign of a mature market for this sector, and investors are now familiar with the format, which has proven itself over the past few years and has weathered the COVID-19 pandemic well.

2022 was also marked by the recovery in volumes invested in city centres, thanks to a transaction in excess of €600 million on Avenue des Champs-Élysées, which is struggling to return to the pre-pandemic level (28% in 2022 compared with more than 40% at the time) despite the excellent rental momentum linked to the prospect of the Olympic Games.

### CHANGE IN VOLUMES INVESTED IN RETAIL

• Revenue (€ billions)



Key figures for retail investment	2020	2021	2022
Investment volume in France	€4.6 billion	€3.3 billion	€5.6 billion
Share of retail in total volume invested	16%	13%	22%
Number of transactions in France	212	204	271
Number of transactions >€100 million	7	7	16
Share of portfolios	57%	46%	34%
Share of foreign investments	27%	40%	24%

At the end of August 2023, French commercial real estate recorded €2 billion of investments, down 43% over the same period in 2022 (€3.5 billion).

However, this negative change in the market is not a reflection of investors' disaffection for this asset class but is in line with the general downward trend of the business real estate market (over the first three quarters of 2023, the market recorded €8.7 billion of investments, -57% compared to the same period in 2022).

This amount of €2 billion invested (27% of the investment volume), however, contains several major acquisitions:

- The Italy 2 shopping center (Paris 13) sold by Hammerson and AXA IM to Ingka Centres (IKEA) for €450 million;
- Acquisition by Mata Capital of 5 outlets (€207 million);
- The portfolio of 38 Grand Frais stores sold by Abenex to La Française for €190 million;
- Various mixed office/retail deals on the high street such as 101 Champs Elysées (40% retail) acquired by LVMH from Gecina for around €700 million, or 35 Montaigne by Kering for €225 million);
- Acquisition of the "Passy Plaza" by AEW for approximately €130 million.

This sharp decline in investments, especially from the second quarter of 2023, is explained by the tightening of financing conditions impacting buyers as interest rates align with the upward trend of the ECB's key rates.

This cost of financing ("end of free money") minimises the opportunities for value creation through leverage and encourages investors requiring finance to adopt a wait-and-see approach.

Nevertheless, retail remains among the most attractive asset classes and offers the highest yields.

#### EXAMPLES OF COMMERCIAL REAL ESTATE TRANSACTIONS IN FRANCE IN 2023

Year	Quarter	Acquirer	Vendor	Name/address	City	Amount (€ millions)	Surface area
<b>Ground floor premises</b>							
2023	T1	Kering	Foncière du Triangle d'Or	35-37 Avenue Montaigne	Paris 8	225	1,200 m <sup>2</sup>
2023	T1	Black Swan Real Estate Capital	Primonial	Castorama-CAP15-1/15 Quai de Grenelle	Paris 15	50	6,000 m <sup>2</sup>
2023	T2	La Française	Guibor	9-11 Rue Foyatier	Paris 18	18	870 m <sup>2</sup>
<b>In shopping centres</b>							
2023	T1	Ingka Investments BV	Hammerson	"Italie 2" 30, Avenue d'Italie	Paris 13	450	56,600 m <sup>2</sup>
2023	T2	Aew Ciloger	Generali Re	Passy Plaza – 53 Rue de Passy	Paris 16	120	8,113 m <sup>2</sup>
2023	T1	Ingka Investments BV	Hammerson	"Italik (extension)", 30, Avenue d'Italie	Paris 13	70	6,500 m <sup>2</sup>
<b>Out-of-town retail sites</b>							
2023	T1	Mata Capital	CNP Assurances	Portefeuille France "Outlet Mata"	France	207	85,504 m <sup>2</sup>
2023	T1	BNP Reim	SAS Parc Ile Roche	Retail Park l'Île Roche-Clos de l'Île Roche	Sallanches	32	12,500 m <sup>2</sup>
2023	T1	Roche Dubar & Associés	Feridis	ZAC Claude Chappe	Tollevast	24	8,700 m <sup>2</sup>

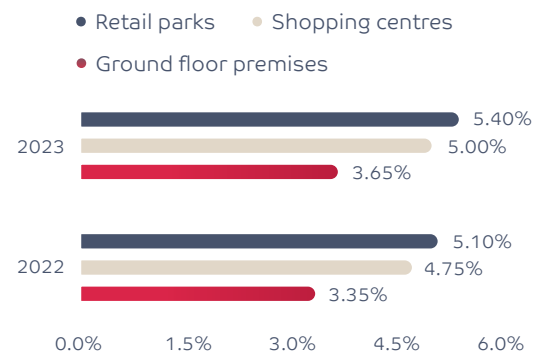
Sources: JLL/ImmoStat





## YIELDS

Like other types of assets, prime yields on ground floor stores, shopping centres and retail parks increased at the end of 2022, reaching 3.35%, 4.75% and 5.10% respectively. At the end of the first half of 2023, these rates continued to rise, reaching 3.65%, 5.00% and 5.40% respectively.



Classification	Yields on ground floor premises (%)
Prime	3.65 - 3.90
Core	3.90 - 4.90
Core+	4.90 - 5.30
Opportunistic	5.90 and +

Classification	Yields on shopping centres (%)
Prime	5.00 - 5.25
Core	5.25 - 5.75
Core+	5.75 - 7.25
Opportunistic	7.25 and +

Classification	Yields on retail parks (%)
Prime	5.40 - 5.65
Core	5.65 - 6.15
Core+	6.15 - 6.90
Opportunistic	6.90 and +

Sources: JLL/ImmoStat

The major impact of the health crisis caused commercial assets to undergo corrections in 2020 and 2021, but even so, real estate assets in general have not escaped repricing in recent months, with interest rate levels

having risen sharply in 2022 due to the tightening of central banks' monetary policies.

## DEVELOPMENTS

After falling sharply in 2020 due to the outbreak of the health crisis, authorisations and launches of new retail space picked up again in 2021 and 2022.

The trend will not continue in 2023: the maturing of the real estate portfolio, the increasing importance of recourse proceedings and the tightening of regulations are drastically limiting new builds, in particular those involving large surface areas.

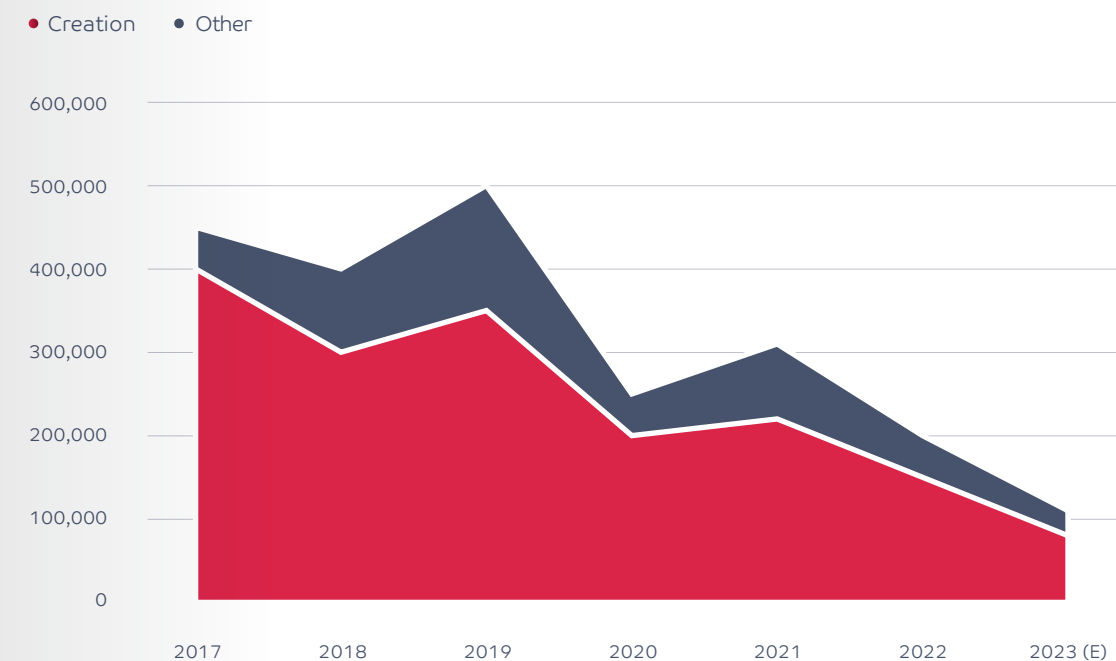
The change in the number of projects authorised by the CNAC (Commission Nationale d'Aménagement Commercial) is just one example of the decline in new developments: with a total of 39 authorisations in the first half of 2023, they are down 28% compared to the same period in 2022 and 45% compared to the peak in 2017. The average surface area of projects authorised under the CNAC was 2,111 m<sup>2</sup>, i.e. an increase of 37% over one year but a decrease of 66% compared to 2017.

Starting in 2020, the downward trend in the opening of new retail space was confirmed in 2022 with 366,000 m<sup>2</sup> inaugurated in France compared with 755,000 m<sup>2</sup>/year on average in the 5 years preceding the COVID-19 pandemic.

More particularly in the retail parks segment, while they totalled nearly 450,000 m<sup>2</sup> on average in France during the 5 years preceding the health crisis, the volume of new retail space openings was almost halved between 2020 and 2022.

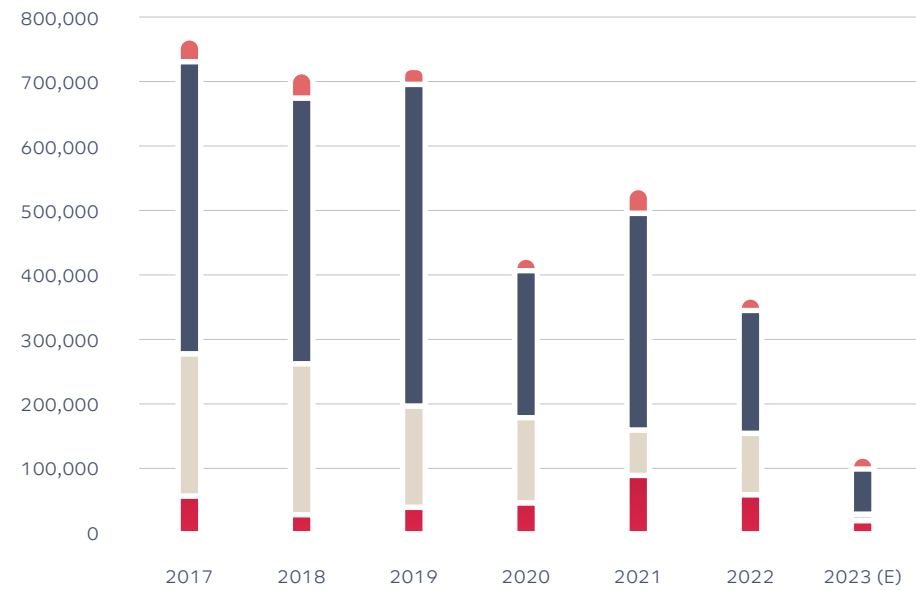
The decline is continuing in 2023, so deliveries could reach an all-time low. Barely 52,000 m<sup>2</sup> opened between January and September 2023 and less than 120,000 m<sup>2</sup> is potentially expected by the end of the year, mainly in the form of projects of between 5,000 and 10,000 m<sup>2</sup>. Among the most significant are the finalisation of the Otium project in Dreux – a rare new build project – and the extension of the Vigie zone near Strasbourg.

## RETAIL PARKS OPENINGS IN FRANCE (IN M<sup>2</sup>, IN MAINLAND FRANCE)



**EVOLUTION OF OPENINGS BY TYPE OF FORMAT**  
(in France, on total volume total in m<sup>2</sup>)

• Shopping streets • Shopping centres • Retail parks • Others



**EXAMPLES OF RETAIL PARK OPENINGS - FRANCE 2023-2024**  
Open or partially open at the end of August 2023

Center	City	Type	Surface area (m <sup>2</sup> )
Neyrpic	St-Martin-d'Hères (38)	Creation	34,300
Otium	Dreux (28)	Creation	21,500*
Cap Koad	Bain-de-Bretagne (35)	Creation	13,000
La Nef	Le Havre (76)	Creation	13,000
O'Centre	Vendenheim (67)	Redevelopment-extension	12,480
Le Mascaret (Rives d'Arcins)	Bégles (33)	Extension	12,000
Les Rives du Lot	Cahors (46)	Creation	11,500
Zac de Montvrain 2	Mennecy (91)	Redevelopment-extension	11,000
La Vigie	Geispolsheim (67)	Extension	10,000
Soarns Commercial Zone	Orthez (64)	Extension	9,200
Le Monkey	Laval (53)	Creation	7,000
Les Prés Blancs	Herbignac (44)	Creation	6,000

Source: Knight Frank/\* including the opening of a catering hub in 2021.



## THE COMMERCIAL REAL ESTATE MARKET IN SPAIN

### MACROECONOMIC INDICATORS

Economic indicators Spain	2019	2020	2021	2022
Annual change in GDP (%)	1.9	-11.3	5.5	<b>5.8</b>
Annual change in unemployment rate (% act. pop.)	13.8	16.1	14.8	<b>12.9</b>
Annual change in inflation (% Dec. to Dec.)	0.8	-0.5	6.5	<b>5.7</b>

Source: CW-Valuation report

Unlike its main European neighbours, Spain is not back to the level of activity before the health crisis.

This lag is mainly due to private consumption, which at the end of 2022 was still -3.6 points below its pre-pandemic level, and investment in residential construction, 15 points below its pre-crisis level.

Although not directly exposed to the conflict between Russia and Ukraine, the Spanish economy has been affected by the indirect effects of the war through imported inflation. As a result, Spain, like the rest of Europe, experienced spikes in inflation that had not been recorded since the 80s (+10.8% in July 2022), driven in large part by energy prices and gradually passed on to the economy as a whole.

In this context, Spain has adopted several plans to respond to the economic impact of the war, representing nearly €47 billion in aid or measures over the period 2021-2023, or 3.9% of GDP.

The flagship measures are the reduction of various taxes on energy and food products and the establishment of a mechanism for moderating the wholesale electricity prices, which will expire at the end of 2023. Beyond that, there are also various measures to support purchasing power, especially of vulnerable households, and new guaranteed loans for businesses.

The Spanish government updated its macroeconomic and public finance forecasts in April 2023 and expects dynamic growth of 2.1%, in line with the forecasts of the main national and international organisations. This would be driven by tourism on the one hand and private consumption on the other, which would benefit from the dynamism of the labour market and the gradual moderation in prices. The rapid tightening of monetary policy by the ECB is nevertheless identified as the main downside risk of this scenario.

In terms of the labour market, Spain has returned to pre-crisis levels. Even so, Spain still has one of the highest unemployment rates in the European Union (13.3% in the first quarter of 2023).

As for public finances, the public deficit fell sharply (6.9% of PIB in 2021 and 4.8% in 2022) as a result of record collections driven by the recovery in activity and the gradual end of emergency measures.

Finally, at the political level, 2023 is an election year in Spain.

### RETAIL MARKET – RENTAL TAKE-UP

Inflation and the increase in operating costs have not held the brands back in terms of their of policy development.

In 2022, more than 450 stores opened in shopping centres and retail parks, i.e. +18% compared to 2021.

By sector of activity, 46% were fashion stores (-27% vs. 2021), followed by restaurants with 16% (+24%), home appliances at ± 9% and health/beauty at ± 8%.

Pepco leads the ranking with 23 openings identified, followed by Singularu (10), JD Sports (8) and Kiwoko (7).

Overall, and while many operators have redefined their targets, 2022 was a positive year in terms of openings.

This trend seems to be confirmed in 2023 with significant take-up of leases such as those of Cortefiel, Women'Secret, Springfield, Sushisom and Xiaomi in Vialia Vigo, those of Polinesia, Hubsid.Store, GoWok and Ramen in Parque Principado (Oviedo) and 4 inaugurations in Parque Corredor in Madrid (Pandora, WaffleTime, Beds and Ikea).

Since the beginning of 2023, brands have continued to expand their coverage of the country at a sustained pace, for example Supeco, Primaprix, Centrakor, Action, Zeeman, Pepco, Normal, etc.

As for the high street market, which is more vulnerable to economic uncertainties, it has regained its performance and footfall in the same way as shopping centres thanks to the recovery in tourism.

As a result, the rental vacancy rate has gradually reduced, particularly in large cities, and currently stands at 10%.

The number of stores in city centres has fallen since 2010, when there were 617,548 active retail units according to the INE (Instituto Nacional de Estadística), to 543,650 in 2022, a decrease of nearly 12%.

However, part of this decrease is due to certain brands, such as Pepco, JYSK, Basic Fit, Media Markt, Kiwoko, Leroy Merlin or Decathlon, extending their sales areas by absorbing small adjoining retail premises.

The climate, the structure of the cities, the growth of tourism, consumption habits and footfall trends, especially in the historic city centres, have encouraged both the establishment of important flagship stores in the main shopping arteries of the cities, and the development of a retail network in the out-of-town neighbourhoods, which are gradually gaining momentum. This results in a slight increase in the number of retail units during 2021 (+0.4%).



## RENTAL VALUES

In 2022 and until the first quarter of 2023, average rents negotiated in shopping centres and retail parks remained similar to previous years.

For the shopping center category, they vary between €18 and €19/m<sup>2</sup>/month excluding VAT, with prime rents potentially reaching as high as €85/m<sup>2</sup>/month.

For retail parks, they vary between €9 and €10/m<sup>2</sup>/month excluding VAT, with prime rents of €17 /m<sup>2</sup>/month.

The decline in footfall (despite the gradual and encouraging return of tourists) has had an impact on city center rents, which, depending on the attractiveness of the shopping streets, range from €220/m<sup>2</sup>/month excluding VAT (Gran Via in Madrid) to €265/m<sup>2</sup>/month (Portal Del Angel, Barcelona).

## E-COMMERCE

### RETAIL SALES IN SPAIN BY SALES CHANNEL

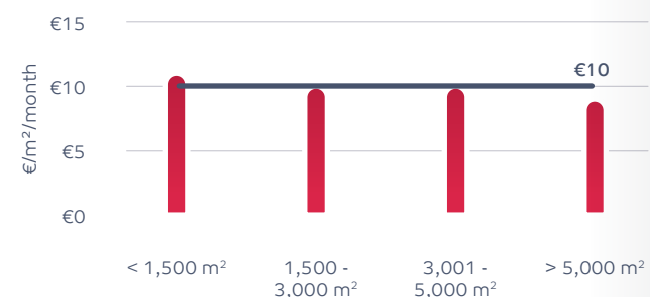


E-commerce sales in Spain exceeded €52.75 billion in the first 9 months of 2022, an increase of 29% compared to the same period a year earlier.

Changes in the way offline and online channels interact and the end of the COVID-19 pandemic restrictions led to a slowdown in the growth of the volume of electronic transactions in retail categories, which increased by 12.9% in the first 9 months of 2022, compared with 18.1% the previous year.

### AVERAGE RENT FOR RETAIL PARKS IN SPAIN (€/m<sup>2</sup>/month)

• rent/m<sup>2</sup>/month by lot size



However, the average ticket increased by 15% from €72 in 2021 to €83 in 2022 (9 months).

By segment, the groups whose online revenue increased the most between the first quarter and the third quarter of 2022 were leisure with 51%, followed by services with 28% and restaurants with 21%, reflecting the shift in consumption habits towards spending for more experiential activities.

Among the retail sectors, fashion greatly increased its share of total e-commerce, with 6.3%, followed by gaming and betting (4%), and leisure (3.3%).

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

As a result, the online sales market share (13%) remains significantly lower than other European countries.

## INVESTMENT MARKET AND OUTLOOK

The commercial real estate investment market ended 2022 with a total volume of €2.063 billion, 107% more than in 2021.

The city center segment recorded the highest number of transactions, with almost €750 million, followed by supermarkets, which are still popular with investors, with over €650 million.

In the first months of 2023, however, there was a sharp decline in investments (€184 million between January and April, i.e. -95% vs. the same period in 2022) mainly due to the combined effects of rising interest rates, higher financing costs and a decrease in consumer spending.

The most notable transaction of this period was the sale of the Quadernillos retail park (30,000 m<sup>2</sup> – Alcalá de Henares – Madrid) by Proudreed Spain and BPN Capital Partners. Other out-of-town transactions include the

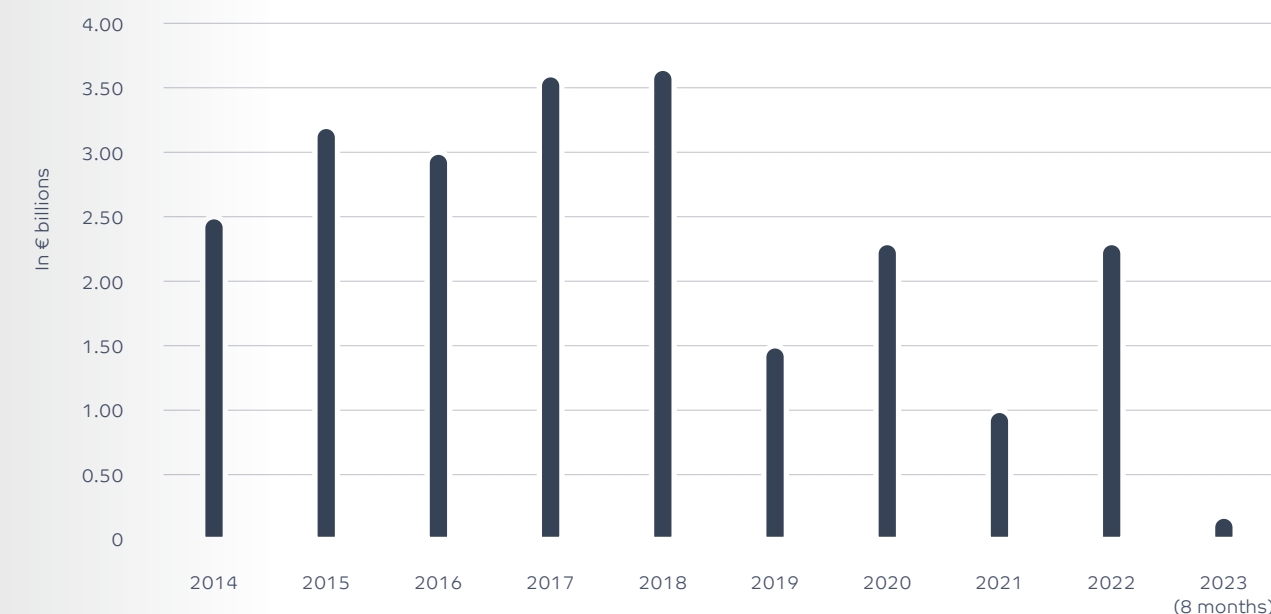
sale by Silicius of Leroy Merlin in Getafe to Nassica for €18.4 million and Viapark (16,420 m<sup>2</sup> – Vúcar, Almería), purchased by Axiare from Inmobiliaria Colonica for €19.5 million.

The main players driving the investment market are French, Belgian, German and some local SOCIMIs.

Forecasts for the coming months are closely linked to economic and interest rate developments; the food sector is likely to regain its importance in 2020 and the retail park and mid-market segment will be a safe haven for many investors.

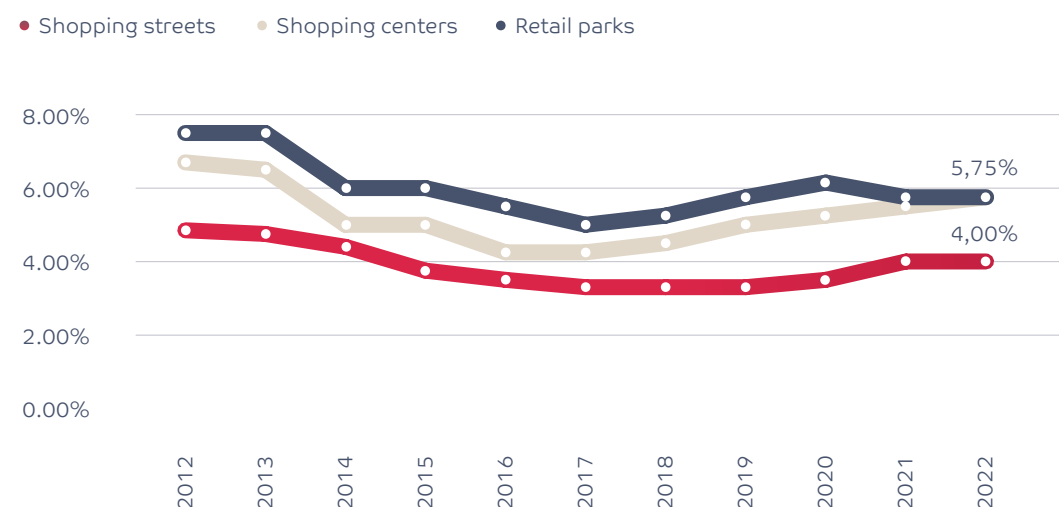
Nevertheless, 2023 is expected to end with volumes below 2022 due to the lack of transactions in the shopping center segment.

### EVOLUTION OF THE COMMERCIAL REAL ESTATE INVESTMENT MARKET



## YIELDS

### YIELDS ON PRIME RETAIL



Higher financing costs have had a direct impact on returns.

This trend has been clearly marked since the second half of 2022, ending the year with a yield of 5.75% for prime shopping centres and 7.25% for secondary shopping centres, the highest values since 2013 in both cases.

For the first time in more than 15 years, returns from retail parks have been in line with those of shopping centres, i.e. 5.75% for prime assets.

### EXAMPLES OF SIGNIFICANT TRANSACTIONS IN 2022 AND UNTIL APRIL 2023 IN OUT-OF-TOWN RETAIL AND SHOPPING CENTRES

Asset	GLA	Vendor	Buyer	Classification	Approximate price in €
El Osito Open Park, La Pobla, Valencia (May 23)	20,300 m <sup>2</sup>	Private Investor	Iroko Zen	Retail park	€26,5 million (Yield 6.8%)
Viapark Retail Park, Roquetas de Mar, Almeria (Mar23)	16,300 m <sup>2</sup>	Colonial	Private Investor	Sub Regional Retail park	€20 million (Confidential) C&W advised vendor
Retail Warehouse leased to Leroy Merlin, Getafe, Madrid (Mar23)	10,000 m <sup>2</sup>	Silicius / Mazabi	Private investor	Retail Warehouse Unit	€18 million (Yield 6%)
Quadernillos Retail Park, Alcala de Henares, Madrid (Feb23)	30,000 m <sup>2</sup>	Private investor	Proudreed Spain y BPN Capital Partners	Sub Regional Retail park	€26 million C&W advised vendor
Portfolio of 10 retail warehouses, Barcelona (Jun22)	15,000 m <sup>2</sup>	Cerberus Capital	Unknown	Retail Warehouse Units	€4,2 million (Yield 7%)
Alcora Plaza, Alcorcon, Madrid (May22)	16,800 m <sup>2</sup>	Goldman Sachs	AEW Europe	Retail Warehouse Units (recently opened)	€50 million C&W advised vendor

## DEVELOPMENTS

Retail density is one of the best indicators for determining market saturation: the average density of retail surface area in Spain is 375 m<sup>2</sup> per 1,000 inhabitants (in Belgium = 620 m<sup>2</sup>) with significant disparities by region.

While the shopping center market has reached maturity with a limited number of future projects, the retail park sector still has a long way to go. Its commercial density is 71 m<sup>2</sup>/1,000 inhabitants, i.e. 10 m<sup>2</sup> less than the European average (120 m<sup>2</sup> in France, for example).

More specifically, in 2022, 9 large-scale commercial projects totalling 165,500 m<sup>2</sup> were inaugurated, and more than 50% of them, in terms of number and surface area, were retail parks.

In 2023 (9 months), retail parks accounted for 64% of the number of projects and 55% of the surface area, excluding extensions.

Most of the new retail parks are developing on the outskirts of secondary cities with an average size of around 15,000 m<sup>2</sup>.

As in previous years, growth in the shopping center segment will come from renovation, expansion or repositioning either by changing the retail mix or by including mixed uses.

For example, approximately 30 retail assets, totalling more than 1 million m<sup>2</sup>, are expected to be completely or partially renovated in the short/medium term. Of these, 77% in number and 84% of the GLA surface area are linked to shopping centres.

A good example is the reopening of Las Ramblas Shopping in Cartagena (35,000 m<sup>2</sup> – see table below), a project that has not seen any commercial activity for several years, with food retailer Mercadona occupying about 4,500 m<sup>2</sup>.

### MAIN INAUGURATIONS OR EXTENSIONS PLANNED IN 2023 (OUT OF A TOTAL OF 334,900 M<sup>2</sup>)

Province	City	Project name	Developer	Category	Surface area in m <sup>2</sup>
Murcia	Cartagena	Las Ramblas Shopping	General de Galerias Comerciales	Medium SC	35,000
Madrid	Fuenlabrada	Nexum Retail Park	Equilis	Retail park	26,000
Barcelona	Vila nova I la Geltru	Nova Center	Titan Properties	Medium SC	23,000
Santa Cruz de Tenerife	San Cristóbal de La Laguna	Leroy Merlin Phygital & Co	Inmobiliaria Leroy Merlin	Retail park	23,000
León	León	Oalmacenter (Parque Comercial La Lastra)	Oalma Center	Retail park	18,000
Cádiz	San Fernando	Parque Comercial La Isla (Tiro Janer)	Ten Brinke	Retail park	15,403
Madrid	Getafe	Parque Comercial Imagina	Sociedad Parque Imagina	Retail park	13,000
Coruña. A	A Grela	A Revolta	Private	Retail park	10,000

**Total projects: 250,700 m<sup>2</sup>**  
**Total extensions: 84,200 m<sup>2</sup>**

Source: AECC (Asociación Española de Centros Comerciales) Savills (03/2023)

## • REAL ESTATE PORTFOLIO

### ASCENCIO'S CONSOLIDATED PORTFOLIO

#### COMMERCIAL BUILDINGS BELGIUM – AVAILABLE FOR RENT

Sites (at 30/09/2023 all Belgian sites were held by Ascencio SA)	Description	Year of construction/renovation	Surface area	Contractual rental (€000s)	EPRA occupancy rate (%)	Contractual rental + ERV of vacant (€000s)	Estimated rental value (ERV) (€000s)
Aarschot (3200) 21 Lierssesteenweg	Cluster	2000	2,955 m <sup>2</sup>	329	100%	329	302
Andenne (5300) 135 Avenue Roi Albert	Stand-alone (food)	2000	2,386 m <sup>2</sup>	192	100%	192	179
Anderlecht (1070) 1024 Chaussée de Ninove	Stand-alone	1962	1,061 m <sup>2</sup>	163	100%	163	106
Anderlecht (1070) 112-113 Digue du Canal	Stand-alone (food)	2018	1,977 m <sup>2</sup>	309	100%	309	257
Auderghem (1160) 1130 Chaussée de Wavre	Stand-alone	2006	1,810 m <sup>2</sup>	336	100%	336	272
Berchem (2600) 85 Fruithoflaan	Stand-alone (food)	1971	2,685 m <sup>2</sup>	294	100%	294	269
Bonnelles (4100) 20-24 Route du Condroz	Cluster	1995	3,000 m <sup>2</sup>	553	100%	553	469
Bonnelles (4100) 114 Rue de Tilff	Cluster	2004	602 m <sup>2</sup>	142	100%	142	117
Braine-l'Alleud (1420) 15 Place St Sébastien	Stand-alone (food)	1978	1,525 m <sup>2</sup>	113	100%	113	114
Bruges (8000) 160 Legeweg	Stand-alone	1995	999 m <sup>2</sup>	100	100%	100	95
Chapelle-lez-Herlaimont (7160) 93 Rue de la Hestre	Stand-alone (food)	1973	2,237 m <sup>2</sup>	250	100%	250	179
Châtelet (6200) 55 Rue de la Station	Stand-alone (food)	1998	2,500 m <sup>2</sup>	194	100%	194	175
Châtelineau (6200) 45 Rue des Prés	Stand-alone (food)	1993	1,924 m <sup>2</sup>	135	100%	135	125
Châtelineau "Cora" (6200) Rue du Trieu-Kaisin	Retail park	1990	23,253 m <sup>2</sup>	2,707	100%	2,707	2,428

Sites (at 30/09/2023 all Belgian sites were held by Ascencio SA)	Description	Year of construction/renovation	Surface area	Contractual rental (€000s)	EPRA occupancy rate (%)	Contractual rental + ERV of vacant (€000s)	Estimated rental value (ERV) (€000s)
Couillet "Bellefleur" (6010) 219 Chaussée de Philippeville	Retail park	1970	2,757 m <sup>2</sup>	103	82%	118	81
Couillet "Bellefleur" (6010) 304-317 Chaussée de Philippeville	Retail park	1990	228 m <sup>2</sup>	51	100%	51	47
Couillet "Bellefleur" (6010) 329 Chaussée de Philippeville	Retail park	2014	20,656 m <sup>2</sup>	2,786	100%	2,786	2,654
Courcelles (6180) Rue du 28 Juin	Stand-alone (DIY)	2005	2,495 m <sup>2</sup>	204	100%	204	176
Dendermonde (9200) 159 Heirbaan	Stand-alone (food)	1970	3,090 m <sup>2</sup>	457	100%	457	201
Dendermonde (9200) 24 Mechelsesteenweg	Cluster	1983	4,356 m <sup>2</sup>	472	100%	472	362
Frameries (7080) 5 Rue Archimède	Stand-alone (food)	1978	2,180 m <sup>2</sup>	189	100%	189	153
Gembloux (5030) 28 Avenue de la Faculté d'Agronomie	Cluster	1976	2,107 m <sup>2</sup>	189	100%	189	179
Gent Dampoort (9000) 20 Pilonijstraat	Stand-alone (food)	1960	3,037 m <sup>2</sup>	289	100%	289	252
Genval "Les Papeteries De Genval" (1332) Square des Papeteries	Ground floor shop	2015	10,271 m <sup>2</sup>	1,993	97%	2,042	1,632
Gerpennes "Shopping Sud" (6280) 138 Route de Philippeville	Retail park	2000	8,085 m <sup>2</sup>	594	100%	594	510
Gerpennes (6280) 196 Route de Philippeville	Cluster	1979	3,368 m <sup>2</sup>	353	100%	353	337
Gerpennes Bultia (6280) 182-184 Rue Neuve	Cluster	1988	1,509 m <sup>2</sup>	160	100%	160	143



Sites (at 30/09/2023 all Belgian sites were held by Ascencio SA)	Description	Year of construction/renovation	Surface area	Contractual rental (€000s)	EPRA occupancy rate (%)	Contractual rental + ERV of 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%	108	108
Gilly (6060) 252 Chaussée de Ransart	Stand-alone (food)	1989	2,725 m <sup>2</sup>	300	100%	300	286
Gozée (6534) 204A Rue de Marchienne	Stand-alone (food)	1977	2,431 m <sup>2</sup>	216	100%	216	219
Hamme-Mille (1320) 27 Chaussée de Louvain	Cluster	2013	3,761 m <sup>2</sup>	406	100%	406	341
Hannut "Orchidée Plaza" (4280) 54 Route de Huy	Retail park	1986	9,563 m <sup>2</sup>	865	92%	942	914
Hannut (4280) 57 Route de Landen	Cluster	2000	3,435 m <sup>2</sup>	373	100%	373	341
Hannut (4280) 51 Route de Landen	Cluster	2000	1,889 m <sup>2</sup>	200	100%	200	192
Hoboken (2660) 586 Sint Bernardsesteenweg	Stand-alone (food)	1988	4,620 m <sup>2</sup>	370	100%	370	370
Huy (4500) 19A Quai d'Arona	Stand-alone (DIY)	2002	1,969 m <sup>2</sup>	217	100%	217	177
Jambes (5100) 14 Rue de la Poudrière	Cluster	1986	2,760 m <sup>2</sup>	250	100%	250	221
Jemappes (7012) 934 Avenue Maréchal Foch	Retail park	1966	10,335 m <sup>2</sup>	601	68%	810	646
Jemeppe-Sur-Sambre (5190) 143 Rue Hittelet	Cluster	2006	1,543 m <sup>2</sup>	170	100%	170	155
Jodoigne (1370) 61A Rue du Piétrain	Stand-alone (food)	1987	2,245 m <sup>2</sup>	180	100%	180	157
Jumet (6040) 22 Rue de Dampremy	Stand-alone (food)	1975	1,730 m <sup>2</sup>	177	100%	177	147
Kortrijk (8500) 50-56 Gentssesteenweg	Stand-alone (food)	1965	2,309 m <sup>2</sup>	270	100%	270	231
La Louvière (7100) 5 Avenue de la Wallonie	Stand-alone	1991	1,000 m <sup>2</sup>	115	100%	115	105
La Louvière "Cora" (7100) 28 Rue de la Franco Belge	Retail park	1990	25,734 m <sup>2</sup>	2,921	100%	2,921	2,679

Sites (at 30/09/2023 all Belgian sites were held by Ascencio SA)	Description	Year of construction/renovation	Surface area	Contractual rental (€000s)	EPRA occupancy rate (%)	Contractual rental + ERV of vacant (€000s)	Estimated rental value (ERV) (€000s)
Laeken (1020) 185-191 Rue Marie-Christine	Ground floor shop	2001	1,638 m <sup>2</sup>	338	100%	338	245
Lambusart (6220) Route de Fleurus et Wainage	Stand-alone (food)	1976	2,600 m <sup>2</sup>	150	100%	150	156
Leuze (7900) 1 Avenue de l'Artisanat	Cluster	2006	3,464 m <sup>2</sup>	268	82%	315	260
Liège (4000) 2-8 Rue du Laveu	Cluster	1991	2,290 m <sup>2</sup>	198	100%	198	172
Loverval (6280) 11 Allée des Sports	Retail park	2002	5,621 m <sup>2</sup>	527	100%	527	476
Marchienne-au-Pont (6030) 3-5 Rue de l'Hôpital	Stand-alone (food)	1976	2,010 m <sup>2</sup>	177	100%	177	131
Messancy "Cora" (6780) 220 Route d'Arlon	Retail park	2001	19,482 m <sup>2</sup>	753	86%	865	800
Morlanwelz (7140) 19 Rue Pont du Nil	Retail park	2004	3,956 m <sup>2</sup>	314	79%	383	332
Nivelles (1400) 6 Rue du Tienne à Deux Vallées	Stand-alone (food)	1983	3,308 m <sup>2</sup>	293	100%	293	281
Ottignies (1340) 127 Avenue Provinciale	Stand-alone (food)	1984	2,797 m <sup>2</sup>	241	100%	241	241
Philippeville (5600) 47 Rue de France	Stand-alone (food)	1989	1,677 m <sup>2</sup>	227	100%	227	201
Philippeville (5600) 2 Rue de Neuville	Stand-alone	2003	1,236 m <sup>2</sup>	144	100%	144	124
Rocourt "Cora" (4000) 269 Chaussée de Tongres	Stand-alone (DIY)	1990	7,367 m <sup>2</sup>	638	100%	638	700
Saint-Vaast (7100) 99 Rue Albert Dufrane	Stand-alone (food)	1980	2,026 m <sup>2</sup>	184	100%	184	142
Schelle (2627) 35 Boomsesteenweg	Stand-alone	1993	5,375 m <sup>2</sup>	648	100%	648	591

Sites (at 30/09/2023 all Belgian sites were held by Ascencio SA)	Description	Year of construction/renovation	Surface area	Contractual rental (€000s)	EPRA occupancy rate (%)	Contractual rental + ERV of vacant (€000s)	Estimated rental value (ERV) (€000s)
Soignies (7060) 17 Rue du Nouveau Monde	Stand-alone (food)	1975	2,899 m <sup>2</sup>	271	100%	271	246
Tournai (7500) 22-24 Rue de la Tête d'Or	Stand-alone (food)	1958	2,713 m <sup>2</sup>	584	100%	584	231
Trazegnies (6183) 76 Rue de Gosselies	Stand-alone (food)	1974	2,869 m <sup>2</sup>	137	100%	137	201
Tubize (1480) 2 Rue du Pont Demeur	Cluster	2002	3,065 m <sup>2</sup>	350	100%	350	297
Turnhout (2300) 38 Korte Gasthuistraat	Stand-alone (food)	1966	2,503 m <sup>2</sup>	589	100%	589	288
Uccle "Shopping De Fré" (1180) 82 Avenue de Fré	Shopping gallery	1970	3,826 m <sup>2</sup>	335	86%	388	367
Walcourt (5650) 34 Rue de la Forge	Stand-alone (food)	2004	1,680 m <sup>2</sup>	172	100%	172	143
Waremme (4300) 189 Chaussée Romaine	Stand-alone (food)	2003	2,043 m <sup>2</sup>	165	100%	165	184
Wavre (1300) 9 Avenue des Princes	Stand-alone (food)	1986	2,358 m <sup>2</sup>	223	100%	223	232
<b>TOTAL STORES BELGIUM</b>			<b>281,860 m<sup>2</sup></b>	<b>29,214</b>	<b>97.17%</b>	<b>29,952</b>	<b>26,139</b>

## COMMERCIAL BUILDINGS FRANCE – AVAILABLE FOR RENT

Sites (as at 30/09/2023, the French sites were held by wholly-owned subsidiaries or by the French branch of Ascencio SA)	Description	Year of construction/renovation	Surface area	Contractual rental (€000s)	EPRA occupancy rate (%)	Contractual rental + ERV of vacant (€000s)	Estimated rental value (ERV) (€000s)
Aix-en-Provence (13100) Avenue des Infirmiers Quartier Saint-Jérôme (détenu par la succursale française)	Stand-alone (food)	1964	3,092 m <sup>2</sup>	841	100%	841	771
Anney (Seynod) (74370) 18, rue Zanaroli (détenu par la SCI Seynod Barral)	Stand-alone (food)	2004	1,388 m <sup>2</sup>	221	100%	221	206
Antibes (06160) Avenue Nicolas Ausset (détenu par la succursale française)	Stand-alone (food)	1976	4,614 m <sup>2</sup>	994	100%	994	902
Bourgoin-Jallieu (38300) Rue Edouard Branly (détenu par la SCI La Pierre de l'Isle)	Cluster	1975	4,978 m <sup>2</sup>	487	100%	487	480
Brives Charensac (43700) 127, Avenue Charles Dupuy (détenu par la SCI Candice Brives)	Stand-alone (food)	2006	2,296 m <sup>2</sup>	271	100%	271	258
Chalon-sur-Saône "Les Portes du Sud" (71100) Rue René Cassin (détenu par la SCI Les Portes du Sud)	Retail park	2010	13,179 m <sup>2</sup>	1,657	100%	1,657	1,566
Chanas (38150) Route de Lyon - ZAC du Parc du Soleil (détenu par la SCI du Rond Point)	Stand-alone (food)	1997	1,720 m <sup>2</sup>	206	100%	206	198
Chasse-sur-Rhône (38670) Rondpoint des Charneveaux - Rue Pasteur (détenu par la SCI du Rond Point)	Stand-alone (food)	2002	2,012 m <sup>2</sup>	342	100%	342	308

Sites (as at 30/09/2023, the French sites were held by wholly-owned subsidiaries or by the French branch of Ascencio SA)	Description	Year of construction/renovation	Surface area	Contractual rental (€000s)	EPRA occupancy rate (%)	Contractual rental + ERV of vacant (€000s)	Estimated rental value (ERV) (€000s)
Choisey (39100) 3, rue des Guyonnes - ZAC du Paradis (détenu par la SCI Seynod Barral)	Stand-alone (food)	2005	2,123 m <sup>2</sup>	339	100%	339	338
Civrieux d'Azergues (Lozanne) (69380) Chemin du Vavre, Route de Lyon (détenu par la SCI Les Halles de Lozanne)	Stand-alone (food)	2010	2,080 m <sup>2</sup>	242	100%	242	241
Clermont Ferrand (63000) 10, Boulevard Saint Jean (détenu par la SCI Clermont Saint Jean)	Stand-alone (food)	2006	2,146 m <sup>2</sup>	331	100%	331	308
Cormontreuil (51350) Avenue des Goisses (détenu par la succursale française)	Cluster	2008	13,471 m <sup>2</sup>	1,545	100%	1,545	1,392
Crèches-sur-Saône "Parc des Bouchardes" (71680) Lieu dit Les Bouchardes (détenu par la succursale française)	Retail park	2009	11,618 m <sup>2</sup>	1,299	89%	1,442	1,324
Crèches-sur-Saône "Parc des Bouchardes" (71680) Lieu dit Les Bouchardes (détenu par la 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 (détenu par la SCI Echirolles Grugliasco)	Stand-alone (food)	2006	2,366 m <sup>2</sup>	353	100%	353	351
Essey-lès-Nancy (54270) Rue Catherine Sauvage (détenu par la SCI ZTF Essey les Nancy)	Stand-alone (food)	2007	2,043 m <sup>2</sup>	239	100%	239	226
Guyancourt (78280) 5-7, Route de Dampierre et 5, rue Denis Papin (détenu par la SCI GFDI 37 Guyancourt)	Stand-alone (food)	2015	2,348 m <sup>2</sup>	607	100%	607	604
Houdemont (54180) 6, Avenue des Erables (détenu par la succursale française)	Stand-alone	2014	7,000 m <sup>2</sup>	740	100%	740	650

Sites (as at 30/09/2023, the French sites were held by wholly-owned subsidiaries or by the French branch of Ascencio SA)	Description	Year of construction/renovation	Surface area	Contractual rental (€000s)	EPRA occupancy rate (%)	Contractual rental + ERV of vacant (€000s)	Estimated rental value (ERV) (€000s)
Isle d'Abeau (38080) ZAC St Hubert - Secteur les Sayes (détenu par la SCI La Pierre de l'Isle)	Stand-alone (food)	2006	1,713 m <sup>2</sup>	269	100%	269	269
Isle d'Abeau (38080) ZAC St Hubert - Secteur les Sayes (détenu par la SCI La Pierre de l'Isle)	Cluster	2013	1,050 m <sup>2</sup>	166	100%	166	166
Le Cannet (06110) 17-21, Boulevard Jean Moulin (détenu par la SCI Cannet Jourdan)	Stand-alone (food)	2007	1,961 m <sup>2</sup>	283	100%	283	267
Le Creusot (71200) 83, Avenue de la République (détenu par la 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 (détenu par la SCI de la Cote)	Stand-alone (food)	2010	2,081 m <sup>2</sup>	283	100%	283	282
Marseille Delprat (13013) Boulevard Marcel Delprat (détenu par la succursale française)	Stand-alone (food)	1996	5,495 m <sup>2</sup>	1,743	100%	1,743	1,304
Mouans Sartoux (06370) 1006, Chemin des Gourettes (détenu par la succursale française)	Stand-alone (food)	1986	5,128 m <sup>2</sup>	968	100%	968	844
Nîmes (30000) 1245, Route de Saint Gilles (détenu par la 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 (détenu par la succursale française)	Retail park	2011 & 2016	23,981 m <sup>2</sup>	3,060	100%	3,060	2,926



Sites (as at 30/09/2023, the French sites were held by wholly-owned subsidiaries or by the French branch of Ascencio SA)	Description	Year of construction/renovation	Surface area	Contractual rental (€000s)	EPRA occupancy rate (%)	Contractual rental + ERV of vacant (€000s)	Estimated rental value (ERV) (€000s)
Saint-Aunès "Parc des Cyprès" (34130) Parc d'activités Saint Antoine (détenu par la SCI Saint Aunès Retail Parc)	Retail park	2012	9,746 m <sup>2</sup>	1,324	96%	1,379	1,335
Seyssins (38180) 2, Rue Henri Dunant (détenu par la SCI Kevin)	Stand-alone (food)	1992	1,702 m <sup>2</sup>	205	100%	205	204
Teste de Buch (33260) 11, Avenue de Binghampton (détenu par la SCI GFDI 62 La Teste de Buch)	Stand-alone (food)	1997	2,455 m <sup>2</sup>	341	100%	341	347
Viriat (01440) 44, Rue du Plateau (détenu par la SCI Viriat la Neuve)	Stand-alone (food)	2009	1,866 m <sup>2</sup>	211	100%	211	211
Le Rouret (06650) Route de Nice (détenu par la succursale française)	Stand-alone (food)	2011	5,327 m <sup>2</sup>	576	100%	576	514
<b>TOTAL STORES FRANCE</b>			<b>147,183 m<sup>2</sup></b>	<b>20,855</b>	<b>99.0%</b>	<b>21,052</b>	<b>19,439</b>

#### COMMERCIAL BUILDINGS SPAIN - AVAILABLE FOR RENT

Sites (at 30/09/2023 all Spanish sites were held by Ascencio Iberia SAU, a wholly-owned subsidiary of Ascencio SA)	Description	Year of construction/renovation	Surface area	Contractual rental (€000s)	EPRA occupancy rate (%)	Contractual rental + ERV of 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>	714	100%	714	768
San Sebastián de los Reyes (28703, Madrid) Centro Comercial Megapark 2, Plaza del Comercio	Cluster	2002	3,683 m <sup>2</sup>	816	100%	816	625
Aldaia (46960, Valencia) Parque Comercial Bonaire Km. 345 Carretera N-III	Cluster	2005	5,091 m <sup>2</sup>	516	100%	516	433
<b>TOTAL STORES SPAIN</b>			<b>12,253 m<sup>2</sup></b>	<b>2,047</b>	<b>100%</b>	<b>2,047</b>	<b>1,826</b>

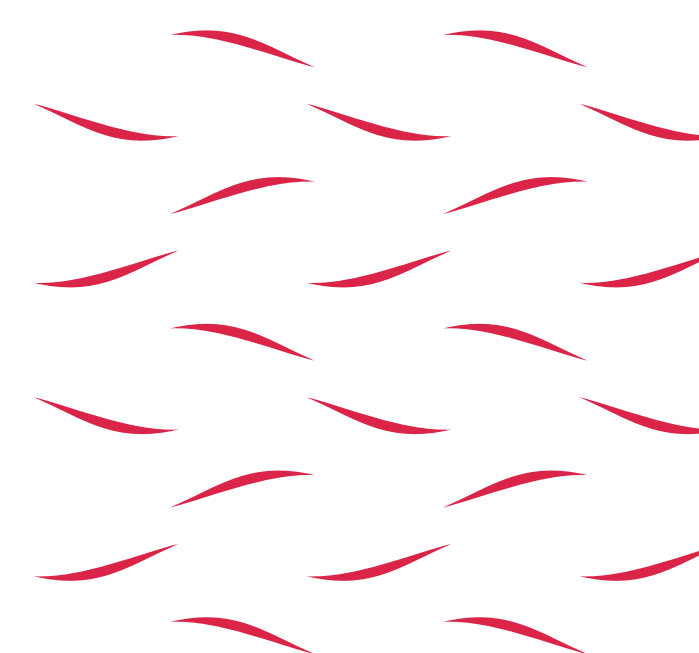
#### NON-COMMERCIAL REAL ESTATE - AVAILABLE FOR RENTAL

Sites (at 30/09/2023 all non-commercial sites were held by Ascencio SA)	Description	Year of construction/renovation	Surface area	Contractual rental (€000s)	EPRA occupancy rate (%)	Contractual rental + ERV of vacant (€000s)	Estimated rental value (ERV) (€000s)
Hannut (4280) Route de Huy 54	Apartments	1986	324 m <sup>2</sup>	21	100%	21	21
Dendermonde (9200) Mechelsesteenweg 24	Vacant offices	1983	375 m <sup>2</sup>	0	0%	0	0
Gosselies Aéroport (6041) Avenue Jean Mermoz	Semi-industrial buildings and offices	1992	7,674 m <sup>2</sup>	435	83%	516	468
Uccle "Shopping De Fré" (1180) 82 Avenue de Fré	Multimodal space	1970	344 m <sup>2</sup>	0	0%	0	0
<b>TOTAL OTHER BELGIUM</b>			<b>8,717 m<sup>2</sup></b>	<b>456</b>	<b>83.4%</b>	<b>537</b>	<b>489</b>
<b>TOTAL BUILDINGS AVAILABLE FOR RENT</b>			<b>450,013 m<sup>2</sup></b>	<b>52,571</b>	<b>97.9%</b>	<b>53,588</b>	<b>47,893</b>
<b>DEVELOPMENT PROJECTS</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL INVESTMENT PROPERTIES</b>			<b>450,013 m<sup>2</sup></b>	<b>52,571</b>	<b>97.9%</b>	<b>53,588</b>	<b>47,893</b>

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

- The Châtelineau retail park (Belgium). The main tenants are Decathlon, Brico Plan-it and Tournesol.
- The La Louvière retail park (Belgium). The main tenants are Brico Plan-it, Sportsdirect.com, Leenbakker and Trafic.
- The Couillet Bellefleur retail park (Belgium). The main tenants are Intermarché, Maisons du Monde, Point Carré and Action.
- The Caen retail park (France). The main tenants are Decathlon, Kiabi, Darty, Intersport, La Foir'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 B-REIT legislation, the Company and its subsidiaries have adequate insurance cover for all their properties. At 30/09/2023, the insured value represents 62% of the fair value of the portfolio. 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 that the insurance policy on the asset should be subscribed by the lessor with a mutual waiver of recourse clause, and the premiums are to be passed on to the lessee.

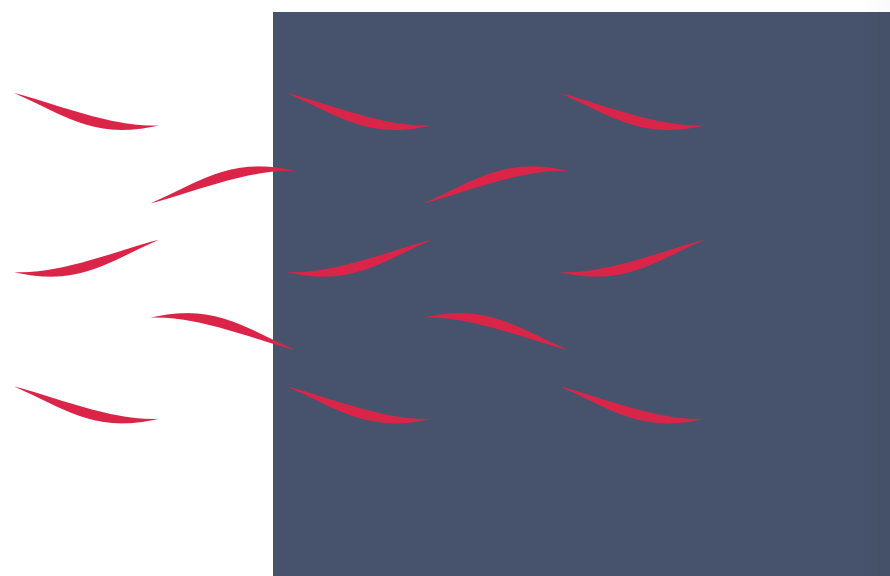
In Belgium, the assets insured directly by Ascencio under a framework agreement are covered on the basis of new reconstruction value of the buildings, indexed each year to the ABEX index. Furthermore, a portion of the Belgian portfolio is insured directly by holders of emphyteuses and surface rights. 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 Ascencio under a framework agreement and are covered on the basis of new reconstruction value of the buildings, indexed each year to the construction cost index.

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

	Acquisition value (€000s)	Insured value (€000s)	Fair value (€000s)
Belgium	346,363	278,959	400,067
France	284,657	167,100	305,863
Spain	27,693	12,949	30,500
<b>TOTAL</b>	<b>658,713</b>	<b>459,008</b>	<b>736,430</b>



## OPERATIONAL MANAGEMENT

The Company aims to develop and manage its real estate portfolio actively.

For this purpose, Ascencio has a team of 21 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, marketing, relations with key accounts, etc.) and is also responsible for drawing up budget forecasts. It manages co-ownerships. 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 certain cases the team is assisted on the ground by "external" suppliers, while still retaining responsibility for and coordination of this task. See hereunder. The Property Management department also provides inventories, takes charge of delivering properties and manages incidents.

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

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

The Legal Department is the point of reference for all legal matters concerning real estate. Responsible for identifying risks and seeking solutions, it is the principal point of contact of the operational teams. 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.

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

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

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

Ascencio retains overall coordination, makes the decisions and assumes full responsibility for the assignments entrusted. The external managers are selected by means of a competitive bidding process. 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, "simplified" joint stock company (SAS) whose registered office is at Place de la Défense 12, Courbevoie (92400), registered with the Nanterre Trade & Companies Registry under number 478.511.124;
- GOUNY & STARKLEY, a "simplified" joint stock company (SAS) whose registered office is 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 €105,000 (excl. VAT) for the financial year ended 30/09/2023 for the part that cannot be re-invoiced to tenants.

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

- PAMS, a private limited company (SPRL) whose registered office is 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 public limited company (SA) whose registered office is at Avenue Jules Bordet 142, 1140 Brussels, registered with the Banque Carrefour des Entreprises under number 0423.855.455;

- CUSHMAN & WAKEFIELD BELGIUM, a public limited company (SA) whose registered office is 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 €39,700 including VAT for the financial year ended 30/09/2023 for the part that cannot be re-invoiced to tenants.

**Ascencio's external manager for Spain is:**

- CUSHMAN & WAKEFIELD RE Consultants Spain, S.L., a public limited company whose registered office is at Madrid (28006), Edificio Beatriz, Jose Ortega y Gasset, 29 – 6º Planta, registered under number C.I.F:ESB16690075.

In Spain, the remuneration of the external manager amounts to €12,000 including VAT for the financial year ended 30/09/2023 and can be re-invoiced to the tenants of the leased premises (€5,100 not re-invoiced for the empty premises).

## STANDARD COMMERCIAL LEASE

Ascencio generally enters into commercial lease agreements, preferably for a period of 9 years, terminable in accordance with the statutory provisions. Rentals are payable in advance at the beginning of each month or quarter. They are indexed each year on the anniversary of the lease agreement.

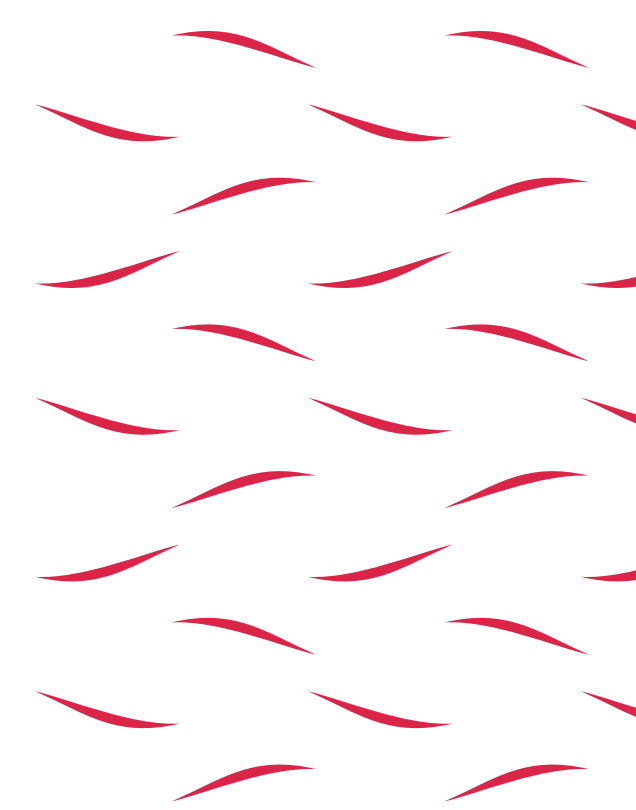
A provision for charges is stipulated in the lease agreement and adapted if necessary depending on consumption and costs actually incurred. A breakdown of actual charges is sent to tenants each year. Advance property levies and taxes are paid annually after notification to the tenant of the tax advice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

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

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

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

Commercial leases in Belgium are subject to the Law of 30/04/1951 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 24/11/1994, 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.



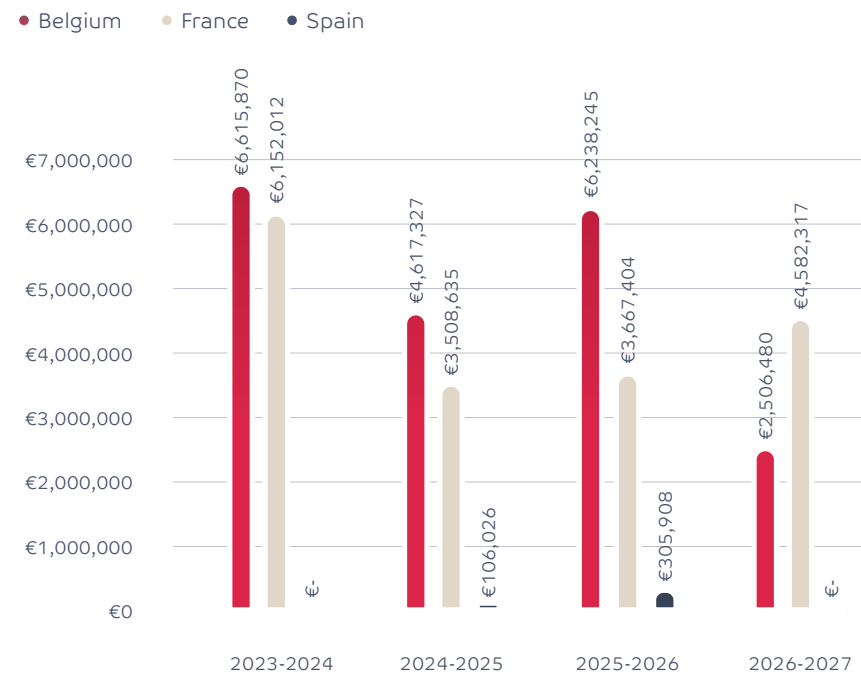


## ESTIMATED RENTAL VALUE (ERV)

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

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



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



### AVERAGE LEASE LENGTH BY COUNTRY

The **WALT** (Weighted Average Lease Term) is a measure of the average lease term, while the **WALB** (Weighted Average Lease Break) is a measure of the average lease term remaining.

	In number of years		In number of years
Walt Belgium:	8.18	Walb Belgium:	2.77
Walt Spain:	8.45	Walb Spain:	2.64
Walt France:	5.05	Walb France:	2.04

## • EXPERTS' REPORT

Brussels, 30 September 2023

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 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 property 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 recent transactions in the market, 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 2023 amounts to:

**768.837.000 EUR**  
**(Seven hundred and sixty-eight million eight hundred and thirty-seven 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

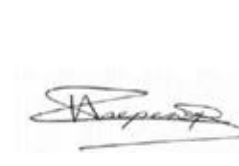
We stay at your entire disposition if any questions about the report would remain. In the meantime, we offer you our kind salutations



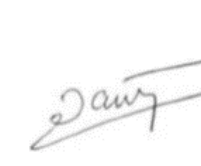
**Ardalan Azari**  
Partner  
Cushman & Wakefield  
Belgium  
\*Koios Service Srl



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



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



**Valérie Parmentier MRICS**  
Directrice  
Cushman & Wakefield  
France



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



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



**Béatrice Rousseau MRICS**  
Directrice  
CBRE Valuation 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 2023, the investment value at 258.527.742 EUR and the fair value (transaction costs deducted) at 247.080.727 EUR.

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

**Valérie Parmentier MRICS**  
Directrice  
Cushman & Wakefield  
France

**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 2023, the investment value at 197.795.134 EUR and the fair value (transaction costs deducted) at 187.550.422 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 2023, the investment value at 312.514.000 EUR and the fair value (transaction costs deducted) at 301.799.000 EUR.

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

**Béatrice Rousseau MRICS**  
Directrice  
CBRE Valuation France

## MARKET CONDITIONS EXPLANATORY NOTE: CONFLICT IN UKRAINE

Despite the initial recovery of the economy from the pandemic, Belgium is still 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. While the cost of debt has risen and its availability reduced, together with the outward movement in yields from historically low levels, this has weighed on the current investor sentiment. Confidence in the banking sector is fragile as seen in the recent actions around a handful of banks, and is likely to result in the further tightening of debt available to investors.

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 integrating the sustainability challenges more and more into the Company's strategy, Ascencio has built its ESG policy around its 3 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 challenges and expectations of its various stakeholders thanks to its positioning close to its market, the local communities where the Company operates, and its employees.

Ascencio aligns its ESG strategy and reporting with current European regulations and recognised standards such as the United Nations Sustainable Development Goals and the EPRA Sustainable Best Practices Recommendations (sBPR).

## • 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.



**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.

**E**



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

**ASCENCIO'S ESG STRATEGY**

**S**



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

**G**



- GOVERNANCE STRUCTURE & COMMUNICATION OF ESG STANDARDS
- DIGITALISATION



# E

## ENVIRONMENTAL COMPONENT



### 1. CERTIFICATION

Ascencio has begun the process of certifying its retail parks. More specifically, Ascencio has set itself the objective of obtaining BREEAM in-use<sup>1</sup> very good label for 6 (2 in Belgium and 4 in France) retail parks in its portfolio by 2026.

Over the past financial year, the retail parks of Genval and Couillet in Belgium and Caen in France underwent an initial assessment, and investment programmes were identified with a view to achieving the required certification. The works will begin in 2024.

BREEAM In-Use is a sustainability standard that applies to existing buildings. The objectives behind obtaining such certification are multiple: to be part of a sustainable development approach, to reduce operating costs, to increase the loyalty of Ascencio's retail customers, to promote the Company's assets, to access sources of green finance, 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 real estate portfolio, Ascencio aims to optimise the environmental performance of its assets. For the existing portfolio, Ascencio has developed a new asset classification table that now takes ESG aspects into account. In the case of new acquisitions, assets with BREEAM very good certification will be preferred.

### 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.

At the end of 2022/2023 financial year, 92% of the data has been obtained for the French portfolio, while data for the Belgian portfolio is currently being collected.

Together, Ascencio and its retail tenants are discussing and will continue to 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 Ascencio to establish a comprehensive action plan to reduce the carbon footprint of its portfolio over time while prioritising its investments, 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 & the legal obligations in this area. In the 2022/2023 financial year, Ascencio renovated roofs with a surface area of about 4,500 m<sup>2</sup>. In addition to replacing the waterproofing membrane, the works improved the level of thermal insulation of these roofs, reducing the energy costs (heating/cooling) of the retailers concerned.

### 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 a series of buildings and are in progress for others.

The installation of photovoltaic panels will enable the production of locally produced green electricity that can be used in the buildings concerned for the benefit of tenants, at stable cost levels that protect retailers against price variations that are difficult to absorb.

During the past financial year, calls for tenders were issued for the installation of photovoltaic roof panels for Belgium and shade canopies for the car parks of the portfolio assets for France.





## 6. CHARGING STATIONS

Ascencio has started to install charging stations for electric vehicles in the car parks of its retail parks (Messancy **B** in Belgium and Saint-Aunès **C** in France) and at its head office in Gosselies **A** (in Belgium).

Ascencio has also signed a partnership agreement with the company Powerdot, under which the latter undertakes to install almost 260 fast charging points for electric vehicles in the car parks of its French assets. These facilities will further enhance the attractiveness of the sites in question by making them hubs for electromobility, offering a complementary service to consumers and local communities. In parallel, the Company is working on a project to install charging points for its Belgian portfolio based on a similar collaborative model.



**"The partnership between Ascencio and Powerdot is a fine example of a win-win-win project within Ascencio's ESG strategy. As a specialist of car charging installation in the retail sector, Powerdot can enhance the attractiveness of Ascencio's sites by offering, in addition to the charging of electric vehicles, opportunities to interact with retailers to attract more customers and strengthen their brand image."**

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

## 7. SUPPLIER & TENANT CHARTERS

Ascencio has included in its new leases an environmental appendix ("Green Lease") aimed at promoting collaboration between lessor and lessee in the gradual reduction of the environmental footprint of leased buildings, while optimising costs. It focuses on efficient environmental and energy management, involving the sharing of data on energy and water consumption, as well as relevant information to continuously improve environmental performance. The lessee is encouraged to adopt energy efficiency practices, including switching off unused appliances, raising staff awareness of reducing energy consumption, and favouring the purchase of green energy. Specific guidelines are provided for the optimisation of technical installations, lighting, heating, cooling, ventilation, and the choice of environmentally friendly materials. Measures are also recommended for the efficient management of water and waste, encouraging recycling and the use of eco-friendly materials. The section on sustainable transport favours alternative modes of transport. Finally, guidelines are included for well-being and health, as well as for environmental certification, highlighting the importance of cooperation between lessor and lessee in maintaining and improving the environmental efficiency of buildings.



# SOCIAL DIMENSION COMPONENT

**More concretely, this translates into:**

- **An Ascencio Academy**

The Ascencio Academy consists of a series of in-house training sessions aimed at the team as a whole and delivered, in turn, by the members of the executive committee.

In practical terms, these training sessions take place approximately every 2 months and cover specific topics internal to the Company or the market.

The aim of this initiative is to develop the teams in terms of their own knowledge and personal motivation and also the Company as a whole.

- **An in-house buddy system**

Based on the "live my life" principle, individual support was put in place during the 2022/2023 financial year with the aim of improving inter-departmental knowledge. In the buddy system, 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.

This initiative, which is very promising at the level of the teams, will be repeated in the next financial year.

- **Participation in ad hoc external training**

Based on individual needs expressed during annual assessments or identified by managers, an individual training plan is formulated on an annual basis.

In addition, more targeted training has also been organised, such as workplace safety training (first aid training and training in the use of a defibrillator) and the Communication Process (aimed at improving communication techniques and tools in professional relations).

Lastly, Ascencio would like all its employees to be able, in the long term, to express themselves easily in English in writing, so it will organise the necessary training for those who need it.

## 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.

By 2023, 100% of the employees have received a performance evaluation.

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



## 2. INTERNAL SATISFACTION SURVEY

During the 2022/2023 financial year, Ascencio conducted various surveys of its employees on different topics such as housing, the digitisation project, etc. The Company is keen to regularly consult the entire team on cross-cutting projects and topics of this type in order to improve satisfaction and involvement in the workplace.

## 3. HOMEWORKING AND POSITIVE OFFICE



Ascencio continues to aim to achieve a balance between teleworking and office attendance by being attentive to the equipment required for teleworking under the best possible conditions, but also by allowing fixed working days at the Company's office to maintain professional and social links between employees.

At the same time, the Company has begun a project to remodel its offices in line with the positive office approach, promoting flexibility, creativity and well-being at work. Ascencio has finalised plans for the design and redevelopment of its new offices, with work due to start in early 2024. This renovation work will take into account environmental issues by using recycled or low-impact materials as much as possible. In addition, the existing HVAC facilities will be completely renovated to improve the building's energy performance and reduce the Company's carbon footprint.

In this context, an in-depth and comprehensive consideration of ergonomics at work is also planned.

## 4. MOBILITY



Ascencio is continuing the transition of its vehicle fleet to electromobility, with 50% of the fleet now hybrid or electric.

Charging solutions are planned both at the Company's registered office and at the home of the employees concerned.

## 5. SOCIAL AND PHILANTHROPIC POLICY

Ascencio has decided to orient its social and philanthropic policy in the following areas:

- Well-being, with a particular focus on sport for local communities;
- Fighting against hunger in local communities.



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

In terms of promoting sport, a number of events aimed at promoting sport in local communities were organised within the portfolio, while the Ascencio staff team took part in various sporting events.



In terms of fighting against hunger, Ascencio has chosen to support the association "La Faim du mois" (<https://www.facebook.com/lafaimdumois/>) by offering employees' time to prepare and distribute meals and food parcels.



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.



# CORPORATE GOVERNANCE COMPONENT



"Adfinity offers an integrated real estate and financial management activities. Benefiting from a central tool dynamic and user-friendly will bring even greater efficiency in our day-to-day and will enable Ascencio greater agility in the pursuit of its development."

— Cédric Biquet,  
Chief Financial Officer

## GOVERNANCE STRUCTURE AND COMMUNICATION OF ESG STANDARDS

As a B-REIT, Ascencio carries out an annual exercise of strict reporting and adheres to high standards in terms of corporate governance (see 2022 annual report pages 62 to 82). In addition, in order to support the development and implementation of its ESG policy, Ascencio appointed a head of "Operations & ESG" to its executive committee during the previous financial year.

Ascencio's desire to develop the environmental management of its portfolio has already been illustrated by the publication of a report on various performance indicators on the ESG aspects of its activity according to the EPRA sBPR guidelines. (See pages 132 to 152 of this annual report). The Sustainability Report published in June 2023 aimed at creating transparency in the ESG initiatives already taken by the Company, enabled Ascencio to obtain a Gold award. This award is given by EPRA, the European Public Real Estate Association.



## DIGITALISATION

Lastly, in order to promote the integration and digitalisation of its internal processes and to support the deployment of its ESG policy, Ascencio has, over the past year, accelerated the internal digitalisation process of its activities. This process, initiated during the previous financial year, aims to review all the Company's internal management systems to make the organisation more efficient and agile, enabling the Company to better meet the challenges of tomorrow.

After evaluating the market, Ascencio selected Easi's Adfinity tool and began implementing it for the integrated management of its property and financial activities. This project, called "Connect" and scheduled to go live at the end of 2023, has involved the active participation of employees and will bring even greater cross-functionality between the Company's various businesses.



JUNE 2023

# EPRA SUSTAINABILITY REPORT ALIGNED WITH EPRA'S BEST PRACTICE RECOMMENDATIONS ON SUSTAINABILITY

## • INTRODUCTION

### PURPOSE OF THE DOCUMENT

This document reports on Ascencio's environmental, social and corporate governance performance, based on the EPRA sustainability best practice recommendations.

It provides a solid baseline to measure further progress. It has also led Ascencio to strengthen its 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. As of today, it has not yet been possible to recover data from all tenants. Nevertheless, Ascencio has succeeded in significantly increasing the number of data collected and reported, compared to last year. This second sustainability report is a new milestone in Ascencio's endeavors to better understand and manage the energy and environmental challenges raised by its activity. These efforts will be pursued and intensified in the future.

Finally, this report is one out of the many steps from a wider sustainability strategy (see Ascencio's Annual Report 2022 pages 123 to 140). Besides reporting, others important initiatives have been undertaken to follow-up the energy impact of the portfolio and orientate investments.

### ABOUT ASCENCIO

Ascencio, is a real estate investor specialising in out-of-town retail with a focus on supermarkets and retail parks. The Company is present in Belgium, France and Spain, respectively under the status of SIR, SIIC, SOCIMI. With its multidisciplinary team, it manages its assets and its relations with its tenants-retailers in a responsible manner, particularly with regard to sustainability.

Its portfolio, valued at 738,9 million at 30/09/2022, consists of approximately one hundred properties, with a total surface area of 450,037 m<sup>2</sup> and over 240 tenants. Ascencio SA is listed on Euronext Brussels. Its stock market capitalization amounted to €334 million at 30/09/2022.

## • ENVIRONMENT

### GENERAL BOUNDARIES, SEGMENTATION & COVERAGE

**General Boundaries.** All assets are owned by Ascencio. However, some assets can be part of a co-ownership.

**Segmentation.** 40% of Ascencio's portfolio is dedicated to food-related businesses. The food sector has specific pattern and needs of utilities usage, which are 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. Their collection requires intense and concerted efforts with the 240+ tenants. Specific coverage ambitions have been defined for this second 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 several requests to exchange data have been made. A more active collaboration has been set up with a major food tenant.
- Spain: Initiatives have been launched to collect systematically data relating to the Spanish assets. Spanish assets will be included in the next sustainability reporting.

The coverage is always measured as a percentage of the portfolio total surface (m<sup>2</sup>). 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. They will be mentioned specifically for each of the indicators documented above.



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

## ENERGY

Given the nature of its portfolio and as utilities are mostly managed by the retailers themselves, Ascencio has little landlord energy consumption to report.

To give an accurate view of its portfolio performance, Ascencio has decided to also report tenant-obtained data.

Therefore, Ascencio has launched a massive exercise to collect and analyse consumption data from its tenants.

Landlord data have been collected directly from energy suppliers or from independent asset managers in charge of some assets.

Tenant data have been collected either directly from energy suppliers, if the tenant granted Ascencio a mandate to do so, or from exchange of information directly with the tenant. Regarding the French assets, data have also been retrieved from the governmental platform OPERAT, which stores consumption data of all landlords and tenants.

The collection and management of tenants' data depend on their willingness to share their data with Ascencio. Consequently, the data coverage is strongly influenced by this dependency.

### ENERGY CONSUMPTION OF COMMERCIAL ASSETS

#### GLOBAL

Impact Area	EPRA Code	Description	Units of measure	Category	Sub-category	Absolute		Like for like <sup>2</sup>		
						2022	2021	2022	2021	
Energy	4.1. Elec - Abs 4.2. Elect Lfl	Electricity consumption	kWh	Food	Tenant	31,123,564	32,015,113	30,272,879	31,710,290	
					Landlord	860,813	780,334	822,668	780,334	
					Non-food	Tenant	8,840,701	9,271,582	8,468,257	8,560,297
						Landlord	1,805,609	1,251,522	1,483,392	1,217,197
	<b>Total electricity</b>						<b>42,630,688</b>	<b>43,318,551</b>	<b>41,047,197</b>	<b>42,268,118</b>
	% Renewables sources						3%	1%	1%	1%
		4.5. Fuel- Abs 4.6. Fuels- Lfl	Fuel consumption	kWh	Food	Tenant	1,611,247	1,626,770	1,611,247	1,626,770
						Landlord	172,114	0	0	0
					Non-food	Tenant	199,451	1,839,926	0	0
						Landlord	493,538	278,952	328,845	278,952
	<b>Total fuel consumption</b>						<b>2,476,349</b>	<b>3,745,648</b>	<b>1,940,092</b>	<b>1,905,722</b>
	% Renewables sources						0%	0%	0%	0%
		4.3 DH & C- Abs	District heating & cooling	kWh			na			
		4.7 Energy -int	Building Energy	kWh/m <sup>2</sup> /year	Food		279	331	318	332
						Non-food	52	77	94	93
	Coverage (m <sup>2</sup> )		%	Food	Tenant	62%	60%	60%	60%	
					Landlord	94%	29%	29%	29%	
				Non-food	Tenant	37%	39%	34%	34%	
					Landlord	90%	26%	25%	25%	

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

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 photovoltaic panels and how energy could then be distributed to its tenants or local communities. On the basis of preliminary results, Ascencio is currently busy defining the most appropriate assets to be equipped. In Belgium, Ascencio analyses the possibility to install photovoltaic panels on the roofs of its buildings. In France, given the new regulations requiring the installation of shading systems on the parking lots, Ascencio has decided to focus on this type of installation.
- Compared to last year, Ascencio has reinforced its exchange of information with its asset managers, to better document landlord consumption data. Data are currently missing for only one asset.
- The food sector, and more specifically bakeries, are major consumers of fuel energy. Accordingly, the energy intensity is extremely high. These activities strongly impact Ascencio's overall performance, as the fuel consumption of food retailers account for 3% of the global energy consumption (reported) in 2022. They represent 58,9% of the global fuel consumption (reported) in 2022. Bakeries have an energy intensity of 391,8 kWh/m<sup>2</sup>.
- Spanish assets are included to measure the coverage on the entire portfolio.

#### BELGIUM

Impact Area	EPRA Code	Description	Units of measure	Category	Sub-category	Absolute		Like for like		
						2022	2021	2022	2021	
Energy	4.1. Elec - Abs 4.2. Elect Lfl	Electricity consumption	kWh	Food	Tenant	11,229,489	10,818,234	10,378,804	10,818,234	
					Landlord	850,223	775,383	818,924	775,383	
					Non-food	Tenant	2,872,912	2,936,133	2,726,499	2,825,724
						Landlord	1,538,760	1,197,419	1,433,196	1,163,094
	<b>Total electricity</b>						<b>16,491,384</b>	<b>15,727,170</b>	<b>15,357,423</b>	<b>15,582,436</b>
	% Renewables sources						7%	3%	3%	3%
		4.5. Fuel- Abs 4.6. Fuels- Lfl	Fuel consumption	kWh	Food	Tenant	0	0	0	0
						Landlord	172,114	0	0	0
					Non-food	Tenant	199,451	1,839,926	0	0
						Landlord	493,538	278,952	328,845	278,952
	<b>Total fuel consumption</b>						<b>865,103</b>	<b>2,118,878</b>	<b>328,845</b>	<b>278,952</b>
	% Renewables sources						0%	0%	0%	0%
		4.3 DH & C- Abs	District heating & cooling	kWh			na			
		4.7 Energy -int	Building Energy	kWh/m <sup>2</sup> /year	Food		219	295	285	295
						Non-food	39	99	76	72
	Coverage (m <sup>2</sup> )		%	Food	Tenant	41%	33%	33%	33%	
					Landlord	100%	26%	26%	26%	
				Non-food	Tenant	24%	23%	22%	22%	
					Landlord	95%	20%	18%	18%	



FRANCE

Impact Area	EPRA Code	Description	Units of measure	Category	Sub-category	Absolute		Like for like		
						2022	2021	2022	2021	
Energy	4.1. Elec - Abs 4.2. Elec Lfl	Electricity consumption	kWh	Food	Tenant	19,894,075	21,196,878	19,894,075	20,892,056	
					Landlord	10,591	4,951	3,744	4,951	
					Non-food	Tenant	5,967,790	6,335,449	5,741,759	5,734,573
						Landlord	266,848	54,103	50,196	54,103
					<b>Total electricity</b>	<b>26,139,304</b>	<b>27,591,381</b>	<b>25,689,774</b>	<b>26,685,682</b>	
					% Renewables sources	0%	0%	0%	0%	
	4.5. Fuel- Abs 4.6. Fuels- Lfl	Fuel consumption	kWh	Food	Tenant	1,611,247	1,626,770	1,611,247	1,626,770	
					Landlord	0	0	0	0	
					Non-food	Tenant	0	0	0	0
						Landlord	0	0	0	0
					<b>Total fuel consumption</b>	<b>1.611.246,86</b>	<b>1.626.770,08</b>	<b>1.611.246,86</b>	<b>1.626.770,08</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/m <sup>2</sup> /year	Food	Tenant	337	355	340	357		
				Non-food	85	87	126	126		
Coverage (m <sup>2</sup> )	%		Food	Tenant	94%	95%	94%	94%		
				Landlord	56%	46%	46%	46%		
				Non-food	Tenant	68%*	75%	64%	64%	
					Landlord	100%	43%	43%	43%	

ENERGY PERFORMANCE OF ASCENCIO HEADQUARTERS

Impact Area	EPRA Code	Description	Units of measure	Absolute		Like for like		
				2022	2021	2022	2021	
Energy	4.1. Elec - Abs 4.2. Elec-LfL	Electricity consumption - headquarters	kWh	144,054	182,776	144,054	182,776	
	4.5. Fuel-Abs 4.6. Fuel- LFL			n.a.	n.a.	n.a.	n.a.	
	4.7. Elec-Int			kWh/m <sup>2</sup>	146	185	146	185
	Coverage (m <sup>2</sup> )			%	100%	100%	100%	100%

There was higher energy consumption in 2021 compared to 2022 due to the weather conditions. (<https://www.synergrid.be/fr/centre-de-documentation/statistiques-et-donnees/degres-jours>)



\* The lower coverage for the year 2022 is due to the fact that Ascencio didn't receive the expected data from the French utilities company ENEDIS on time.

## GREENHOUSE GAS EMISSIONS (GHC)

The reporting on the Greenhouse gas emissions has been segmented in two indicators:

- Direct GHG emissions generated by fuels burned on-site, as reported under section 2.2. "Energy consumption". To calculate it, the following formula is: Annual consumption (MWh)\*181 kg CO<sub>2</sub>/MWh<sup>3</sup>

Under the recommendation of the third party reviewing this report, fuels burned by Ascencio company cars have also been included in the calculation of the total Direct GHG emissions, in addition to GHG emissions relating to the assets' energy performance described earlier.

- Indirect emissions: emissions generated off-site to produce the energy purchased by Ascencio and its tenants. Given the nature of Ascencio's activities, a significant share of GHG emissions is emitted by its tenants.

In line with the approach taken for Direct GHG emissions, electricity consumed by company cars has also been added to the total Indirect GHG emissions.

The following formula is used: Annual consumption in electricity (MWh)\* A kg CO<sub>2</sub>/MWh<sup>4</sup>

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

- Belgium: 149.19 kg CO<sub>2</sub>/MWh
- France: 48.57 kg CO<sub>2</sub>/MWh
- Spain 295,83 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 activities, landlord consumptions are limited compared to tenant-consumptions. Ascencio wishes, however, to have a representative view on the GHG emissions generated by its activities.

#### FRANCE

Impact Area	EPRA Code	Unit of measure	Indicator	Sub-category	Absolute		Like for like		
					2022	2021	2022	2021	
Green-house gas emissions	4.8 GHG-Dir-Abs	KG CO <sub>2</sub> e	Direct	Food	291,636	294,445	291,636	294,445	
				Non-Food	0	0	0	0	
	4.9 GHG-Indir-Abs		Indirect	Food	966,770	1,029,773	966,437	1,014,968	
				Non-Food	302,816	310,341	281,315	281,156	
	4.10 GHG-Int		kg CO <sub>2</sub> e / m <sup>2</sup> / year	GHG emissions intensity	Food	21	22	21	22
					Non-Food	4	4	6	6

<sup>3</sup> EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, April 1, 2022.

<sup>4</sup> AIB, European Residual Mixes 2021, (2022).

#### BELGIUM

Impact Area	EPRA Code	Units of measure	Indicator	Sub-category	Absolute		Like for like		
					2022	2021	2022	2021	
Green-house gas emissions	4.8 GHG-Dir-Abs	KG CO <sub>2</sub> e	Direct	Food	31,153	0	0	0	
				Non-Food	125,431	383,517	59,521	50,490	
	4.9 GHG-Indir-Abs		Indirect	Food	1,802,172	1,729,652	1,670,589	1,729,652	
				Non-Food	658,177	616,685	620,585	595,092	
	4.10 GHG-Int		kg CO <sub>2</sub> e / m <sup>2</sup> / year	GHG emissions intensity	Food	33	44	43	44
					Non-Food	6	16	11	11

### B. GREENHOUSE GAS EMISSION OF ASCENCIO HEADQUARTERS

As already mentioned, emissions emitted directly or indirectly from company cars have been added to the assets' emissions.

Hybrid and electric vehicles can be charged at Ascencio's headquarters. This specific consumption of electricity has not been specifically added to the assets' emissions, as it is included in the headquarters electricity consumption.

Impact Area	EPRA Code	Units of measure	Indicator	Absolute		Like for like		
				2022	2021	2022	2021	
Green-house gas emissions	4.8 GHG-Dir-Abs	KG CO <sub>2</sub> e	Direct	Food	30,338	28,249	30,338	28,249
				Non-Food	0	0	0	0
	4.9 GHG-Indir-Abs		Indirect	Food	21,492	27,270	21,492	27,270
				Non-Food	0	0	0	0
4.10 GHG-Int	kg CO <sub>2</sub> e / m <sup>2</sup> / year	GHG emissions intensity	53	56	53	56		

## 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 obtained timely 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 activities. Consequently, water consumption is segmented per country.

### COMMERCIAL ASSETS

Impact Area	EPRA Code	Description	Unit of measure	Category	Absolute		Like for like	
					2022	2021	2022	2021
Water	4.11. Water-Abs	Water consumption - commercial assets	Cubic meter	Belgium	30,684	15,904	18,718	15,815
	4.12. Water-LfL			France	46,451	23,400	20,055	23,400
	4.13 Water-Int	commercial assets	Cubic meter/m <sup>2</sup>	Belgium	0.5	0.7	0.9	0.8
				France	0.5	0.7	0.6	0.7
	Coverage (m <sup>2</sup> )		%	Belgium	22%	7,4%	6,9%	6,9%
				France	59%	21%	21%	21%

Retailers from the food sector (i.e. supermarkets) do consume more water than retailers from the non food sector. For France, most of the data collected come from the food sector.

### HEADQUARTERS

Impact Area	EPRA Code	Description	Unit of measure	Absolute		Like for like	
				2022	2021	2022	2021
Water	4.11. Water-Abs	Water consumption - commercial assets	Cubic meter	67.8	58.0	67.8	58.0
	4.12. Water-LfL						
	4.13 Water-Int	commercial assets	Cubic meter/m <sup>2</sup>	0.07	0.06	0.07	0.06
	Coverage (m <sup>2</sup> )		%	100%	100%	100%	100%

## WASTE

Exception made for the headquarters and few exceptions (9 assets in total, 5 in Belgium and 4 in France), waste is directly managed by the tenants. At this stage, only limited data have been obtained regarding Ascencio's tenants.

### COMMERCIAL ASSETS

Impact Area	EPRA Code	Description	Unit of measure	Disposal route	Absolute		Like for like				
					2022	2021	2022	2021			
Wastes	4.14. Waste-Abs 4.15. Waste-LfL	Waste by disposal route - Assets	Tons	Reuse	n.a.	n.a.	n.a.	n.a.			
				Recycling	42,877.4	1,982.3	1,708.8	1,982.3			
				Composting	n.a.	n.a.	n.a.	n.a.			
				Material recovery facility	n.a.	n.a.	n.a.	n.a.			
				Other (mainly incineration)	15,568.8	3,924.9	3,461.8	3,924.9			
				Methanation	409.7	518.1	409.7	518.1			
				<b>TOTAL</b>	<b>58,855.9</b>	<b>6,425.4</b>	<b>5,580.3</b>	<b>6,425.4</b>			
				<b>% of hazardous waste</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>			
				Coverage (m <sup>2</sup> )		%	Landlord-obtained	72%	15%	15%	15%
							Tenant-obtained	11%	9%	9%	9%

Recycled waste is composed of paper and cardboard. The organic waste of an important food retailer is disposed through methanation.

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

### HEADQUARTERS

Data have been estimated on the basis of the different container's sizes and the emptying frequency.

Impact Area	EPRA Code	Description	Unit of measure	Disposal route	Absolute		Like for like	
					2022	2021	2022	2021
Wastes	4.14. Waste-Abs 4.15. Waste-LfL	Waste by disposal route - Headquarters	na	Reuse	n.a.	n.a.	n.a.	n.a.
			m <sup>3</sup>	Recycling	1.6	1.5	1.6	1.5
			m <sup>3</sup>	Composting	0.03	0.03	0.03	0.03
			na	Material recovery facility	n.a.	n.a.	n.a.	n.a.
			m <sup>3</sup>	Other (mainly incineration)	3.0	2.7	3.0	2.7
			m <sup>3</sup>	<b>TOTAL</b>	<b>4.6</b>	<b>4.2</b>	<b>4.6</b>	<b>4.2</b>
				<b>% of hazardous waste</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
	Coverage (m <sup>2</sup> )	%	Landlord-obtained	100%	100%	100%	100%	



## CERTIFICATION

Currently, there are no certified assets within Ascencio's portfolio. However, 3 retail parks (1 in France and 2 in Belgium) have been pre-assessed using the BREEAM process. The scores awarded ranged from "satisfactory" to "good". These preliminary evaluations include a total of 95 cells, i.e. 54.896 m<sup>2</sup>, which represents a

**coverage of 12,1%** of Ascencio's total portfolio. A large number of actions have been put in place to improve these scores and achieve certification.

## • SOCIAL

### SOCIAL PERFORMANCE MEASURES

#### GENERAL ASSUMPTIONS

The considered periods for the data regarding the social performance measures are the following:

- For the Executive Management: from 01/10/2021 to 30/09/2022, which corresponds to the financial year of the Company. This enables a perfect data reconciliation with the data published in Ascencio's Annual Report 2022.

- For the other team members: from 01/01/2022 to 31/12/2022, consistently with the other data reported in this sustainability report. The arrival of a Director Operations & ESG on 03/10/2022 amongst the executive management, in place of another member who has been reintegrated amongst the employees team members, has not been taken into account in the figures of this report.

#### EMPLOYEE GENDER DIVERSITY (5.1)

	Gender	2021	2022	Delta 2022/2021
Board of Directors Members	Female	30%	30%	0%
	Male	70%	70%	
Executive Management	Female	20%	20%	0%
	Male	80%	80%	
Managers	Female	/	100%	/
	Male	/	80%	
All employees	Female	44%	79%	+35% female
	Male	56%	21%	

- Board of directors: number of female and number of male regarding the total number of directors (including the managing director who has been taken into account within the board of directors and within the members of the executive management).
- Executive management: number of female and number of male regarding the total number of executive managers, including the managing director (also taken into account as a board member).

- Managers: the only employee based in France (already employed by the Company last year but taken into account in the "all employees" section).
- All employees: all persons working for the Company, managers, executive management and board of directors excluded (which was not the case for last year's report).
- For the year 2022, 23% of female and 0% of male (executive management, managers and employees) have worked part time.

#### GENDER PAY RATIO (5.2)

	2021	2022	Delta 2022/2021
Board of Directors Members	/	80.0%	/
Executive Management	/	76.1%	/
Managers	/	N/A	/
All employees	/	88.4%	/

- Board of directors: Director's base compensation is the same for male and female. However, the role of Chairman of the Board of Directors is held by a man, who perceives, because of his position, a higher base compensation. For the sake of clarity, the remuneration of the managing director has not been included in the diversity pay ratio of the board of directors since his remuneration is not based on his presence at the board (as it is the case for the other directors) but on his operational contributions as for the other members of the executive management.
- Executive management: the remuneration of the members of the executive management depends on experience and not on gender. However, the role of Managing Director is held by a male. This position traditionally has the highest salary amongst an executive committee. This explains why the reported ratio is more favourable to male.

- Managers: no ratio can be calculated since the category only includes one female member.
- All employees: within Ascencio, each profile is different and each function is specific (exception made for the Customer Services department). The remuneration is determined on a case-by-case basis regardless of gender. The criteria taken into account are the skills, experience, position held within the Company and level of seniority and responsibilities.

### TRAINING AND DEVELOPMENT (5.3)

	2021	2022	Delta 2022/2021
Female	/	4.58 hours per female	/
Male	/	82.67 hours per male	/
All employees	14,00 hours per employee	20.20 hours per employee	+6.20 hours per employee

- The Company enables its team members to attend seminars and training classes based on the requests of the team, the needs of the Company and the allocated budgets.
- For the year 2022, the average number of training hours is 20,20 per employee. The highest number reported for male is due to a long term training granted to a male employee as part of its personal development.
- The denominator is the number of training hours per year divided by the number of persons occupied by the Company. Members of the executive management have been excluded for this specific section.
- Followed webinars have not been taken into account.

### EMPLOYEE PERFORMANCE APPRAISALS (5.4)

	2021	2022	Delta 2022/2021
Female	/	100.0%	/
Male	/	100.0%	/
All employees	100.0%	100.0%	0.0%

Each employee receives annual feedback from his or her manager during which the work done and the personal skills developed are assessed. This assessment is used as basis for the granting or not of a variable compensation as well as for the setting of the next year's targets.



### EMPLOYEE TURNOVER AND RETENTION (5.5)

	2021	2022	Delta 2022/2021	
New hires	Total number new employees	3	1	-2
	Proportion new employees	16.7%	5.3%	-66.7%
Departures - Turnover	Total number of departed employees	2	0	-2
	Proportion of departed employees	11.1%	0.0%	-100.0%
Total employee number	19	20	1	

- New hires: One person was hired in 2022, joining the existing team of 19 members (compared to 3 appointments in 2021).
- Departures: In 2022, no departure was recorded (2 voluntary departures were recorded on year 2021, amongst which one retirement).
- Total employee number: includes the members of the Belgian and French teams, the persons under the status of self-employee and the members of the executive management (including the CEO). As mentioned above, it does not take into account the arrival of the Operations & ESG Director on 03.10.2022, which will be taken into account in the next Sustainability Report.

### EMPLOYEE TURNOVER AND RETENTION (5.5)

			2021	2022	Delta 2022/2021	
H&S-Emp	Per 100,000 hours worked	Injury rate (IR)	Direct employees	0.0%	0.0%	0.0%
	Per 100,000 hours worked	Lost day rate (LDR)	Direct employees	0.0%	0.0%	0.0%
	Days per employee	Absentee rate (AR)	Direct employees	2.6%	2.1%	-0.5%
	Total number	Fatalities	Direct employees	0.0%	0.0%	0.0%

- Injury Rate: for all Belgian employees, the reporting is based on the data provided by the social secretariat which does not mention any absence due to injury in 2022.
  - Absentee rate: for all Belgian employees, the reporting is based on the data provided by the social secretariat.
  - Lost Day Rate: according to the information provided in the "injury rate" section here above, there were no lost days in 2022.
  - Fatalities: There were no fatalities amongst the Company's team members in 2022.
- For the unique French employee, the reporting is based on the data provided by the monthly pay slips. No absence due to injury was reported in 2022.
- For the unique French team member, the reporting is based on the service data sheets filled in by her and validated by her manager. These data sheets are stored on the Company's internal server. No absentee rate was reported for year 2022 for this French team member.
- For the team members under the status of self-employee, no absence was reported due to injury in 2022.
- For the team members under the status of self-employee, no absence was reported in 2022.



### ASSET HEALTH AND SAFETY ASSESSMENTS (5.7)

Considering that health and safety for all assets of Ascencio fall under the responsibility of the occupiers, this measure is excluded from this report.

### COMPANY ASSET HEALTH AND SAFETY COMPLIANCE (5.8)

Ascencio reports no incidents of non-compliance with regulations codes concerning the health and safety impacts of assets assessed during the reporting period.

### COMMUNITY ENGAGEMENT (5.9)

Ascencio has formalized and published its ESG strategy in its Annual Report 2022. At local level, the Company decided that a series of initiatives would be taken to continuously improve the legitimacy of its assets (retail parks).

Even if the Company decided to orient its social and philanthropic initiatives around the axes of well-being (with a particular focus on sport) on the one hand and fighting against hunger on the other hand, the content of the programs and initiatives implemented varies according to local needs.

Percentage of retail parks in which a program in favor of the local communities has been implemented in 2022: 17%.<sup>5</sup>

<sup>5</sup> Percentage calculate on the same retail parks taken into account for the labelling strategy. See page 124 of Ascencio's Annual Report 2022.

## • GOVERNANCE

### CORPORATE GOVERNANCE

			2021	2022
<b>Gov-Board</b>	Total number	Composition of the highest governance body	10	10
		Executive	1	1
		Non executive	9	9
	Tenure of the governance body		AR 2021/2022 p. 47	
<b>Gov-Selec</b>	Narrative on process	Process for nominating and selecting the highest governance body	See below	
<b>Gov-Col</b>	Narrative on process	Process for managing conflicts of interest	RA 2021/2022 Pages 72 -75	

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, including ESG topics<sup>6</sup>;
- 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.

<sup>6</sup> ESG competencies  
ESG (Environmental, Social and Governance) competencies refer to the knowledge, and / or the abilities needed to assess, integrate and manage environmental, social and governance aspects in the decision-making and management of companies.

- Environmental competencies (E): refers to the ability to understand and assess environmental issues such as sustainability, climate change, natural resource management, waste management, greenhouse gas emissions, etc.
- Social competencies (S): concerns the ability to understand and manage the social aspects of an organization, such as stakeholder relations, diversity and inclusion, human rights, health and safety, the social impact of corporate activities, etc.
- Governance competencies (G): This refers to the understanding and implementation of responsible corporate governance practices, such as business ethics, transparency, accountability, risk management, regulatory compliance, etc.



## Competencies grid

The Chairman of the Board, in consultation with the nomination and remuneration committee, draws up a competencies 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.

## EXTERNAL VERIFICATION OF REPORTING

For its second sustainability report, Ascencio has made the choice to assure it by an independent and objective third party. The Company believes it increases the credibility of the sustainability data it provides.



## • CONCLUSIONS

This second sustainability report is a milestone of Ascencio's important efforts to deploy a sustainability agenda. Intense data collection efforts and concertation with Ascencio's tenants have resulted in a first set of quantitative indicators on the Company's environmental impact.

The obtained data constitute a solid basis to further monitor Ascencio's performance regarding ESG. Furthermore, the data collection enables Ascencio to report unusual consumption patterns to its tenants.

**Looking forward, the sustainability agenda of Ascencio will be driven by the following challenges:**

- Improving the coverage of the indicators documented in this report;
- Producing and purchasing more renewable energy;
- Automating the monitoring of different utilities consumptions;
- Engaging with tenants to raise awareness, especially on unusual consumption patterns;
- Developing a tool to plan investments in order to anticipate and maximize the reduction of its building energy intensity, focusing on the building envelopes.

# INDEPENDENT LIMITED ASSURANCE REPORT ON THE EPRA SUSTAINABILITY BEST PRACTICES RECOMMENDATIONS (sBPR) 2022 OF ASCENCIO SA

This report has been prepared in accordance with the terms of our engagement contract dated 4<sup>th</sup> of May 2023 (the "Agreement"), whereby we have been engaged to issue an independent limited assurance report in connection with the 2022 EPRA Sustainability Indicators (cfr. EPRA sBPR) and in accordance with International Standard on Assurance Engagements (ISAE) 3000: "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB).

## • LIMITED ASSURANCE

Limited assurance engagement - An assurance engagement in which the practitioner reduces engagement risk to a level that is acceptable in the circumstances of the engagement but where that risk is greater than for a reasonable assurance engagement as the basis for expressing a conclusion in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the auditor's attention to cause the auditor to believe the subject matter information is materially misstated.

The limited assurance audit report is intended to enhance the degree of confidence that intended users can place on the subject matter, but not to the degree of a reasonable assurance. The procedures performed in a limited assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance

that would have been obtained had a reasonable assurance engagement been performed.

## • ASCENCIO'S RESPONSIBILITIES

Ascencio is responsible for:

1. Selecting, preparing and presenting the selected indicators and for ensuring that the reporting criteria in support of the selected indicators subject to assurance are made available to the users of the Report.
2. Determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected indicators and for ensuring that those criteria are publicly available to the Report users.
3. Designing, implementing and maintaining internal processes and controls relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.
4. Confirming, through a representation letter, the acknowledgement of management's responsibility regarding the preparation and presentation of the selected indicators in accordance with reporting criteria and confirming certain representations made to us during our assurance engagement.

## • BDO'S RESPONSIBILITIES

BDO is responsible for:

1. Performing our limited assurance engagement so that we are able to express our limited assurance conclusion on whether anything has come to our attention that causes us to believe that the selected indicators are not prepared, in all material respects, in accordance with Concrete Sustainability Council's reporting criteria.
2. Assessing the suitability in the circumstances of the use of the reporting criteria as the basis of preparation for the selected indicators.
3. Assessing the risks of material misstatement of the selected indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected indicators.

Our work was performed on the data and Selected Information gathered and reported by Ascencio in its 2022 "Sustainability Report Aligned with EPRA Sustainability Best Practice Recommendations" and not all information included in Ascencio's ESG Report.

Our works covers therefore only the selected information. Specifically for Environmental indicators, we refer to the boundaries and coverage stated in the report which also limit the audit coverage and scope.

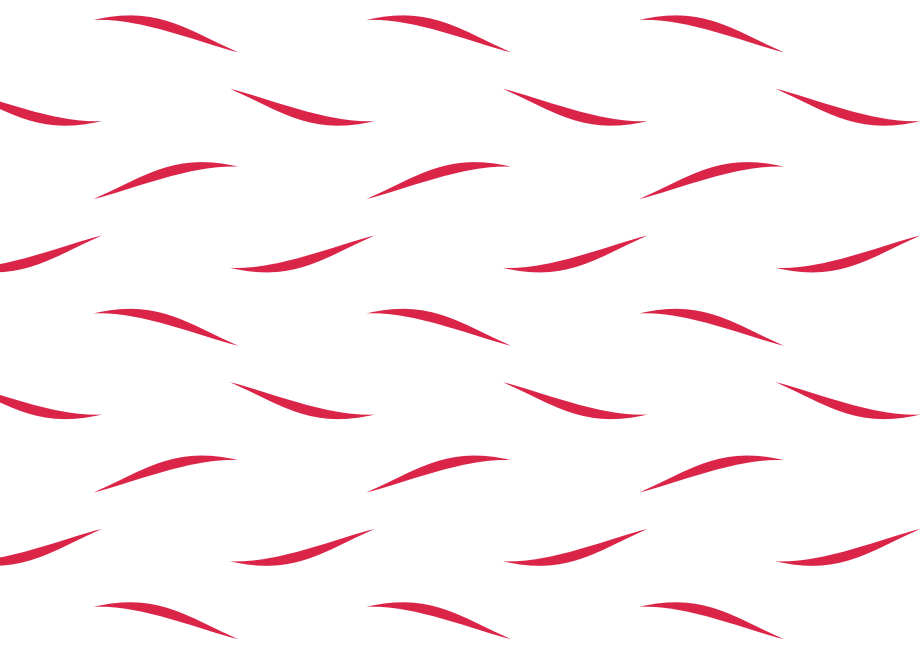
## • OUR INDEPENDENCE AND QUALITY CONTROL

Our work consisted of making inquiries, primarily of persons responsible for the preparation of the Selected Information, and applying analytical and other evidence gathering procedures, as appropriate.

### The procedures included, among others:

- Obtaining an understanding of the processes, systems and internal controls relevant to the limited assurance engagement in order to design limited assurance procedures that are appropriate in the circumstances;
- Considering risk of material misstatement of the Selected Information;
- Identifying and inspecting the Selected Information where material misstatements, whether due to fraud or error, are likely to arise;
- Obtaining evidences supporting the Selected Information reported and assessing whether these are sufficient and appropriate to provide a basis for our conclusion;
- Confirming the appropriateness of the reporting Criteria used and their consistent application;
- Performing recalculation of the data collected and reported in this report;
- Performing analytical procedures and inquiry to confirm our understanding of evolutions in the Selected Information;
- Assessing management's assumptions and estimates;
- Examining, on a sample basis, internal and external supporting evidence and performing consistency checks on the consolidation of the Selected Information.

BDO applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



• **CONCLUSION AND INHERENT LIMITATIONS**

We have obtained limited assurance on the preparation and reporting of the Selected Information in accordance with the applicable criteria. Based on the procedures we have performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Information within Ascencio's 2022 "Sustainability Report Aligned with EPRA Sustainability Best Practice Recommendations" has not been prepared in accordance with the Criteria.

Inherent limitations exist in all assurance engagements. Any internal control structure, however effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and go undetected, and as we use selective testing in our management, we cannot guarantee that errors or irregularities, if they exist, will be detected.

The measurement methods adopted may have an impact on the comparability of selected information reported by different organizations and from one year to the next within the same organization. These differences should decrease as measurement methods develop.

• **USE OF THE REPORT**

This report is made solely to the Board of Directors of Ascencio SA in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Without assuming or accepting any responsibility or liability in respect of this report to any party other the Ascencio SA and its Board of Directors, we acknowledge that the Board of Directors may choose to make this report public for others wishing to have access to it, which does not and will not extend our responsibilities for any purpose and on any basis. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ascencio SA and its Board of Directors as a body, for our work, for this report, or for the conclusions we have formed.

La Hulpe, 30 June 2023

Pierre Poncelet – Partner – BDO Advisory

**F • EPRA**



EPRA (the European Public Real Estate Association) is the voice of Europe's publicly traded real estate sector, representing more than 290 members and over €840 billion in assets.

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.

EPRA publishes recommendations for defining the main performance indicators applicable to listed real estate companies. These recommendations are included in the report entitled "EPRA Reporting: Best Practices Recommendations Guidelines" ("EPRA BPR"). This report is available on the EPRA website ([www.epra.com](http://www.epra.com)).



**On 27/09/2023 Ascencio received the "EPRA Gold Award" for its 2021/2022 annual financial report.**



## • EPRA PERFORMANCE INDICATORS

		30/09/2023	30/09/2022
1	<b>EPRA Earnings (€000s)</b> EPRA Earnings per share (€)	<b>36,009</b> 5.46	33,773 5.12
	Earnings from operational activities.		
2	<b>EPRA NAV (€000s)</b> EPRA NAV per share (€)	<b>419,699</b> 63.63	411,254 62.35
	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 NNNAV (€000s)</b> EPRA NNNAV per share (€)	<b>450,498</b> 68.30	438,708 66.51
	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 (€)	<b>452,106</b> 68.54	443,699 67.27
	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 (€)	<b>419,463</b> 63.59	411,254 62.35
	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 (€)	<b>450,498</b> 68.30	438,708 66.51
	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>6.39%</b>	6.06%
	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>6.47%</b>	6.12%
	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>2.12%</b>	3.46%
	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>17.33%</b>	15.61%
	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.		
11	<b>EPRA Cost Ratio (excluding direct vacancy costs)</b>	<b>16.67%</b>	14.68%
	Administrative & operating costs (excluding costs of direct vacancy) divided by gross rental income.		
12	<b>EPRA LTV</b>	<b>43.40%</b>	44.38%
	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 B-REIT regulations and are not subject to control by public authorities or by the auditor.



## • EPRA EARNINGS

(€000s)	30/09/2023	30/09/2022
<b>EARNINGS (OWNERS OF THE PARENT) PER IFRS INCOME STATEMENT</b>	<b>33,806</b>	<b>90,653</b>
<b>ADJUSTMENTS TO CALCULATE EPRA EARNINGS</b>	<b>2,203</b>	<b>-56,880</b>
(i) Change in value of investment properties, development properties held for investment and other interests	745	-23,800
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	0	159
(vi) Change in fair value of financial instruments and associated close-out costs	1,543	-38,135
(viii) Deferred tax in respect of EPRA adjustments	-85	4,896
<b>EPRA EARNINGS (OWNERS OF THE PARENT)</b>	<b>36,009</b>	<b>33,773</b>
Number of shares	6,595,985	6,595,985
<b>EPRA EARNINGS PER SHARE (EPRA EPS - €/SHARE)</b>	<b>5.46</b>	<b>5.12</b>

## • EPRA NET ASSET VALUE (NAV) METRICS

	30/09/2023		
(€000s)	EPRA NRV	EPRA NTA	EPRA NDV
<b>Equity attributable to owners of the parent in IFRS</b>	<b>444,763</b>	<b>444,763</b>	<b>444,763</b>
<b>Include/exclude:</b>			
(i) Hybrid instruments	0	0	0
<b>Diluted NAV at fair value</b>	<b>444,763</b>	<b>444,763</b>	<b>444,763</b>
<b>Exclude:</b>			
(v) Deferred taxes in relation to fair value gains of IP	6,085	6,085	0
(vi) Fair value of financial instruments	-31,149	-31,149	0
(viii.b) Intangible assets according to the IFRS balance sheet	0	-236	0
<b>Include:</b>			
(ix) Fair value of fixed interest rate debt	0	0	5,735
(xi) Real estate transfer tax	32,407	0	0
<b>EPRA NAV</b>	<b>452,106</b>	<b>419,463</b>	<b>450,498</b>
Fully diluted number of shares	6,595,985	6,595,985	6,595,985
<b>EPRA NAV PER SHARE (€/SHARE)</b>	<b>68.54</b>	<b>63.59</b>	<b>68.30</b>

	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	0
(vi) Fair value of financial instruments	-31,928	-31,928	0
<b>Include:</b>			
(ix) Fair value of fixed interest rate debt	0	0	1,697
(xi) Real estate transfer tax	32,445	0	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>

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

	30/09/2023			
(€000s)	Belgium	France	Spain	TOTAL
Investment properties in fair value	400,067	305,863	30,500	<b>736,430</b>
Properties held for sale (+)	0	0	0	<b>0</b>
Developments (-)	0	0	0	<b>0</b>
<b>PROPERTIES AVAILABLE FOR LEASE</b>	<b>400,067</b>	<b>305,863</b>	<b>30,500</b>	<b>736,430</b>
Allowance for estimated purchasers' costs (+)	10,371	21,008	1,028	<b>32,407</b>
<b>GROSS UP COMPLETED PROPERTY PORTFOLIO VALUATION</b>	<b>410,438</b>	<b>326,871</b>	<b>31,528</b>	<b>768,837</b>
Annualised cash passing rental income (+)	29,670	20,855	2,047	<b>52,571</b>
Property outgoings <sup>1</sup> (-)	-2,543	-811	-95	<b>-3,448</b>
<b>ANNUALISED NET RENTS</b>	<b>27,127</b>	<b>20,044</b>	<b>1,952</b>	<b>49,123</b>
Notionnal rent expiration of rent free periods or other lease incentives (+)	283	103	257	<b>642</b>
<b>TOPPED-UP NET ANNUALISED RENT</b>	<b>27,410</b>	<b>20,147</b>	<b>2,208</b>	<b>49,766</b>
<b>EPRA NIY (%)</b>	<b>6.61%</b>	<b>6.13%</b>	<b>6.19%</b>	<b>6.39%</b>
<b>EPRA TOPPED-UP NIY (%)</b>	<b>6.68%</b>	<b>6.16%</b>	<b>7.00%</b>	<b>6.47%</b>

	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>46,967</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>

<sup>1</sup> The scope of the property ongoings 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.

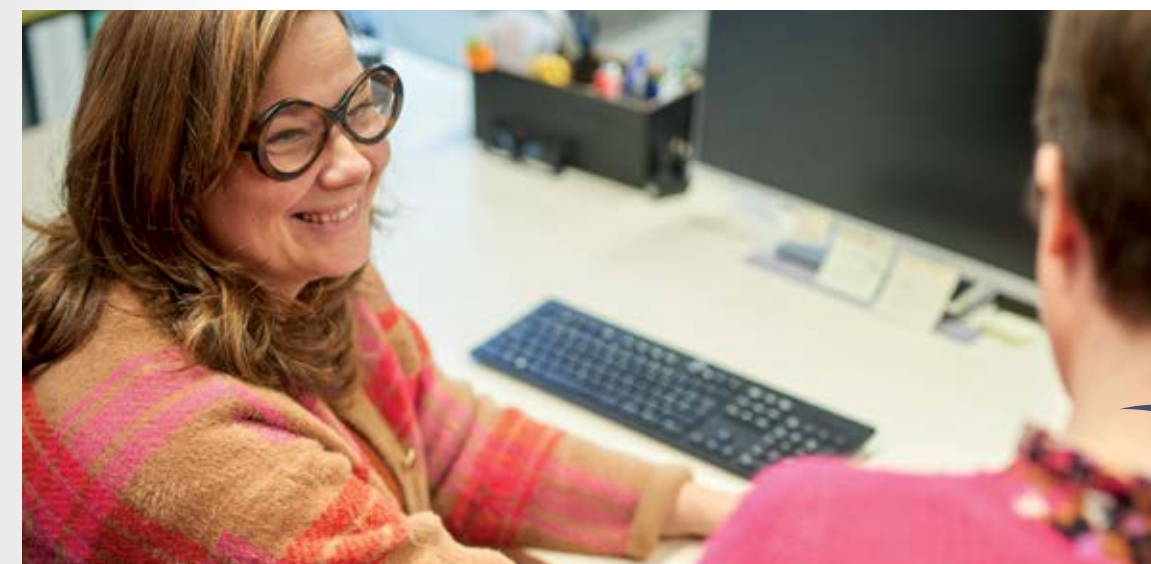
## • EPRA VACANCY RATE

(€000s)	30/09/2023			
	Belgium	France	Spain	TOTAL
Estimated rental value (ERV) of vacant space	820	198	0	1,018
Estimated rental value (ERV) of total portfolio	26,628	19,439	1,827	47,894
<b>EPRA VACANCY RATE (%)</b>	<b>3.08%</b>	<b>1.02%</b>	<b>0.00%</b>	<b>2.12%</b>

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

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

- In Belgium: decrease in the vacancy rate linked to new leases in particular in Laeken, Hannut and Genval, the positive impact of which was partially offset by departures in the commercial assets of Leuze-en-Hainaut and Messancy and in the office building in Gosselies.
- In France: increase in the vacancy rate linked to the departure of two tenants in the Les Bouchardes site in Crêches and the bankruptcy of one tenant in the Saint-Aunès retail park, the negative impact of which was partially offset by the arrival of new tenants in the Chanas and Bourgoin-Jallieu sites.
- In Spain: decrease in the vacancy rate linked to the arrival of a new tenant at the Valencia site to occupy all the spaces that had been vacant there since 2021.



## • PROPERTIES UNDER CONSTRUCTION OR IN DEVELOPMENT

(€000s)	30/09/2023						
	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 CON-STRUCTED 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>

(€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 CON-STRUCTED 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>

The development project which was in progress at 30/09/2022, relating to the 670 m<sup>2</sup> extension of the Ottignies supermarket (Belgium) leased to Intermarché, was delivered during the past financial year. The value of this project has therefore been transferred to properties available for rental to match the value of the existing site before works were carried out. At 30/09/2023, there were no ongoing development projects in the Ascencio portfolio.



## • EPRA COST RATIOS

(€000s)	30/09/2023	30/09/2022
<b>ADMINISTRATIVE/OPERATING EXPENSE LINE PER IFRS STATEMENT</b>	<b>-8,895</b>	<b>-7,469</b>
Rental-related charges	-223	684
Recovery of property charges	956	681
Rental charges and taxes normally paid by tenants on let properties	-312	-108
Other revenue and expenditure relating to rental	-26	-239
Technical costs	-1,131	-752
Commercial costs	-508	-542
Charges and taxes on unlet properties	-339	-442
Property management costs	-2,495	-2,080
Other property charges	-161	-188
Corporate overheads	-4,657	-4,481
Other operating income and charges	1	-1
<b>EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)</b>	<b>-8,895</b>	<b>-7,469</b>
Charges and taxes on unlet properties	339	442
<b>EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)</b>	<b>-8,556</b>	<b>-7,026</b>
<b>GROSS RENTAL INCOME</b>	<b>51,322</b>	<b>47,849</b>
<b>EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (%)</b>	<b>17.33%</b>	<b>15.61%</b>
<b>EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (%)</b>	<b>16.67%</b>	<b>14.68%</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 increase in EPRA Cost Ratios compared to the previous financial year is mainly due to the difference between the positive impact of the reversals of exceptional

impairment recorded during the 2021/2022 financial year compared to the recurring level of impairment charges on receivables recorded during the previous financial year.

## • EPRA CAPEX

(€000s)	30/09/2023	30/09/2022
<b>Investments relating to investment properties</b>		
(1) Acquisitions	0	0
(2) Development	1,090	470
(3) Property in operation	1,014	1,062
<b>TOTAL</b>	<b>2,104</b>	<b>1,531</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 2022/2023 financial year, Ascencio carried out works worth €2.1 million, mainly corresponding to:

- the completion of extension work (€1.1 million) on its Intermarché supermarket in Ottignies (Belgium);
- the renovation of the roofs of 3 retail premises (€0.5 million) in its "Orchidée Plaza" retail park in Hannut (Belgium), as part of a programme to redevelop and re-market the site that has been in progress for several years;

- the renovation of the roof of its Casino supermarket (€0.3 million) in Aix-en-Provence (France);
- the development of areas to accommodate new tenants, such as in Gosselies, Uccle and Laeken in Belgium.

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



## • EPRA LTV

(€000s)	30/09/2023	30/09/2022
<b>Include:</b>		
Borrowings from financial institutions	230,249	240,466
Commercial paper	34,750	30,750
Bond loans	55,500	55,500
Net payables	6,755	5,848
<b>Exclude:</b>		
Cash and cash equivalents	-5,423	-4,356
<b>Dette nette (A)</b>	<b>321,831</b>	<b>328,208</b>
<b>Include:</b>		
Owner occupied property	49	35
Investment properties at fair value	740,856	738,612
Properties under development	0	320
Intangibles	236	24
Financial assets	388	471
<b>Total property value (B)</b>	<b>741,529</b>	<b>739,462</b>
<b>LTV (A/B)</b>	<b>43.4%</b>	<b>44.4%</b>

The calculation of the EPRA LTV requires that all assets and liabilities of "joint ventures", "material associates" or minority interests be consolidated proportionally. However, all 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

	30/09/2023	30/09/2022	30/09/2021
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 (€)	55.60	56.00	51.50
Lowest price (€)	40.20	45.25	40.45
Closing price at 30/09 (€)	41.30	50.70	49.10
Stock market capitalisation <sup>1</sup> (€000s)	272,414	334,416	323,863
NAV IFRS per share (€)	67.43	66.25	56.15
EPRA NTA per share (€)	63.59	62.35	57.37
Premium (+) Discount (-) <sup>2</sup>	-38.8%	-23.5%	-12.6%
Annual volume	916,940	1,593,971	1,129,287
Velocity	13.9%	24.2%	17.1%
Gross dividend per share (€) <sup>3</sup>	4.15	3.95	3.70
Gross yield <sup>4</sup>	10.0%	7.8%	7.5%
Pay-out ratio as compared to the corrected result <sup>5</sup>	78.0%	76.8%	79.6%

<sup>1</sup> Based on the closing price at 30/09.

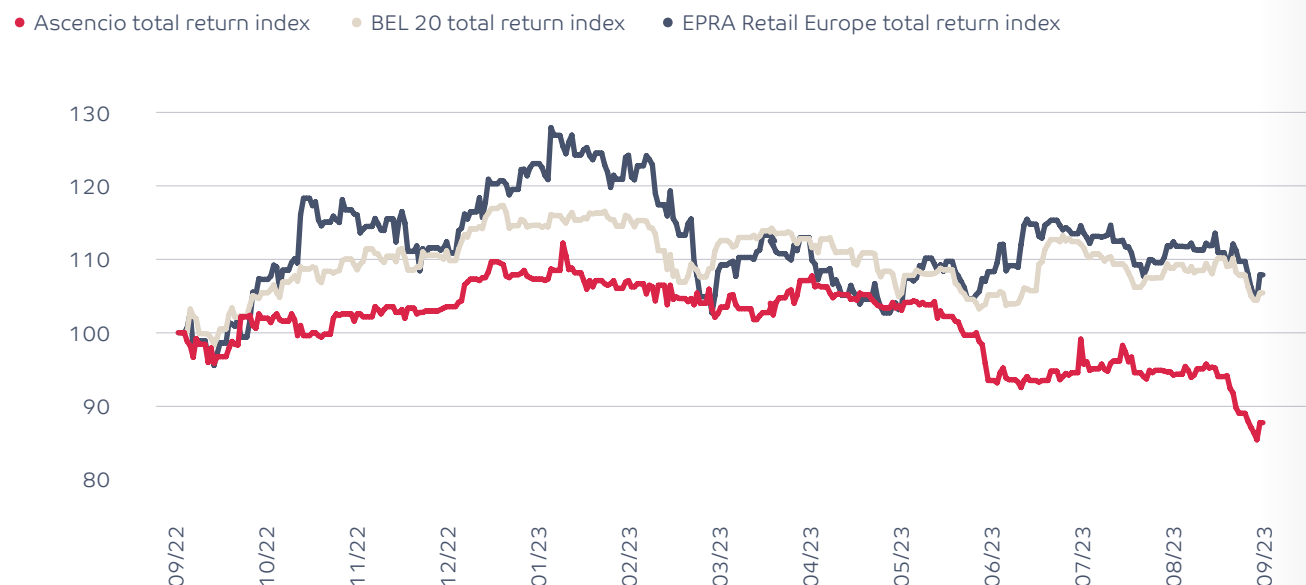
<sup>2</sup> Based on the closing price at 30/09, as compared to the Net asset value IFRS per share.

<sup>3</sup> For 2022/2023, this is the dividend proposal subject to the approval of the general meeting of shareholders to be held on 31 January 2024.

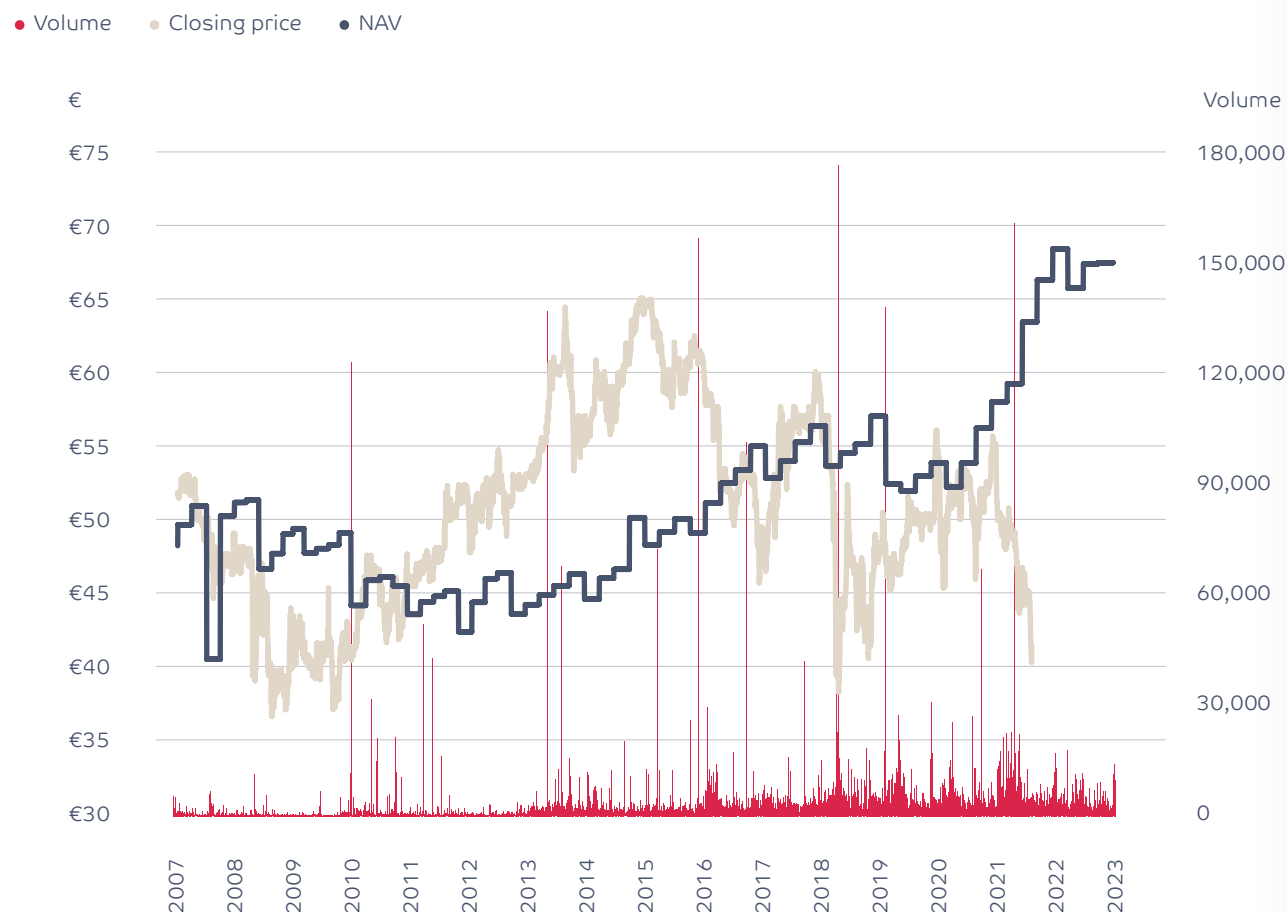
<sup>4</sup> Based on the closing price at 30/09.

<sup>5</sup> Corrected result as defined in art.13, §1, subsection 1 of the Royal Decree of 13 July 2014, as amended by the Royal Decree of 23 April 2018, on B-REITs.

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



• **EVOLUTION IN SHARE PRICE, VOLUMES AND NET ASSET VALUE (IFRS)**



• **DIVIDEND POLICY**

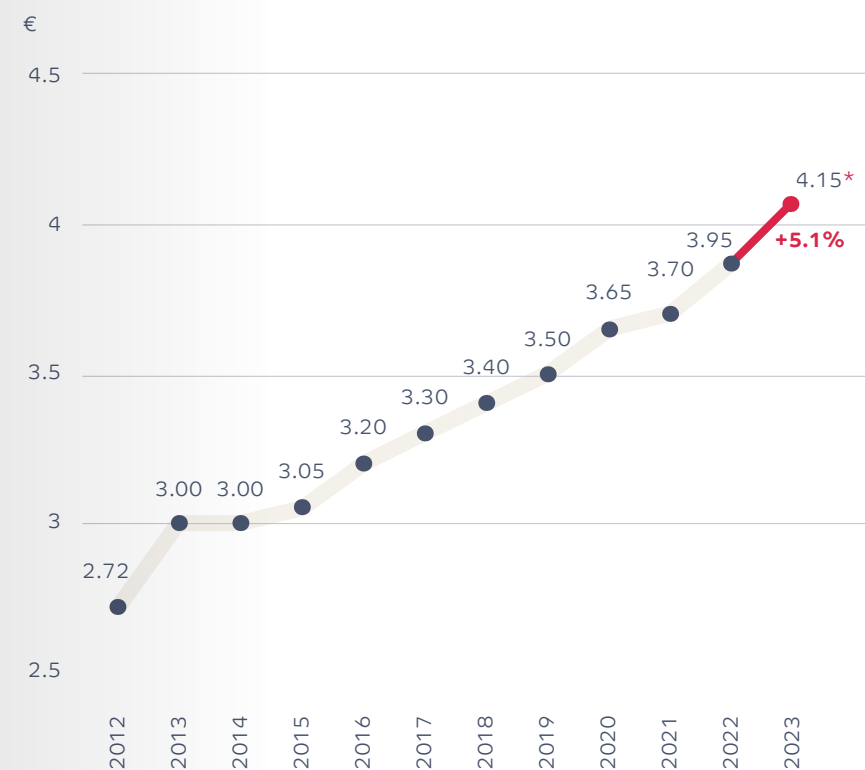
**OBLIGATION TO DISTRIBUTE DIVIDEND**

In accordance with the Royal Decree of 13/07/2014, as amended by the Royal Decree of 23/04/2018 on B-REITs, these companies are obliged to distribute at least 80% of the sum of 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 of €4.15 will be submitted for approval to the ordinary general meeting of 31/01/2024.

**EVOLUTION IN GROSS DIVIDEND PER SHARE:**



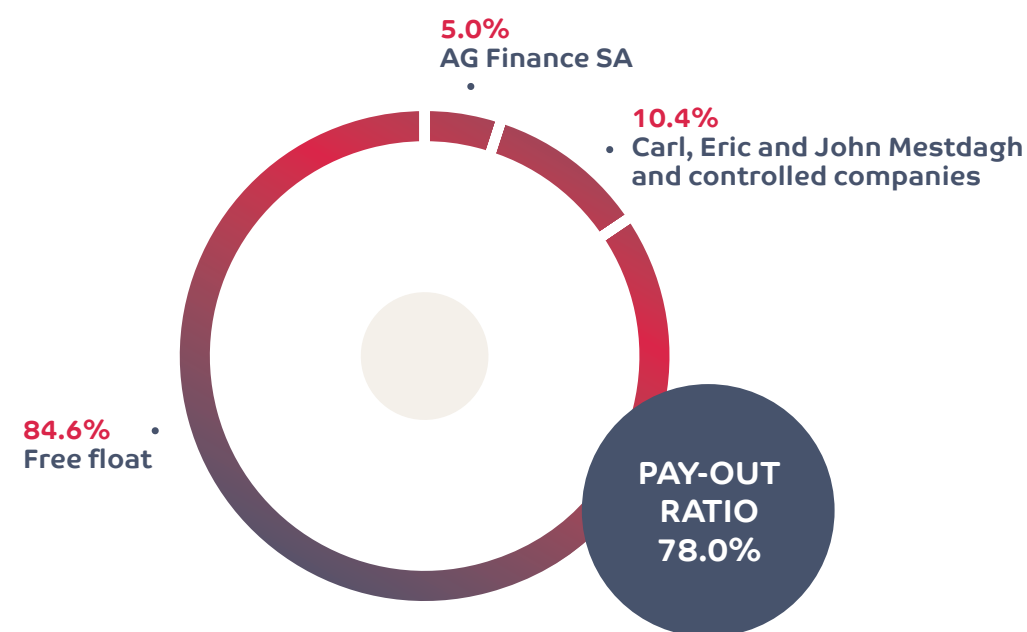
\* For 2022/2023, this is the dividend proposal subject to the approval of the general meeting of shareholders to be held on 31 January 2024.





## SHAREHOLDING

Ascencio's shareholding structure is as follows according to the transparency declarations registered at 30/09/2023:



## SHAREHOLDER'S FINANCIAL CALENDAR<sup>1</sup>

Ordinary general meeting 2022/2023	31 January 2024 (2.30 p.m.)
Coupon payment date (ex-date)	6 February 2024
Record date	7 February 2024
Payment of dividend	9 February 2024
Interim statement at 31 December 2023	22 February 2024 (5.40 p.m.)
Interim financial report at 31 March 2024	30 May 2024 (5.40 p.m.)
Interim statement at 30 June 2024	13 August 2024 (5.40 p.m.)
Annual press release at 30 September 2024	28 November 2024 (5.40 p.m.)
Ordinary general meeting 2023/2024	31 January 2025 (2.30 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)).

## H · OUTLOOK

Against an uncertain backdrop resulting from a succession of unfavourable events (the Covid pandemic, geopolitical tensions, rising interest rates, etc.), and taking into account the challenges posed by changing consumption patterns and sustainability, Ascencio is staying the course and continuing to deliver solid growing results.

These are the fruits of a well-established strategic vision, entailing the following:

- proactive management of the property portfolio, devoting particular attention to the implementation of a responsible and coherent ESG strategy;
- a customer-focused marketing approach, creating a long-term relationship giving the Company the opportunity to listen to its customers' needs;
- a policy of selective investment in assets that meet the Company's strategic criteria;
- the building and development of a team of professionals who benefit from a pleasant working environment and effective management tools.

In addition, maintaining a solid balance sheet structure and adequate liquidity remain key priorities for the Company. This will necessarily involve maintaining a controlled debt ratio, continuing to anticipate refinancing needs accurately and putting in place an interest rate hedging structure.

Over the coming period, the Company will pursue this strategy by continuing to proactively manage its portfolio and to identify the value-creation opportunities within it, possibly leveraging them through arbitrage. It will also maintain a selective approach to analysing new acquisition opportunities in the face of the investment market's sharp slowdown.

On the basis of these factors, and taking into account the Company's current valuation, Ascencio offers attractive long-term prospects for investment and dividend growth, the latter having risen without interruption for almost 10 years.



# FINANCIAL REPORT

# CONTENTS

## 172 • A • Consolidated financial statements

172 • Consolidated balance sheet

174 • Consolidated income statement

175 • Consolidated statement of comprehensive income

176 • Consolidated statement of cash flows

177 • Consolidated statement of changes in equity

## 179 • Notes to the consolidated financial statements

179. Note 1: General information and accounting methods

188. Note 2: Main sources of uncertainty regarding significant estimates and accounting judgements

189. Note 3: Management of financial risks

193. Note 4: Sector information

196. Note 5: Intangible assets

196. Note 6: Investment properties

201. Note 7: Other tangible assets

202. Note 8: Current and non-current financial assets

202. Note 9: Assets held for sale

203. Note 10: Categories and designation of financial instruments

205. Note 11: Current trade receivables

206. Note 12: Tax receivables and other current assets

206. Note 13: Deferred charges and accrued income

207. Note 14: Share capital and share premium

208. Note 15: Current and non-current financial debts

211. Note 16: Derivative financial instruments

214. Note 17: Other non-current financial liabilities

215. Note 18: Deferred tax liabilities

215. Note 19: Trade payables and other current debts

216. Note 20: Accrued charges and deferred income

216. Note 21: Rental income

216. Note 22: Rental related charges

217. Note 23: Recovery of property charges

217. Note 24: Recovery of rental charges and taxes normally assumed by tenants on let properties

218. Note 25: Charges and taxes normally assumed by tenants on let properties

218. Note 26: Technical costs

218. Note 27: Commercial costs

219. Note 28: Property management costs

219. Note 29: Other property charges

220. Note 30: Corporate overheads

220. Note 31: Other operating income and charges

221. Note 32: Net gains and losses on disposals of investment properties

221. Note 33: Changes in fair value of investment properties

222. Note 34: Financial income

222. Note 35: Net interest charges

222. Note 36: Other financial charges

223. Note 37: Changes in fair value of financial assets and liabilities

223. Note 38: Corporate taxes

225. Note 39: Earnings per share

225. Note 40: Information on related parties

225. Note 41: Management remuneration

226. Note 42: Subsidiaries

227. Note 43: Fees of the statutory auditor

227. Note 44: Events after the reporting period

## 228 • B • Statutory accounts

## 234 • C • Statutory auditor's report

## 240 • D • Glossary of alternative performance measures (APMs)



# A • CONSOLIDATED FINANCIAL STATEMENTS

## • CONSOLIDATED BALANCE SHEET

ASSETS (€000s)	Note	30/09/2023	30/09/2022
<b>ASSETS</b>			
<b>I NON-CURRENT ASSETS</b>			
B Intangible assets	5	236	24
C Investment properties	6	740,856	738,933
D Other tangible assets	7	49	35
E Non-current financial assets	8	30,670	31,514
<b>TOTAL NON-CURRENT ASSETS</b>		<b>771,811</b>	<b>770,505</b>
<b>II CURRENT ASSETS</b>			
B Current financial assets	8	867	885
D Trade receivables	11	5,556	4,956
E Tax receivables and other current assets	12	2,505	2,294
F Cash and cash equivalents		5,423	4,356
G Deferred charges and accrued income	13	305	317
<b>TOTAL CURRENT ASSETS</b>		<b>14,657</b>	<b>12,807</b>
<b>TOTAL ASSETS</b>		<b>786,469</b>	<b>783,312</b>

EQUITY AND LIABILITIES (€000s)	Note	30/09/2023	30/09/2022
<b>EQUITY</b>			
<b>I EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b>			
A Capital	14	38,659	38,659
B Share premium account	14	253,353	253,353
C Reserves		118,945	54,346
b. Reserve for changes in fair value of properties		63,696	39,896
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties		-9,923	-9,923
e. Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied		22,803	-4,483
m. Other reserves		42,369	28,856
D Net result for the financial year		33,806	90,653
<b>TOTAL EQUITY</b>		<b>444,763</b>	<b>437,011</b>
<b>LIABILITIES</b>			
<b>I NON-CURRENT LIABILITIES</b>			
B Non-current financial debts		262,670	268,677
a. Credit institutions	15	222,791	209,355
c. Others	15	39,879	59,322
C Other non-current financial liabilities	16-17	2,806	2,476
F Deferred tax liabilities	18	6,085	6,170
<b>II CURRENT LIABILITIES</b>			
B Current financial debts		57,829	58,038
a. Credit institutions	15	3,079	27,243
c. Others	15	54,750	30,795
D Trade debts and other current debts		9,203	8,045
F Accrued charges and deferred income	20	3,113	2,894
<b>TOTAL LIABILITIES</b>		<b>341,706</b>	<b>346,301</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>786,469</b>	<b>783,312</b>

## • CONSOLIDATED INCOME STATEMENT

CONSOLIDATED NET RESULT (€000s)		Note	30/09/2023	30/09/2022
I	Rental income	21	51,322	47,849
III	Rental-related charges	22	-223	684
<b>NET RENTAL RESULT</b>			<b>51,099</b>	<b>48,533</b>
IV	Recovery of property charges	23	956	681
V	Recovery of rental charges and taxes normally assumed by tenants on let properties	24	7,890	6,914
VII	Rental charges and taxes normally assumed by tenants on let properties	25	-8,203	-7,022
VIII	Other revenue and rental-related charges		-26	-239
<b>PROPERTY RESULT</b>			<b>51,716</b>	<b>48,867</b>
IX	Technical costs	26	-1,131	-752
X	Commercial costs	27	-508	-542
XI	Rental charges and taxes on unlet properties		-339	-442
XII	Property management costs	28	-2,495	-2,080
XIII	Other property charges	29	-161	-188
<b>PROPERTY CHARGES</b>			<b>-4,633</b>	<b>-4,004</b>
<b>PROPERTY OPERATING RESULT</b>			<b>47,083</b>	<b>44,863</b>
XIV	Corporate overheads	30	-4,657	-4,481
XV	Other operating income and charges	31	1	-1
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>			<b>42,427</b>	<b>40,381</b>
XVI	Net gains and losses on disposals of investment properties	32	0	-159
XVIII	Changes in fair value of investment properties	33	-745	23,800
<b>OPERATING RESULT</b>			<b>41,682</b>	<b>64,022</b>
XX	Financial income	34	765	134
XXI	Net interest charges	35	-6,157	-5,710
XXII	Other financial charges	36	-685	-554
XXIII	Changes in fair value of financial assets and liabilities	37	-1,543	38,135
<b>FINANCIAL RESULT</b>			<b>-7,620</b>	<b>32,004</b>
<b>RESULT BEFORE TAX</b>			<b>34,063</b>	<b>96,027</b>
XXV	Corporate tax	38	-257	-5,373
<b>TAXES</b>			<b>-257</b>	<b>-5,373</b>
<b>NET RESULT</b>			<b>33,806</b>	<b>90,653</b>
- Net result - Group share			33,806	90,653
<b>BASIC NET RESULT AND DILUTED (€/SHARE, GROUP SHARE)</b>			<b>5.13</b>	<b>13.74</b>

## • CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME (€000s)		Note	30/09/2023	30/09/2022
<b>I</b>	<b>NET RESULT</b>		<b>33,806</b>	<b>90,653</b>
<b>II</b>	<b>OTHER COMPREHENSIVE INCOME RECYCLABLE UNDER THE INCOME STATEMENT</b>		<b>0</b>	<b>107</b>
A	Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties		0	107
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<b>33,806</b>	<b>90,761</b>
Attributable to - Group share			33,806	90,761
- Non-controlling interests			0	0

## • CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOW (€000s)	30/09/2023	30/09/2022
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>4,356</b>	<b>3,707</b>
Result for the financial year	33,806	90,653
Financial result	6,842	6,130
Net capital gains or losses realised on disposal of assets	0	159
Income tax expense (- tax income)	342	477
Income statement items without treasury impact	2,416	-57,194
+/- Change in the fair value of investment properties	745	-23,800
+/- Change in non-current financial assets	1,543	0
+/- Change in non-current financial liabilities	0	-38,135
+/- Change in non-current deferred tax liabilities	-85	4,896
+ Depreciation	24	35
+ Reductions in value	190	-191
Change in working capital requirement	383	-877
+/- Change in trade receivables	-790	1,008
+/- Change in tax receivables and other current assets	-212	-311
+/- Change in deferred charges and accrued income	12	-64
+/- Change in trade debts and other current debts	1,154	-1,844
+/- Change in accrued charges and deferred income	219	335
Taxes paid	-347	-446
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>43,442</b>	<b>38,902</b>
- Projects in development	0	-439
- Other investments	-2,104	-1,092
- Acquisition of intangible assets	-212	-24
- Acquisition of tangible assets	-38	-24
+ Disposals of investment properties	0	1,309
+ Disposals of financial assets	5,283	0
+ Acquisition of financial assets	-6,048	0
- Disposals of financial liabilities	0	-571
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-3,120</b>	<b>-842</b>
Net change in financial liabilities	-6,719	-6,813
Reimbursement of financial debts and working capital of acquired companies	-52	0
Other changes in financial assets and liabilities	413	-138
Gross dividends paid	-26,054	-24,405
Finance charges paid	-6,842	-6,055
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-39,255</b>	<b>-37,410</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>5,423</b>	<b>4,356</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 30/09/2021</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					303
<b>BALANCE AT 30/09/2022</b>	<b>38,659</b>	<b>253,353</b>	<b>39,896</b>	<b>-9,923</b>	<b>-4,483</b>	<b>28,856</b>	<b>90,653</b>	<b>437,011</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 30/09/2022</b>	<b>38,659</b>	<b>253,353</b>	<b>39,896</b>	<b>-9,923</b>	<b>-4,483</b>	<b>28,856</b>	<b>90,653</b>	<b>437,011</b>
Distribution of dividends							-26,054	-26,054
Appropriation to reserves			23,800		34,180	6,619	-64,599	0
Capital increase							0	0
Net result							33,806	33,806
Other elements recognised in the global result								0
Reclassification of reserves					-6,894	6,894		0
Adjustment to reserves								0
<b>BALANCE AT 30/09/2023</b>	<b>38,659</b>	<b>253,353</b>	<b>63,696</b>	<b>-9,923</b>	<b>22,803</b>	<b>42,369</b>	<b>33,806</b>	<b>444,763</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 2021/2022 financial year, Ascencio reclassified a negative amount of €2,942,000 from the "Reserve for the balance of changes in fair value of properties" to "Other reserves", corresponding to the cumulative historical changes in value relating to the Sint-Niklaas property (Belgium), 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.
- During the 2022/2023 financial year, no real estate transactions requiring reclassification within this reserve item took place.

#### Reclassification of reserves for changes in fair value of authorised hedging instruments:

- During the 2021/2022 financial year, Ascencio reclassified a negative amount of €3,167,000 from the "Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied" to "Other reserves", corresponding to the cumulative changes in value relating to the IRS-type derivative instruments that were settled during the financial year and to reclassification of a CAP option premium that had expired.
- During the 2022/2023 financial year, Ascencio reclassified a negative amount of €6,894,000 from "Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied" to "Other reserves", corresponding to the cumulative changes in historical value relating to several derivative interest rate hedging instruments that expired and were settled during the financial year.

## • NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 • GENERAL INFORMATION AND ACCOUNTING METHODS

#### GENERAL INFORMATION

Ascencio SA (hereinafter "Ascencio SA" or the "Company") is a SIR (Société Immobilière Réglementée or Regulated Property Company, hereinafter referred to in the English translation as a "B-REIT" (Belgian real estate investment trust) incorporated under Belgian law. The consolidated financial statements of the Company at 30/09/2023 and covering the period from 01/10/2022 to 30/09/2023 were approved on 22/11/2023 by the board of directors of Ascencio Management SA, the legal entity director of Ascencio SA.

The previous financial year's figures presented cover the period from 01/10/2021 to 30/09/2022.

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

#### BASIS OF PREPARATION AND ACCOUNTING METHODS

##### A. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the *International Financial Reporting Standards* (IFRS) and the interpretations of the *International Financial Reporting Interpretations Committee* ("IFRIC") as published and effective at 30/09/2023 and adopted by the European Union.

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

#### Standards and interpretations applicable to the annual period starting on 01/10/2022

- Amendment to IFRS 16 Leases: COVID-19 related rent concessions beyond 30/06/2021 (applicable to annual periods beginning on or after 01/04/2021);
- Amendments to IAS 16 Property, plant and equipment: proceeds before intended use (applicable to annual periods beginning on or after 01/01/2022);
- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets: onerous contracts – Cost of fulfilling a contract (effective to annual periods beginning on or after 01/01/2022);
- Amendments to IFRS 3 Business combinations: reference to the conceptual framework (effective to annual periods beginning on or after 01/01/2022);
- Annual improvements to IFRS Standards 2018-2020 cycle (effective to annual periods beginning on or after 01/01/2022).

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 01/10/2022

- IFRS 17 Insurance contracts (effective to annual periods beginning on or after 01/01/2023);
- Amendments to IFRS 17 Insurance contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information (applicable to annual periods beginning on or after 01/01/2023);
- Amendments to IAS 1 Presentation of financial statements: Classification of liabilities as current or non-current and non-current liabilities with covenants (applicable to annual periods beginning on or after 01/01/2024 or later, but not yet adopted at the European level);
- Amendments to IAS 1 Presentation of financial statements and IFRS 2 practice statement: Note on accounting policies (applicable to annual periods beginning on or after 01/01/2023);
- Amendments to IAS 8 Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates (applicable to annual periods beginning on or after 01/01/2023);
- Amendments to IAS 12 Income taxes: Deferred taxes relating to assets and liabilities arising from the same transaction (applicable to annual periods beginning on or after 01/01/2023);
- Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback (applicable to annual periods beginning on or after 01/01/2024, but not yet adopted at European level);
- Amendments to IAS 7 Statement of cash flows and IFRS 7 financial instruments: Disclosures: Supplier finance arrangements (applicable for annual periods beginning on or after 01/01/2024, but not yet endorsed in the EU);
- Amendments to IAS 21 The effects of changes in foreign exchange rates: Lack of exchangeability (applicable for annual periods beginning on or after 01/01/2025, but not yet endorsed in the EU).

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 has rights to, variable returns from its involvement with the 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. DERIVATIVE FINANCIAL INSTRUMENTS

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 or not they are classed as hedging instruments and on the type of hedge. Derivatives income are initially recognised at cost on the date on which the derivative contract is entered into. Subsequently, they are measured at fair value at closing date. Gains or losses arising from the application of fair value are recognised immediately in the income statement, unless the derivative income 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 maturing at over 12 months are generally shown as non-current in the balance sheet, whereas remaining derivatives income are shown as current.

## E. INTANGIBLE ASSETS

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

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

## OTHER INTANGIBLE ASSETS

The Company records an intangible asset when it acquires an asset that has the characteristics of being non-monetary, identifiable and without physical substance but that can be held for use over more than one accounting period for the production or supply of goods and services, for lease to third parties or for administrative purposes. This type of asset is not intended to be sold in the ordinary course of business and must be able to provide future economic benefits to the Company.

When acquired, the intangible asset is initially measured at cost, in accordance with the rules applicable to property, plant and equipment. Subsequently, this asset is subject to impairment calculated on the basis of a straight-line amortisation of its acquisition cost over the estimated period of its use, with the application of a pro rata amortisation corresponding to the number of months of use for the year during which the investment is made.

For computer software acquired by the Company, the annual amortisation percentage is set at 20%.

If there are indications that an intangible 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.

The intangible asset will be removed from the Company's balance sheet when it is disposed of or when future economic benefits are no longer expected from its use or disposal.

## **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 of a cash generating unit (CGU) is the higher of its fair value less selling costs and its value in use.

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

At each closing date the Company assesses whether there is any indication that a loss recognised in any previous periods on an asset other than goodwill is likely no longer to exist or to have decreased. If there is such an indication, the Company estimates the recoverable amount of the asset. The new carrying amount of this asset, as increased by the reversal of a loss of value, may not exceed the carrying amount that would have applied, net of amortisation, if no loss of value had been recognised in respect of this asset in previous financial years. Losses of value on goodwill are never reversed.

## **G. INVESTMENT PROPERTIES**

### INVESTMENT 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 SA and the real estate companies controlled by it;
- options on property assets held by Ascencio SA 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 SA 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. The fair value, which is calculated by deducting an estimated amount for transfer expenses from the investment value, is defined as the most likely value that can reasonably be obtained between informed parties acting in good faith in normal selling conditions.

The estimated amount for the transfer expenses is:

- 2.5% for properties located in Belgium with a value of more than €2.5 million (being the average rate for transaction costs defined by BEAMA, the Belgian Asset Managers Association) and between 10% and 12.5% for properties valued at less than this, depending on their location. Ascencio considers its 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 30/09/2016, 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 01/10/2016 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 B-REITs in Belgium and comparable companies (real estate investment trusts) 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 measured at 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 properties available for rental and therefore already 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 measured at their 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 properties available for rental, the capitalisation rates being adapted in accordance with the development risks identified.

Development projects are transferred to the portfolio of properties available for rental on the date of their technical completion, generally corresponding to the date of provisional acceptance of the development or redevelopment works.

#### **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:

- Refurbishments: 10%;
- Plant, machinery and tools: 20%;
- Office furniture and equipment: 20%;
- Computer equipment: 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

In addition to hedging derivatives, which are recognised at their market value, other current assets are initially recognised at their acquisition cost, which generally corresponds to their nominal value. These assets are then recognised at their amortised cost; trade receivables may be subject to impairment for doubtful or irrecoverable debts. Cash investments are measured 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. Since they are subject to only negligible changes in value, they are measured at nominal value.

## K. EQUITY

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

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

## M. TRADE PAYABLES

Trade payables are measured at amortised cost at 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 recognised at amortised cost, the difference between the cost and the redemption value being charged to profit and loss over the life of the borrowing in accordance with the effective interest rate method.

For some of its real estate investments, Ascencio does not hold full ownership but only the usufruct, through emphyteusis or other such rights. Under IFRS 16, Ascencio has recognised, under non-current financial liabilities, liabilities representing the value of the Company's commitments to pay periodic fees (emphyteutic or other) relating to these investments.

These financial liabilities, the repayment of which is recorded as and when the related fees are paid, generate interest charges calculated on the basis of an effective interest rate relating to each contract. They are subject to periodic revaluation to take into account not only the shortening of the residual repayment period but also the annual indexation of periodic fees. These changes in value are recorded under the same item as changes in the value of the properties to which these contracts relate, i.e. in the income statement under changes in the fair value of investment properties.

## O. INCOME

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 relating to property rentals are expensed as current expenditure for the year.

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

## R. TAXES

Tax on income for the financial year comprises current tax and deferred tax. Taxes are recognised in the income statement except 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 measured at fair value as determined by an independent expert (see note 6).

The fair value of interest rate swaps is the estimated amount that Ascencio would receive or pay to close 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 16). 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 can rely on its experience, on the assistance of third parties (notably property experts) and on other factors judged to be pertinent. The actual results may differ from these estimates. These estimates are regularly reviewed, and modified if necessary.

Following the closure of 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, and had recognised provisions during the 2020/2021 financial year to anticipate the potential impact of these cancellations on discussions that were still in progress with its tenants.

On 30/09/2022, it appears that most of the risk associated with these potential discussions had 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 in 2020/2021 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 periodic fees. 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 negative amount of €564,000 under changes in the fair value of investment properties in the income statement.

## NOTE 3 • MANAGEMENT OF FINANCIAL RISKS

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

### DEBT STRUCTURE AND DEBT RATIO

The debt structure at 30/09/2023 is described in note 15.

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

At 30/09/2023, Ascencio's debt ratio, as defined by the Royal Decree of 13/07/2014 stood respectively at 44.0% on a consolidated basis and 43.9% on a statutory basis.

After distribution of the dividend to be proposed to the general meeting of 31/01/2024, the consolidated debt ratio will, all other things being equal, come to around 47.6%.

### INTEREST RATE RISK

At 30/09/2023, 70.7% of the financial liabilities 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 5 years for at least 75% of its financial debt.

The financial instruments that Ascencio has available to hedge the interest rate risk are described in note 16.

On the basis of the total financial debt at 30/09/2023 excluding IFRS 16 (€316.4 million) and the hedges put in place at that date, part of the debt equal to €300.6 million, representing 95.0% 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, €15.8 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 16.

Based on the hedges in place (IRS) and the structure and level of financial debt at 30/09/2023, the impact of a 100 bps increase in interest rates would result in an estimated increase in financial charges of €0.2 million over the 2023/2024 financial year.

The Company's hedging ratio<sup>2</sup> is 95.0% at 30/09/2023 and, based on the level of financial debt at 30/09/2023, is set to remain above 75% until December 2028.

<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 2022/2023, the expiry of the hedging period of active instruments and the change in the interest rate curve resulted in a negative change in the fair value of hedging instruments for Ascencio of -€1.54 million. At 30/09/2023, these contracts have a positive net value of €31.1 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 €12.04 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 evolve as a function of the global economic situation, but also of regulations applicable to the banking sector. The risk of an increase in the average cost of debt as a result of an increase in bank margins arises notably upon renewal or establishment of credit lines.

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 a liquidity risk associated with the renewal of its borrowings at due date or any additional borrowings that might be needed to meet its commitments. The Company could also face this risk in the event of the termination of any of its borrowing agreements.

If any of these situations were to arise, the Company might also be obliged to put in place new financing arrangements at a higher cost, or to dispose of certain assets on less than ideal terms.

In order to limit this risk, Ascencio diversifies its sources of financing. The Company 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 30/09/2023, Ascencio has €343.0 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 2031. Ascencio has an undrawn balance of €119.0 million on these credit lines at 30/09/2023.
- Ascencio has investment loans from French banks on certain assets held in France.

- 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 30/09/2023, this programme was used for short-term issues of €34.8 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. Ascencio also benefits from bond financing for a total amount of €25 million, structured in three tranches broken down as follows: €10 million maturing in March 2025, €5 million maturing in March 2026 and €10 million maturing in March 2027. This financing, at a fixed rate and with an average residual term of two and a half years, allows Ascencio to further reduce the weight of bank debt within its financing structure.

At 30/09/2023, the total nominal amount of financing (excluding IFRS 16) received by the Company was €435.4 million, of which the principal repayment schedule for these debts is as follows:

- 2023/2024: €60.3 million
- 2024/2025: €95.6 million
- 2025/2026: €70.7 million
- 2026/2027: €70.8 million
- 2027/2028: €48.0 million
- 2028/2029: €35.0 million
- 2029/2030: €45.0 million
- 2030/2031: €10.0 million

### FINANCIAL COUNTERPARTY RISK

The conclusion of a financing agreement or hedging contract with a financial institution creates a counterparty risk of the institution's defaulting. The Company could find itself in a situation in which it is unable to use the financing put in place or to receive the cash flows to which it is entitled by virtue of hedging instruments.

In order to limit this risk, Ascencio is careful to diversify its banking relationships. At 30/09/2023, 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 AGREEMENTS

The Company is exposed to the risk of its financing agreements being cancelled, renegotiated or terminated early in the event that it were to fail to comply with the undertakings given upon signing these agreements, particularly as regards certain financial ratios (covenants). These undertakings, which relate in particular to the levels of maximum debt ratio, minimum portfolio value, maximum amount of secured financial debt and proportion of interest expense coverage by operating income, are in line with market practice for similar financing agreements and are respected as of the closing date of the past financial year.

In addition, the Company is exposed to the risk of having to repay its financing agreements early in the event of a change of control or if it were to fail to comply with its obligations and more generally in the event of a situation of default as referred to by these contracts. A situation of default on one contract may lead to a situation of default on all contracts (cross-default 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. Furthermore, the Company has no control over compliance with certain commitments that might lead to the early termination of loan agreements, such as a change of control.

In order to limit this risk, Ascencio negotiates with its counterparties covenant levels that are compatible with its forecast estimates and regularly monitors the evolution of the covenant level.

In addition, some financing agreements 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 put in place alternative financing, possibly at a higher cost.

## EXCHANGE RISK

Ascencio generates all its revenues and incurs all its expenses in the eurozone. 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 30/09/2023, 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 30/09/2023, properties located in Belgium represented 54.3% of the fair value of the portfolio, those located in France 41.5% and those located in Spain 4.1%.

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 headed "Corporate governance declaration, management"). The accounting methods described in Note 1 to the financial statements are used for internal reporting and thus also for sector reporting as presented hereunder.

All revenues come from external clients.

All assets held in France and Spain are properties for commercial use.

At 30/09/2023, five tenants accounted for between more than 5% and 10% of consolidated rental income:

- Casino: 9.7% (vs 9.9% at 30/09/2022);
- Intermarché: 9.7% (vs Mestdagh 9.7% at 30/09/2022);
- Grand Frais: 8.3% (vs 8.7% at 30/09/2022);
- Brico: 6.3% (vs 6.4% at 30/09/2022);
- Carrefour: 5.5% (vs 5.8% at 30/09/2022).

(€000s)	Belgium		France		Spain		Unallocated		Total	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	I	28,638	26,152	20,608	19,781	2,076	1,917	0	0	51,322
III	-26	35	-197	664	0	-15	0	0	-223	684
<b>NET RENTAL RESULT</b>	<b>28,612</b>	<b>26,187</b>	<b>20,410</b>	<b>20,445</b>	<b>2,076</b>	<b>1,902</b>	<b>0</b>	<b>0</b>	<b>51,099</b>	<b>48,533</b>
IV	739	446	211	224	6	11	0	0	956	681
V	4,357	3,530	3,395	3,189	139	195	0	0	7,890	6,914
VII	-4,655	-3,647	-3,408	-3,179	-139	-195	0	0	-8,203	-7,022
VIII	121	-263	58	22	-205	3	0	0	-26	-239
<b>PROPERTY RESULT</b>	<b>29,174</b>	<b>26,251</b>	<b>20,665</b>	<b>20,700</b>	<b>1,877</b>	<b>1,916</b>	<b>0</b>	<b>0</b>	<b>51,716</b>	<b>48,867</b>
IX	-998	-680	-114	-72	-18	0	0	0	-1,131	-752
X	-311	-437	-73	-104	-123	0	0	0	-508	-542
XI	-228	-383	-28	-40	-83	-19	0	0	-339	-442
XII	-1,627	-1,358	-856	-705	-12	-16	0	0	-2,495	-2,080
XIII	-117	-75	-41	-110	-2	-3	0	0	-161	-188
<b>PROPERTY CHARGES</b>	<b>-3,282</b>	<b>-2,934</b>	<b>-1,113</b>	<b>-1,032</b>	<b>-238</b>	<b>-38</b>	<b>0</b>	<b>0</b>	<b>-4,633</b>	<b>-4,004</b>
<b>PROPERTY OPERATING RESULT</b>	<b>25,893</b>	<b>23,317</b>	<b>19,552</b>	<b>19,669</b>	<b>1,639</b>	<b>1,877</b>	<b>0</b>	<b>0</b>	<b>47,083</b>	<b>44,863</b>
XIV	-3,268	-3,087	-1,260	-1,229	-129	-165	0	0	-4,657	-4,481
XV	1	0	0	-1	0	0	0	0	1	-1

(€000s)	Belgium		France		Spain		Unallocated		Total	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>22,626</b>	<b>20,231</b>	<b>18,292</b>	<b>18,438</b>	<b>1,510</b>	<b>1,712</b>	<b>0</b>	<b>0</b>	<b>42,427</b>
XVI	0	-159	0	0	0	0	0	0	0	-159
XVIII	8,012	8,651	-8,407	13,099	-350	2,050	0	0	-745	23,800
XIX	0	0	0	0	0	0	0	0	0	0
<b>OPERATING RESULT</b>	<b>30,638</b>	<b>28,723</b>	<b>9,885</b>	<b>31,537</b>	<b>1,160</b>	<b>3,762</b>	<b>0</b>	<b>0</b>	<b>41,682</b>	<b>64,022</b>
XX	0	134	0	0	0	0	765	0	765	134
XXI	0	0	0	0	0	0	-6,157	-5,710	-6,157	-5,710
XXII	0	0	0	0	0	0	-685	-554	-685	-554
XXIII	0	0	0	0	0	0	-1,543	38,135	-1,543	38,135
<b>FINANCIAL RESULT</b>	<b>0</b>	<b>134</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7,620</b>	<b>31,870</b>	<b>-7,620</b>	<b>32,004</b>
<b>RESULT BEFORE TAX</b>	<b>30,638</b>	<b>28,857</b>	<b>9,885</b>	<b>31,537</b>	<b>1,160</b>	<b>3,762</b>	<b>-7,620</b>	<b>31,870</b>	<b>34,063</b>	<b>96,027</b>
XXV	-4	-3	-253	-4,965	0	-405	0	0	-257	-5,373
XXVI	0	0	0	0	0	0	0	0	0	0
<b>TAXES</b>	<b>-4</b>	<b>-3</b>	<b>-253</b>	<b>-4,965</b>	<b>0</b>	<b>-405</b>	<b>0</b>	<b>0</b>	<b>-257</b>	<b>-5,373</b>
<b>NET RESULT</b>	<b>30,634</b>	<b>28,854</b>	<b>9,631</b>	<b>26,572</b>	<b>1,160</b>	<b>3,357</b>	<b>-7,620</b>	<b>31,870</b>	<b>33,806</b>	<b>90,653</b>

(€000s)	Belgium		France		Spain		Unallocated		Total	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	Intangible assets	236	24	0	0	0	0	0	0	236
Investment properties	404,493	394,147	305,863	313,936	30,500	30,850	0	0	740,856	738,933
Other tangible assets	49	35	0	0	0	0	0	0	49	35
Other non-current assets	30,353	31,109	9	9	309	396	0	0	30,670	35,514
Current assets	6,619	5,738	7,802	5,666	236	1,403	0	0	14,657	12,807
<b>TOTAL ASSETS</b>	<b>441,750</b>	<b>431,052</b>	<b>313,674</b>	<b>319,611</b>	<b>31,045</b>	<b>32,649</b>	<b>0</b>	<b>0</b>	<b>786,469</b>	<b>783,312</b>



## NOTE 5 • INTANGIBLE ASSETS

(€000s)	30/09/2023	30/09/2022
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>24</b>	<b>0</b>
Acquisitions	212	24
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>236</b>	<b>24</b>

Intangible assets consist exclusively of costs related to the acquisition and implementation of the new Adfinity rental and accounting management system. These costs are currently accumulated at cost in this asset item and will be amortised on a straight-line basis over the estimated useful life of the system from the time it is actually put into production.

## NOTE 6 • INVESTMENT PROPERTIES

(€000s)	30/09/2023	30/09/2022
Properties available for rental	740,856	738,612
Development projects	0	320
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>740,856</b>	<b>738,933</b>

### A. INVESTMENT PROPERTIES AVAILABLE FOR RENT

(€000s)	30/09/2023	30/09/2022
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>738,612</b>	<b>713,601</b>
Investments	1,702	1,092
Transfer from the development projects account	723	0
Change in fair value	-181	23,919
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>740,856</b>	<b>738,612</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 €1.7 million of works, mainly corresponding to:

- the completion of extension work (€0.6 million) on its Intermarché supermarket in Ottignies (Belgium), the first investments on this project having been recognised under development projects;
- the renovation of the roofs of 3 retail premises (€0.5 million) in its "Orchidée Plaza" retail park in Hannut (Belgium), as part of a programme to redevelop and re-let the site that has been in progress for several years;
- the renovation of the roof (€0.3 million) of its Casino supermarket in Aix-en-Provence (France).

No new acquisitions or disposals were made within the portfolio of properties available for rental during the past financial year.

### Transfer from development projects:

Because the extension work on the Ottignies site (Belgium) was delivered and the new lease with Intermarché commenced during the financial year, the value that had been recorded under development projects was reclassified under properties available for rental.

### Change in value:

Overall, the value of properties available for rental remained stable during the year (-€0.2 million / -0.02%), compared to an increase of +€23.8 million (+3.3%) recorded during the previous financial year. By country, the value rose in Belgium (+€8.6 million / +2.1%) due to the sharp increase in rents observed there, while it fell for the French (-€8.4 million / -2.7%) and Spanish (-€0.4 million / -1.1%) portfolios due to the more pronounced upward correction in yields applied by independent real estate experts. In a context of interest rate increases of unprecedented speed and magnitude, this stability illustrates the resilient and defensive nature of Ascencio's real estate portfolio.

### Properties held under leases:

The Company did not have any properties held under leases as at 30/09/2023.

### B. DEVELOPMENT PROJECTS

(€000s)	30/09/2023	30/09/2022
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>320</b>	<b>0</b>
Investments	402	439
Transfer to investment properties	-723	0
Change in fair value	0	-119
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>0</b>	<b>320</b>

Development projects include work in progress by way of investment in various properties. Projects under development are not included in the calculation of the EPRA occupancy rate.

During the 2022/2023 financial year, Ascencio completed the extension programme for the Ottignies supermarket (Belgium), with a total budget of €1.8 million. After starting the project in the previous financial year, the Company made investments this year amounting to €1.1 million, of which €0.4 million was made when this project was still recognised under development projects. The balance (€0.7 million) came after the project was reclassified under properties available for rental.

## VALUATION AT FAIR VALUE

The investment properties and development projects are measured at fair value at 30/09/2023 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 with 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: observable prices quoted on active markets
- Level 2: observable inputs other than the quoted prices included in Level 1
- Level 3: unobservable inputs

During the 2022/2023 financial year there were no transfers among levels 1, 2 and 3.

## VALUATION METHODS USED

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

Under the term and reversion method, the capitalisation of revenues first takes account of current revenue until the end of the current 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 to of the asset 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 MEASUREMENTS BASED ON "UNOBSERVABLE INPUTS"

The main quantitative information relating to the establishment of the fair value of investment properties, based on unobservable inputs (level 3) presented below have been extracted from the reports drawn up by the independent property experts:

COUNTRY	FAIR VALUE 30/09/2023 (€000s)	EVALUATION METHOD	UNOBSERVABLE DATA	MIN	MAX	WEIGHTED AVERAGE
Belgium	400,067	Capitalisation	Estimated rental value	€38/m <sup>2</sup>	€205/m <sup>2</sup>	€102/m <sup>2</sup>
			Capitalisation rate	5.1%	9.5%	6.5%
France	305,863	Capitalisation	Estimated rental value	€93/m <sup>2</sup>	€257/m <sup>2</sup>	€150/m <sup>2</sup>
			Capitalisation rate	5.3%	7.1%	6.0%
Spain	30,500	Capitalisation	Estimated rental value	€85/m <sup>2</sup>	€209/m <sup>2</sup>	€173/m <sup>2</sup>
			Capitalisation rate	6.1%	8.0%	6.5%
<b>TOTAL</b>	<b>736,430</b>					

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>					

The estimated rental value (ERV) of a property depends on several factors, mainly its location (major cities, secondary provincial cities), the quality of the property, the nature of the surfaces (sales, storage, etc.) and the size of the surfaces rented. These factors explain the gap between the lowest and highest 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 €38,442,000 in the fair value of the portfolio.
- A decrease of 5% in the estimated rental values (ERVs) of the properties would result in a decrease of €38,442,000 in the fair value of the portfolio.
- An increase of 0.5% in the capitalisation rate would result in a decrease of €57,126,000 in the fair value of the portfolio.
- A decrease of 0.5% in the capitalisation rate would result in an increase of €67,096,000 in the fair value of the portfolio.

In addition, there may be interrelationships between unobservable inputs as they are partly determined by market conditions. This correlation was not taken into account however in the aforementioned sensitivity test, which refers to changes that are independent of the rise and fall of these two parameters.

## VALUATION PROCESS

The property valuation process is carried out quarterly in the following manner:

- At the end of each quarter, the Company sends detailed information on the rental situation of the portfolio to the experts (areas let, leases in progress, break dates and expiries of contracts, investments to be made, etc). This data is extracted from the property management systems. Rental contracts for new acquisitions and addenda to existing ones are also sent to the experts.
- The experts then incorporate this information into their valuation model. Based on their market experience, they maintain or modify the valuation parameters used in their model, mainly in terms of estimated rental value (ERV), capitalisation rate and assumptions on rental vacancies.
- The experts then inform the Company of the individual valuations of the property portfolio as produced by their model.
- The valuations are reviewed by the finance and property departments to ensure that the Company has a good understanding of the assumptions used by the experts.
- The summary tables of the individual property valuations are sent to the accounting department for them to pass the necessary entries for the quarterly re-evaluation of the portfolio.
- The portfolio values thus recognised are submitted to the audit committee 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.

The ownership structure of assets held by Ascencio is primarily full ownership. However, the Company also holds certain assets in the form of dismembered rights, whether they are bare properties encumbered by granted long leases or long leases acquired without holding residual rights. Real estate experts take into account the property structures specific to each asset in their valuations. At 30/09/2023, 96% of the assets held by the Company are unencumbered by security and therefore do not, to the Company's knowledge, present any restrictions on transfer.

The table below shows the expected future revenues in accordance with IFRS 16.97 at 30/09/2023:

(€000s)	30/09/2023	30/09/2024	30/09/2025	30/09/2026	30/09/2027	30/09/2028	Following exercises
30/09/2022	45,696	34,937	20,547	13,176	11,502	36,161	
30/09/2023		47,933	32,473	21,330	13,004	7,603	29,789

## NOTE 7 • OTHER TANGIBLE ASSETS

(€000s)	Others		Total	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>35</b>	<b>46</b>	<b>35</b>	<b>46</b>
Entries	38	24	38	24
Depreciation	-24	-35	-24	-35
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>49</b>	<b>35</b>	<b>49</b>	<b>35</b>

Other tangible assets mainly comprises property refurbishments, furniture and IT equipment held by the Company. The initial investments related to the start-up of the project to refurbish the offices occupied by Ascencio at its head office in Gosselies were included. These investments, the majority of which will be made during the 2023/2024 financial year, will be measured at the amortised cost.



## NOTE 8 • CURRENT AND NON-CURRENT FINANCIAL ASSETS

(€000s)	30/09/2023	30/09/2022
Assets at fair value through the income statement	30,282	31,043
Other	388	471
<b>NON-CURRENT FINANCIAL ASSETS</b>	<b>30,670</b>	<b>31,514</b>
Assets at fair value through the income statement	867	885
<b>CURRENT FINANCIAL ASSETS</b>	<b>867</b>	<b>885</b>

"Assets at fair value through the income statement" reflects the fair value measurement of derivative financial instruments, in accordance with IFRS 9 "Financial Instruments", which have a positive value. If they do not have a positive value, their value is shown in the equivalent heading of liabilities (see Note 17). At 30/09/2023, all IRS type financial instruments held by the Company had a positive market value, for a total amount of €31,149,000, of which €30,282,000 are included in non-current financial assets due to their maturities of more than one year and €867,000 are included in current financial assets due to their maturities occurring during the 2023/2024 financial year.

## NOTE 9 • ASSETS HELD FOR SALE

(€000s)	30/09/2023	30/09/2022
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>0</b>	<b>1,360</b>
Disposals	0	-1,360
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>0</b>	<b>0</b>

No disposals took place and no property met the criteria for recognition under "Assets held for sale" during the past financial year.

## NOTE 10 • CATEGORIES AND DESIGNATION OF FINANCIAL INSTRUMENTS

(€000s)	30/09/2023		30/09/2022		Category	Level
	Carrying amount	Fair value	Carrying amount	Fair value		
<b>NON-CURRENT ASSETS</b>	<b>30,670</b>	<b>30,670</b>	<b>31,514</b>	<b>31,514</b>		
Deposits in guarantee received	388	388	471	471	A	2
Derivative instruments (IRS)	30,282	30,282	31,043	31,043	C	2
<b>CURRENT ASSETS</b>	<b>14,352</b>	<b>14,352</b>	<b>12,490</b>	<b>12,490</b>		
Derivative instruments (IRS)	867	867	885	885	C	2
Trade receivables	5,556	5,556	4,956	4,956	A	2
Receivables and other current assets	2,505	2,505	2,294	2,294	A	2
Cash and cash equivalents	5,423	5,423	4,356	4,356	A	2
<b>TOTAL</b>	<b>45,022</b>	<b>45,022</b>	<b>44,004</b>	<b>44,004</b>		

(€000s)	30/09/2023		30/09/2022		Category	Level
	Carrying amount	Fair value	Carrying amount	Fair value		
<b>NON-CURRENT LIABILITIES</b>	<b>265,476</b>	<b>259,741</b>	<b>271,153</b>	<b>265,058</b>		
Bank borrowings	222,791	219,879	209,355	205,940	A	2
Other non-current financial debts	35,500	32,676	55,500	52,820	A	2
Non-current financial debts IFRS 16	4,379	4,379	3,822	3,822	A	2
Guarantees received	2,806	2,806	2,476	2,476	A	2
<b>CURRENT LIABILITIES</b>	<b>67,033</b>	<b>67,033</b>	<b>66,084</b>	<b>66,084</b>		
Bank borrowings	3,079	3,079	27,243	27,243	A	2
Current financial debts IFRS 16	0	0	45	45	A	2
Others current financial debts	54,750	54,750	30,750	30,750	A	2
Trade debts	6,690	6,690	5,401	5,401	A	2
Other current debts	2,513	2,513	2,644	2,644	A	2
<b>TOTAL</b>	<b>332,509</b>	<b>326,774</b>	<b>337,237</b>	<b>331,142</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 to 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 in accordance with the following methods:

- For short-term financial instruments such as trade receivables and payables, the fair value is considered not to be significantly different from the carrying amount as a function of the amortised cost;
- For floating rate borrowings, the fair value is considered not to be significantly different from the carrying amount as a function of the amortised cost;
- For fixed rate 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.

The fair values of fixed-rate financial liabilities were estimated by discounting the flows of interest payments and principal repayments on these debts until their final maturities using discount factors calculated on the basis of the IRS rates for maturities corresponding to their respective maturities plus the average margin on the latest financing transactions entered into by the Company.

The fair value of financial liabilities under IFRS 16 was determined by discounting the indexed long-term lease payments over their firm periods using the effective interest rates of these liabilities calculated at the time of their initial recognition.

## NOTE 11 • CURRENT TRADE RECEIVABLES

(€000s)	More than 90 d	From 30 to 90 d	From 0 to 30 d	Total
Non-doubtful receivables	428	222	3,380	<b>4,029</b>
Doubtful debtors	857	0	0	<b>857</b>
Write-downs on doubtful debtors	-599	0	0	<b>-599</b>
<b>OUTSTANDING RECEIVABLES BALANCE AT 30 SEPTEMBER 2023</b>	<b>686</b>	<b>222</b>	<b>3,380</b>	<b>4,287</b>
Invoices to be issued				1,269
<b>TRADE RECEIVABLES BALANCE AT 30 SEPTEMBER 2023</b>				<b>5,556</b>

Non-doubtful receivables	360	154	3,031	<b>3,545</b>
Doubtful debtors	634	0	0	<b>634</b>
Write-downs on doubtful debtors	-422	0	0	<b>-422</b>
<b>OUTSTANDING RECEIVABLES BALANCE AT 30 SEPTEMBER 2022</b>	<b>572</b>	<b>154</b>	<b>3,031</b>	<b>3,757</b>
Invoices to be issued				1,199
<b>TRADE RECEIVABLES BALANCE AT 30 SEPTEMBER 2022</b>				<b>4,956</b>

The carrying amount of trade receivables should be recovered within 12 months. This carrying amount constitutes an approximation to the fair value of the assets, which do not bear interest. At 30/09/2023, non-doubtful debts of more than 90 days amounted to €428,000, up from €360,000 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 doubtful debts. As a result, the exposure to credit risk is reflected by the carrying amount of the receivables in the balance sheet.

At 30/09/2023, doubtful debts amounted to €857,000 (compared to €634,000 at 30/09/2022). These receivables are regularly monitored in an attempt to optimise their recovery.

Doubtful debts have been written down by €599,000 (€422,000 at 30/09/2022). This amount represents the estimated risk of default at 30/09/2023 based on the analysis of trade receivables at that date. The amount of doubtful debts not subject to impairment (€258,000) 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 breakdown of tenants (based on the rents received) is shown in the section headed "Property report" of the annual report.

Write-downs have evolved as follows:

(€000s)	30/09/2023	30/09/2022
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>422</b>	<b>921</b>
Additions	299	83
Reversals	-114	-579
VAT to be reclaimed on doubtful receivables	-7	-3
<b>BALANCE AT THE END OF THE FINANCIAL YEAR</b>	<b>599</b>	<b>422</b>

## NOTE 12 • TAX RECEIVABLES AND OTHER CURRENT ASSETS

(€000s)	30/09/2023	30/09/2022
Taxes	564	523
Other	1,942	1,771
<b>TOTAL</b>	<b>2,505</b>	<b>2,294</b>

The "Taxes" heading consists mainly of amounts of VAT to be recovered within the Company's French entities. Note that the tax claim concerning the Spanish authorities relating to the transition to SOCIMI status (€149,000) was indeed recovered during the past financial year.

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 13 • DEFERRED CHARGES AND ACCRUED INCOME

(€000s)	30/09/2023	30/09/2022
Prepaid interest and other financial charges	55	66
Other	250	251
<b>TOTAL</b>	<b>305</b>	<b>317</b>

## NOTE 14 • SHARE CAPITAL AND SHARE PREMIUM

(€000s)	30/09/2023	30/09/2022
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 30/09/2023 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 30/09/2023 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 2023</b>	<b>6,595,985</b>

Ascencio declares that there are no different voting rights attached to the shares of the Company.



## NOTE 15 • CURRENT AND NON-CURRENT FINANCIAL DEBTS

(€000s)	30/09/2023	30/09/2022
<b>Non-current financial debts</b>	<b>262,670</b>	<b>268,677</b>
a. Credit institutions	222,791	209,355
c. Other - MTN and Bonds	35,500	55,500
d. Other - Financial debts IFRS 16	4,379	3,822
<b>Current financial debts</b>	<b>57,829</b>	<b>58,038</b>
a. Credit institutions	3,079	27,243
c. Other - Commercial paper	54,750	30,750
d. Other - Financial debts IFRS 16	0	45
<b>TOTAL</b>	<b>320,499</b>	<b>326,716</b>

At 30/09/2023, financial debts amounted to €320,499,000. They are divided into the different types of financing listed below (from which are deducted the financing upfront fees of €251,000):

- credit lines that can be used in the form of fixed-term advances: €224 million
- investment credits: €2,121,000
- commercial paper: €34,750,000
- medium-term notes: €30,500,000
- institutional bonds: €25,000,000
- of financial debts under IFRS 16: €4,379,000

### Credits lines available for use as fixed term advances

At 30/09/2023, Ascencio has €343 million (steady compared with 30/09/2022) 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 2031.

At 30/09/2023, the undrawn balance of these facilities amounts to €119 million (vs €109 million at 30/09/2022).

### Investment credits

At 30/09/2023, Ascencio had €2.1 million in investment credits from French banks, with maturities ranging from 2023 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 30/09/2023, this programme was used for short-term issues of €34.8 million (commercial paper) and €30.5 million for longer term issues (medium-term notes). In order to cover the risk of non-renewal of short-term commercial paper issued, 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 at less than one year. Ascencio also has a bond debt in the form of a private placement for a total amount of €25 million. This financing, carried out during the 2021/2022 financial year and benefiting from fixed rates and an initial average term of 4 years (the residual term at 30/09/2023 being 2.5 years), enables Ascencio to reduce the weighting of bank debts within its financing structure.

### Fixed rate borrowings – Variable rate borrowings

At 30/09/2023, financial debts excluding IFRS 16 consist of:

- €223,798,000 of floating rate debt, before taking account of Interest Rate Swaps (vs €192,395,000 at 30/09/2022)
- €92,573,000 of fixed-rate debt (vs €115,720,000 at 30/09/2022).

The carrying amount of floating rate debt is an approximation of its fair value. Based on Ascencio's financing conditions and market rates at 30/09/2023, the fair value of the fixed rate financial debts is estimated at €86,838,000 (vs €109,625,000 at 30/09/2022). This estimate is given for information purposes.

The carrying amount of fixed-rate debts corresponds to their amortised cost.

### Average cost of financial debts

In the 2022/2023 financial year, the average cost of debt<sup>3</sup> (including margins, non-utilisation commissions, upfront opening fees and the impact of hedging instruments) was 2.02% (vs 1.80% in 2021/2022).

Liquidity and counterparty risk and funding cost risk are described in note 3 – Financial risk management.

Based on their use at 30/09/2023, the principal maturities of the concerned financial liabilities are as follows:

(€000s)	Date	Total	Falling due within 1 year	Falling due from 1 to 5 years	Falling due over 5 years
Fixed term advances	30/09/2022	233,734	28,734	175,000	30,000
	30/09/2023	223,749	2,417	199,331	22,000
Leases debt	30/09/2022	0	0	0	0
	30/09/2023	0	0	0	0
Investment credits	30/09/2022	2,865	743	1,718	403
	30/09/2023	2,121	579	1,542	0
Commercial paper	30/09/2022	30,750	30,750	0	0
	30/09/2023	34,750	34,750	0	0
Corporate bonds	30/09/2022	25,000	0	25,000	0
	30/09/2023	25,000	0	25,000	0
Medium Term Note	30/09/2022	30,500	0	20,000	10,500
	30/09/2023	30,500	20,000	10,500	0
Financial debts IFRS 16	30/09/2022	3,867	45	180	3,642
	30/09/2023	4,379	46	186	4,147
<b>TOTAL</b>	<b>30/09/2022</b>	<b>326,716</b>	<b>60,272</b>	<b>221,898</b>	<b>44,546</b>
		<b>320,499</b>	<b>57,793</b>	<b>236,559</b>	<b>26,147</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 30/09/2023.

(€000s)	Falling due within 1 year	Falling due from 1 to 5 years	Falling due over 5 years	Total
At 30/09/2022	67,065	225,079	63,730	<b>355,874</b>
<b>At 30/09/2023</b>	<b>71,278</b>	<b>257,583</b>	<b>34,710</b>	<b>363,571</b>

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

### NOTE 16 • DERIVATIVE FINANCIAL INSTRUMENTS

At 30/09/2023, 70.7% 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.

During the 2022/2023 financial year, the Company carried out the following hedging transactions:

- the acquisition of 4 interest rate swaps (IRS) with a total notional amount of €40 million, half of which relates to the hedging period from 30/06/2023 to 31/12/2029 and the other half to the period from 31/12/2026 to 31/12/2028;
- the liquidation of 4 IRS in its existing portfolio, with a total notional amount of €45 million and relating to hedging periods between March 2025 and June 2030, and the reinvestment of the liquidation balance in the acquisition of 3 new IRS active over the same periods and with variable notional amounts.

At 30/09/2023 and taking these transactions into account, interest rate risk hedging consisted of:

- 31 IRS (interest rate swap) contracts on a total notional amount of €438 million of which €208 million was effective at 30/09/2023 and €230 million will be effective at a later date.

Based on the financial indebtedness at 30/09/2023 and the interest rate hedging instruments active at that date, the hedging ratio<sup>4+5</sup> is 95.0% and the hedging objective defined in its policy was achieved; more than 75% of the forecast debt is hedged beyond 30/09/2028.

<sup>4</sup> Alternative Performance Measure (APM). See glossary at the end of this financial report.

<sup>5</sup> This is not the indicator referred to in article 8 of the B-REITs law.

Type	Notional amount (€000s)	Start date	End date	Interest rate	Floating reference rate	Fair value (€000s)			
						30/09/2023		30/09/2022	
						Current	Non-current	Current	Non-current
IRS	15,000	31/12/2019	31/12/2022	0.34%	3-months Euribor	0	0	32	0
IRS	10,000	30/06/2020	30/06/2023	0.35%	3-months Euribor	0	0	133	0
IRS	10,000	30/06/2021	31/12/2022	0.83%	3-months Euribor	0	0	9	0
IRS	10,000	30/06/2021	31/12/2022	0.63%	3-months Euribor	0	0	14	0
IRS	10,000	30/09/2021	30/09/2023	0.65%	3-months Euribor	0	0	169	0
IRS	15,000	31/12/2021	30/06/2023	0.72%	3-months Euribor	0	0	157	0
IRS	15,000	31/12/2021	31/03/2023	0.67%	3-months Euribor	0	0	81	0
IRS	10,000	30/06/2022	30/06/2023	0.80%	3-months Euribor	0	0	99	0
IRS	20,000	30/06/2022	31/12/2022	0.62%	3-months Euribor	0	0	29	0
IRS	10,000	30/09/2022	30/09/2023	0.73%	3-months Euribor	0	0	161	0
IRS *	10,000	31/03/2025	30/09/2029	-0.12%	3-months Euribor	0	0	0	1,258
IRS *	10,000	30/06/2025	31/12/2029	-0.06%	3-months Euribor	0	0	0	1,254
IRS *	10,000	31/03/2025	31/03/2030	-0.08%	3-months Euribor	0	0	0	1,398
IRS *	15,000	30/06/2025	30/06/2030	-0.11%	3-months Euribor	0	0	0	2,068
<b>TOTAL</b>	<b>IRS due during the current financial year</b>					<b>0</b>	<b>0</b>	<b>885</b>	<b>5,977</b>
IRS	10,000	30/09/2019	31/12/2023	0.39%	3-months Euribor	90	0	0	261
IRS	10,000	30/09/2019	31/12/2023	0.40%	3-months Euribor	89	0	0	257
IRS	23,000	30/04/2020	28/02/2027	0.12%	3-months Euribor	0	2,422	0	2,646
IRS	10,000	31/12/2022	31/12/2023	0.49%	3-months Euribor	87	0	0	230
IRS	10,000	31/12/2022	31/12/2024	0.61%	3-months Euribor	0	402	0	453
IRS	10,000	31/12/2022	31/12/2023	0.53%	3-months Euribor	86	0	0	228
IRS	20,000	31/03/2023	31/03/2025	0.62%	3-months Euribor	0	927	0	920
IRS	20,000	30/06/2023	30/06/2024	0.50%	3-months Euribor	515	0	0	493
IRS	15,000	30/06/2023	30/06/2025	0.46%	3-months Euribor	0	829	0	737
IRS	10,000	30/09/2022	30/09/2027	0.57%	3-months Euribor	0	1,031	0	1,096
IRS	10,000	30/06/2023	30/06/2025	0.38%	3-months Euribor	0	565	0	499
IRS	20,000	31/12/2022	31/12/2025	-0.04%	3-months Euribor	0	1,565	0	1,694
IRS	10,000	30/06/2023	31/12/2029	2.97%	3-months Euribor	0	144	0	0
IRS	10,000	30/06/2023	31/12/2029	2.96%	3-months Euribor	0	147	0	0
IRS	20,000	30/09/2023	30/09/2029	0.35%	3-months Euribor	0	3,152	0	2,891

\* These instruments were liquidated early on 28/09/2023.

Type	Notional amount (€000s)	Start date	End date	Interest rate	Floating reference rate	Fair value (€000s)			
						30/09/2023		30/09/2022	
						Current	Non-current	Current	Non-current
IRS	20,000	31/12/2023	31/12/2027	0.69%	3-months Euribor	0	1,903	0	1,682
IRS	10,000	31/12/2023	31/12/2028	0.31%	3-months Euribor	0	1,329	0	1,234
IRS	10,000	30/06/2024	30/06/2029	0.22%	3-months Euribor	0	1,308	0	1,263
IRS	10,000	30/06/2024	30/06/2029	0.22%	3-months Euribor	0	1,304	0	1,247
IRS	15,000	28/03/2024	31/03/2028	0.40%	3-months Euribor	0	1,552	0	1,454
IRS	15,000	30/06/2025	30/09/2029	0.68%	3-months Euribor	0	1,325	0	1,359
IRS	10,000	31/12/2024	31/12/2027	0.57%	3-months Euribor	0	896	0	903
IRS	10,000	31/12/2023	30/06/2025	0.47%	3-months Euribor	0	460	0	356
IRS	30,000	31/12/2025	30/06/2028	1.12%	3-months Euribor	0	1,245	0	1,292
IRS	20,000	31/03/2025	30/06/2027	0.58%	3-months Euribor	0	1,005	0	994
IRS	25,000	31/03/2027	31/03/2029	1.08%	3-months Euribor	0	848	0	877
IRS	10,000	31/12/2026	31/12/2028	2.77%	3-months Euribor	0	38	0	0
IRS	10,000	31/12/2026	31/12/2028	2.76%	3-months Euribor	0	43	0	0
IRS	10,000	31/03/2025	30/09/2029	0.86%	3-months Euribor	0	1,239	0	0
IRS	10,000	31/03/2025	31/03/2030	0.39%	3-months Euribor	0	2,570	0	0
IRS	15,000	30/06/2025	30/06/2030	0.56%	3-months Euribor	0	2,034	0	0
<b>TOTAL</b>	<b>438,000</b>	<b>IRS current and forward</b>				<b>867</b>	<b>30,282</b>	<b>0</b>	<b>25,066</b>
<b>TOTAL</b>	<b>438,000</b>	<b>TOTAL IRS</b>				<b>867</b>	<b>30,282</b>	<b>885</b>	<b>31,043</b>

\* These instruments were liquidated early on 28/09/2023.

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 measured 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 speculative purposes 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 30/09/2023, the financial result includes an income of €1.5 million (compared to income of €38.1 million at 30/09/2022), 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 remained relatively stable during the past financial year, going from a positive total value of €31.9 million (recorded under other current and non-current financial assets depending on their maturity – see note 17) at 30/09/2022 to a positive value of €31.1 million at 30/09/2023 recognised under the same items depending on whether or not their maturities occur during the next financial year (2023/2024). This income item does not affect the Company's cash flow.

At the final expiry date of each financial instrument, its value will be zero and the changes in value recognised from one financial year to another will have been entirely reversed out 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 table below shows the maturity analysis of derivative financial instruments at 30/09/2023:

(€000s)	Falling due within 1 year	Falling due from 1 to 5 years	Falling due over 5 years	Total
At 30/09/2022	125,000	198,000	210,000	533,000
<b>At 30/09/2023</b>	<b>60,000</b>	<b>213,000</b>	<b>165,000</b>	<b>438,000</b>

The undiscounted net cash flows from hedging instruments at the balance sheet date are as follows:

- Falling due within on year: €7,170,000
- Falling due between one and five years: €29,345,000
- Falling due more than five years: €4,269,000

## NOTE 17 • OTHER NON-CURRENT FINANCIAL LIABILITIES

(€000s)	30/09/2023	30/09/2022
Guarantees received	2,806	2,476
<b>TOTAL</b>	<b>2,806</b>	<b>2,476</b>

The balance of guarantees received increased mainly due to the creation of new rental guarantees in Spain, particularly in the context of the reletting of vacant space in the Valencia building.

## NOTE 18 • DEFERRED TAX LIABILITIES

(€000s)	30/09/2023	30/09/2022
Deferred tax liabilities	6,085	6,170
<b>TOTAL</b>	<b>6,085</b>	<b>6,170</b>

This item comprises deferred taxes relating to:

- the deferred taxation of unrealised capital gains on the French assets, calculated as withholding tax at the rate of 5% on the difference between the market value and the book value of this portfolio; and
- 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 01/10/2021. Note that the amount of this Spanish deferred tax has been fixed and is therefore not reassessed periodically.

The balance of this item decreased during the past financial year due to the re-estimation of the deferred tax liability on Ascencio's French assets following changes in the market value of these assets and the amortisation of their book values in local accounting.

## NOTE 19 • TRADE PAYABLES AND OTHER CURRENT DEBTS

(€000s)	30/09/2023	30/09/2022
Suppliers	6,035	4,816
Tenants	656	585
Taxes, salaries and social charges	2,513	2,644
<b>TOTAL</b>	<b>9,203</b>	<b>8,045</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.

Payables to tenants mainly include amounts payable on trade receivables.

Heading "Taxes, salaries and social charges" 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 20 • ACCRUED CHARGES AND DEFERRED INCOME

(€000s)	30/09/2023	30/09/2022
Property income received in advance	212	78
Accrued interest and other charges not yet dues	2,901	2,816
<b>TOTAL</b>	<b>3,113</b>	<b>2,894</b>

The heading "Accrued interest and other charges not yet dues" relates mainly to the remuneration of Ascencio Management SA, the legal entity director of Ascencio SA, the remuneration of the directors of the Ascencio Management SA, and pro rata interest on financial debts.

## NOTE 21 • RENTAL INCOME

(€000s)	30/09/2023	30/09/2022
Rents	52,080	47,956
Cost of rent-free periods	-1,018	-434
Indemnity for early termination of rental contracts	260	327
<b>TOTAL</b>	<b>51,322</b>	<b>47,849</b>

Rent-free periods increased compared to the previous financial year, mainly due to new rent-free periods granted in the French (€0.2 million) and Spanish (€0.2 million) portfolios. The early lease termination payment relates to the rental payment received from a tenant for leaving the Madrid property in Spain in the financial year 2022/2023. This amount was fully recognised as income in Ascencio Iberia's income statement on the date it was received.

## NOTE 22 • RENTAL RELATED CHARGES

(€000s)	30/09/2023	30/09/2022
Rents payable on rented premises	34	30
Write-downs on trade receivables	299	83
Reversals of write-downs on trade receivables	-114	-1,103
Losses or gains on commercial debts	5	305
<b>TOTAL</b>	<b>223</b>	<b>-684</b>

The 2021/2022 financial year had been marked by the reversal of significant amounts of provisions that had been recognised the previous financial year to cover potential waivers of rent or charges granted to tenants during the restriction periods linked to the COVID-19 pandemic but which in the end had not been granted.

During the previous financial year, the amounts of write-downs and write-backs recorded relate to the certain or potential irrecoverability of well-identified tenant receivables, during the quarterly reviews of customer balances carried out by the Company.

## NOTE 23 • RECOVERY OF PROPERTY CHARGES

(€000s)	30/09/2023	30/09/2022
Marketing rebilling	-215	-274
Insurance rebilling	-358	-178
Management fees rebilling	-219	-184
Other rebilling	-165	-46
<b>TOTAL</b>	<b>-956</b>	<b>-681</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 marketing costs incurred by the owner to promote its properties. These recoveries and contributions to marketing costs take place on the basis of the contractual agreements contained in the commercial lease between lessor and tenant.

## NOTE 24 • RECOVERY OF RENTAL CHARGES AND TAXES NORMALLY ASSUMED BY TENANTS ON LET PROPERTIES

(€000s)	30/09/2023	30/09/2022
Rebiling of rental charges on let properties	3,134	2,536
Rebiling of property taxes and other taxes on let properties	4,756	4,378
<b>TOTAL</b>	<b>7,890</b>	<b>6,914</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 as a result of this annual adjustment.

## NOTE 25 • CHARGES AND TAXES NORMALLY ASSUMED BY TENANTS ON LET PROPERTIES

(€000s)	30/09/2023	30/09/2022
Rental charges on let properties	-3,217	-2,367
Property taxes and other taxes on let properties	-4,985	-4,655
<b>TOTAL</b>	<b>-8,203</b>	<b>-7,022</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 26 • TECHNICAL COSTS

(€000s)	30/09/2023	30/09/2022
- Repairs	-666	-534
- Insurance premiums	-211	-185
- Damage expenses	-254	-34
<b>TOTAL</b>	<b>-1,131</b>	<b>-752</b>

Technical costs represent expenses incurred in connection with maintenance or repair work on investment properties. They are charged to the operating result of the buildings if they do not generate economic benefits. "Incidents" increased significantly in the 2022/2023 financial year due to the payment for restoration works (€205,000) following an incident in the Intermarché supermarket in Frameries (Belgium).

## NOTE 27 • COMMERCIAL COSTS

(€000s)	30/09/2023	30/09/2022
Letting fees paid to real estate brokers	-172	-162
Advertising and marketing costs relating to the properties	-219	-271
Fees paid to lawyers and other legal costs	-65	-65
Others	-52	-44
<b>TOTAL</b>	<b>-508</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, costs incurred by the owner in the context of the promotion and management of its sites. These costs are covered in whole or in part by contributions paid by the tenants in accordance with their contractual obligations.

## NOTE 28 • PROPERTY MANAGEMENT COSTS

(€000s)	30/09/2023	30/09/2022
Employee benefits	-2,083	-1,716
Operating and communication costs	-8	-6
Communication costs	-15	-23
Fees paid to external managers	-389	-334
<b>TOTAL</b>	<b>-2,495</b>	<b>-2,080</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. The balance of this item increased due to the strengthening of the management team related to the operational management of the property portfolio.

## NOTE 29 • OTHER PROPERTY CHARGES

(€000s)	30/09/2023	30/09/2022
Fees	-151	-183
Taxes payable by the Company	-10	-4
<b>TOTAL</b>	<b>-161</b>	<b>-188</b>

The other property charges include, in the last two financial years, 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 30 • CORPORATE OVERHEADS

(€000s)	30/09/2023	30/09/2022
Employee benefits	-1,218	-1,037
Remuneration of the statutory manager	-1,726	-1,784
Operating costs	-489	-482
Listed company fees	-469	-446
Corporate communication costs	-280	-203
Fees	-474	-530
<b>TOTAL</b>	<b>-4,657</b>	<b>-4,481</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. The increase observed over this financial year is mainly due to the high legal indexation of the management team's remuneration in January 2023.

The remuneration of Ascencio Management SA 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, including the remuneration of the managing director. External communication expenses also increased compared to the previous financial year, mainly due to non-recurring publication expenses during organisation of the various extraordinary general meetings that took place in the 2022/2023 financial year to change the Company's legal form and articles of association.

## NOTE 31 • OTHER OPERATING INCOME AND CHARGES

(€000s)	30/09/2023	30/09/2022
Other operating income	1	0
Other operating charges	0	-1
<b>TOTAL</b>	<b>1</b>	<b>-1</b>

## NOTE 32 • NET GAINS AND LOSSES ON DISPOSALS OF INVESTMENT PROPERTIES

(€000s)	30/09/2023	30/09/2022
Losses on disposals of investment properties	0	-159
<b>TOTAL</b>	<b>0</b>	<b>-159</b>

(€000s)	30/09/2023	30/09/2022
Net sales of properties (selling price - transaction costs)	0	1,309
Carrying amount of properties sold	0	-1,467
<b>TOTAL</b>	<b>0</b>	<b>-159</b>

No property disposals took place during the past financial year, whereas the previous financial year had recognised the income from the disposal of the Sint-Niklaas building (Belgium).

## NOTE 33 • CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

(€000s)	30/09/2023	30/09/2022
Positive changes in the fair value of investment properties	18,106	28,302
Negative changes in the fair value of investment properties	-18,287	-4,502
Changes in the value of lease debts (IFRS 16)	-564	0
<b>TOTAL</b>	<b>-745</b>	<b>23,800</b>

As indicated in note 6 above, this heading records:

- changes in value recognised for investment property, development projects recognised at fair value and rights of use recognised at fair value in accordance with IFRS 16 inclusive (-€0.2 million);
- changes in value for liabilities resulting from recognition under IFRS 16 of commitments made by the Company under emphyteutic contracts guaranteeing the use of real estate assets for a limited period (-€0.6 million).

## NOTE 34 • FINANCIAL INCOME

(€000s)	30/09/2023	30/09/2022
Net capital gain realised on financial assets	765	134
<b>TOTAL</b>	<b>765</b>	<b>134</b>

Over the last two financial years, the Company recorded a net gain on the liquidation of several hedging instruments at market values higher than the carrying amounts of these instruments in the Company's balance sheet at the time of their liquidation.

## NOTE 35 • NET INTEREST CHARGES

(€000s)	30/09/2023	30/09/2022
(-) Nominal interest on borrowings	-9,747	-3,641
(-) Charges arising from authorised hedging instruments	0	-1,909
(+) Income arising from authorised hedging instruments	3,756	0
(-) Other interest expense	-166	-160
<b>TOTAL</b>	<b>-6,157</b>	<b>-5,710</b>

Net interest charges increased by approximately 8% compared to the previous financial year. This trend resulted from the significant increase in interest on borrowings (+168%), linked to the sharp increase in interest rates, largely offset by income generated by hedging instruments put in place by the Company (due to the now-positive differential between market interest rates and the rates set by these instruments). During the previous financial year, this differential was still negative, resulting in payments of expenses on hedging instruments which were active during the period in question. These different effects clearly illustrate the volatility-reducing role played in the Company's financial result by these hedging instruments.

## NOTE 36 • OTHER FINANCIAL CHARGES

(€000s)	30/09/2023	30/09/2022
Commissions on undrawn balances under credit facilities	-526	-413
Financing upfront fees	-91	-76
Bank costs	-41	-45
Others	-27	-20
<b>TOTAL</b>	<b>-685</b>	<b>-554</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 (€119 million at 30/09/2023 compared to €109 million at 30/09/2022).

## NOTE 37 • CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(€000s)	30/09/2023	30/09/2022
Authorised hedging instruments		
Authorised hedging instruments to which IFRS hedge accounting is not applied	-1,543	38,135
<b>TOTAL</b>	<b>-1,543</b>	<b>38,135</b>

As a result of a significant increase in interest rates during the period, the financial hedging instruments experienced a major increase in value during the 2021/2022 financial year, from negative values to highly positive values. During the past financial year and despite the continued rise in interest rates, these instruments experienced relative stability in value, with a negative revaluation of €1.5 million.

## NOTE 38 • CORPORATE TAXES

	30/09/2023	30/09/2022
<b>PARENT COMPANY</b>		
Corporate tax Belgium	-4	-3
Withholding tax France	-338	-346
Deferred taxes	85	-4,896
<b>SUBSIDIARIES</b>		
Corporate tax Spain	0	-129
<b>TOTAL</b>	<b>-257</b>	<b>-5,373</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 SA 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 remained relatively stable compared to the previous financial year; the positive impact of the indexation of rents was generally offset by the negative impact of the increase in interest rates.

This year, "Parent company – Deferred taxes" only includes the revaluation of the deferred tax liability on the unrealised capital gain on the French assets (at the withholding tax rate of 5%), which remains relatively stable compared to the previous financial year. Note that the deferred tax liability on the Spanish assets (at the rate of 25%) for the period before Ascencio Iberia changed to the SOCIMI regime was not revalued during the past financial year.

Taxes payable by subsidiaries include the corporate tax of subsidiaries that do not operate under the same status as the Company. Note that there are no longer any subsidiaries operating under a different regime than that of the Company since Ascencio Iberia changed its status to SOCIMI on 01/10/2021. However, an amount was recorded under this item for Ascencio Iberia in 2021/2022 but concerned a deferral of a tax charge relating to the 2020/2021 financial year during which this subsidiary was still operating on the basis of a traditional tax regime.

### NOTE 39 • EARNINGS PER SHARE

Basic earnings per share is obtained by dividing the net profit for the financial year (numerator) by the weighted average number of shares in circulation during the financial year (denominator).

The diluted EPS is identical, since the Company has no diluting instruments.

	30/09/2023	30/09/2022
Net result for the financial year (€000s)	33,806	90,653
Weighted average number of shares in circulation	6,595,985	6,595,985
<b>Basic and diluted EPS (€)</b>	<b>5.13</b>	<b>13.74</b>

The weighted average number of shares outstanding during the financial years ended 30/09/2022 and 30/09/2023 remained stable at 6,595,985 shares.

### NOTE 40 • INFORMATION ON RELATED PARTIES

Sont mentionnés ci-après les montants des transactions conclues avec les co-promoteurs de la Société, à savoir Carl Mestdagh, Eric Mestdagh et John Mestdagh, ainsi qu'avec les parties liées à ceux-ci.

(€000s)	30/09/2023	30/09/2022
<b>Rental income</b>		
Mestdagh SA	1,197	4,494
Equilis SA	20	18
<b>Purchase of services</b>		
Equilis SA	0	0
Remuneration of Ascencio Management SA, legal entity administrator *	1,095	1,042
Remuneration granted to the board of directors of Ascencio Management SA **	206	230
Remuneration granted to the managing director of Ascencio Management SA ***	465	460
<b>Assets</b>		
Trade receivables Mestdagh SA	0	280
Trade receivables Equilis SA	0	0

\* Until 30/09/2022, the remuneration was granted to Ascencio SA, statutory manager of the company limited by shares of Ascencio SCA.

\*\* Until 30/09/2022, remuneration was granted to the directors of Ascencio SA, statutory manager of the company limited by shares of Ascencio SCA.

\*\*\* Until 30/09/2022, the remuneration was granted to the managing director of Ascencio SA, statutory manager of the company limited by shares of Ascencio SCA.

The remuneration granted to managers is mentioned in note 41 below.

### NOTE 41 • MANAGEMENT REMUNERATION

The remuneration of Ascencio Management SA, the sole legal entity director of Ascencio SA, is set at 4% of the amount of the gross dividend distributed. Based on the proposed gross dividend of €4.15 per share, which will be submitted for approval to the general meeting of shareholders on 31/01/2024, the remuneration of Ascencio Management SA will amount to €1,095,000 for the past financial year (previous year: €1,042,000). This amount will not be paid until after Ascencio SA's ordinary general meeting but has been provisioned in the accounts at 30/09/2023.

In addition, the basic remuneration and attendance fees paid by Ascencio Management SA to its directors for attending meetings of the board, the audit committee, the nomination and remuneration committee and the investment committee amounted to €206,000 for the past year (€230,000 for 2021/2022). These amounts are passed on by Ascencio Management 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 Management SA.

Finally, the remuneration for the past financial year of the members of the executive committee, including the CEO, amounted to €1.4 million.



## NOTE 42 • 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 HARFL EUR 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 43 • FEES OF THE STATUTORY AUDITOR

(€000s)	30/09/2023	30/09/2022
Audit of the financial statements	55	55
Other assignments	5	5
<b>TOTAL</b>	<b>60</b>	<b>60</b>

## NOTE 44 • 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.

However, on 14/11/2023, the Company indicated that it had acquired 100% of the shares in Holdtub SRL, owner of 3 retail units in the "Bellefleur" retail park in Couillet (Belgium). These units, with a surface area of around 3,000 m<sup>2</sup>, were recently redeveloped and have since been leased to the national and international brands Jysk, Jack & Jones and Poltronosofà. Holdtub SRL was acquired on the basis of an asset valuation of €7.0 million, in line with the valuation carried out on the date of the transaction by an independent real estate expert. The consolidation of this company in the Company's accounts, based on the full consolidation method, will take place for the first time on 31/12/2023.

## B • STATUTORY ACCOUNTS

ASSETS (€000s)	30/09/2023	30/09/2022
<b>ASSETS</b>		
<b>I NON-CURRENT ASSETS</b>		
B Intangible assets	231	24
C Investment properties	573,495	573,616
D Other tangible assets	49	35
E Non-current financial assets	37,754	40,359
J Proportionate share in participations incorporated using the equity accounting method	113,133	105,349
<b>TOTAL NON-CURRENT ASSETS</b>	<b>724,662</b>	<b>719,383</b>
<b>II CURRENT ASSETS</b>		
B Current financial assets	867	885
D Trade receivables	4,982	4,327
E Tax receivables and other current assets	41,603	46,441
F Cash and cash equivalents	4,173	1,760
G Deferred charges and accrued income	255	250
<b>TOTAL CURRENT ASSETS</b>	<b>51,881</b>	<b>53,663</b>
<b>TOTAL ASSETS</b>	<b>776,543</b>	<b>773,046</b>

EQUITY AND LIABILITIES (€000s)	30/09/2023	30/09/2022
<b>EQUITY</b>		
A Capital	38,659	38,659
B Share premium account	253,353	253,353
C Reserves	118,780	54,181
<i>b. Reserve for changes in fair value of properties</i>	63,696	39,896
<i>c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties</i>	-9,923	-9,923
<i>e. Reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied</i>	22,803	-4,483
<i>m. Other reserves</i>	42,204	28,691
D Net result for the financial year	33,806	90,653
<b>TOTAL EQUITY</b>	<b>444,598</b>	<b>436,846</b>
<b>LIABILITIES</b>		
<b>I NON-CURRENT LIABILITIES</b>	264,097	269,866
B Non-current financial debts	261,199	266,564
a. Credit institutions	221,320	207,242
c. Other	39,879	59,322
C Other non-current financial liabilities	1,379	1,400
F Deferred tax liabilities	1,518	1,901
<b>II CURRENT LIABILITIES</b>	67,849	66,334
B Current financial debts	57,250	57,295
a. Credit institutions	2,500	26,500
c. Other	54,750	30,795
D Trade debts and other current debts	7,558	6,150
F Accrued charges and deferred income	3,041	2,889
<b>TOTAL LIABILITIES</b>	<b>331,946</b>	<b>336,200</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>776,543</b>	<b>773,046</b>

(€000s)	30/09/2023	30/09/2022
I Rental income	40,423	37,287
III Rental-related charges	-182	456
<b>NET RENTAL RESULT</b>	<b>40,241</b>	<b>37,744</b>
IV Recovery of property charges	848	580
V Recovery of rental charges and taxes normally paid by tenants on let properties	6,436	5,453
VII Rental charges and taxes normally paid by tenants on let properties	-6,748	-5,554
VIII Other revenue and rental-related charges	152	-263
<b>PROPERTY RESULT</b>	<b>40,929</b>	<b>37,959</b>
IX Technical costs	-1,012	-700
X Commercial costs	-349	-515
XI Rental charges and taxes on unlet properties	-228	-383
XII Property management costs	-2,361	-1,947
XIII Other property charges	-156	-180
<b>PROPERTY CHARGES</b>	<b>-4,106</b>	<b>-3,726</b>
<b>PROPERTY OPERATING RESULT</b>	<b>36,823</b>	<b>34,233</b>
XIV Corporate overheads	-4,452	-4,216
XV Other operating income and charges	535	530
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>32,907</b>	<b>30,547</b>
XVI Net gains and losses on disposals of investment properties	0	-159
XVIII Change in the fair value of investment properties	-2,775	14,229
<b>OPERATING RESULT</b>	<b>30,131</b>	<b>44,617</b>
XX Financial income	2,414	998
XXI Net interest charges	-6,044	-5,567
XXII Other financial charges	-668	-536
XXIII Change in fair value of financial assets and liabilities	-1,543	38,135
<b>FINANCIAL RESULT</b>	<b>-5,841</b>	<b>33,029</b>
<b>SHARE IN THE RESULT OF HOLDINGS INCORPORATED USING THE EQUITY METHOD</b>	<b>9,474</b>	<b>13,982</b>
<b>PRE-TAX RESULT</b>	<b>33,764</b>	<b>91,628</b>
XXV Corporate tax	41	-975
<b>TAXES</b>	<b>41</b>	<b>-975</b>
<b>NET RESULT</b>	<b>33,806</b>	<b>90,653</b>
BASIC NET RESULT AND DILUTED (€/SHARE)	5.13	13.74

STATEMENT OF COMPREHENSIVE INCOME (€000s)	30/09/2023	30/09/2022
<b>I NET RESULT</b>	<b>33,806</b>	<b>90,653</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	0	107
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>33,806</b>	<b>90,761</b>
<b>PROPOSED APPROPRIATION (€000s)</b>	<b>30/09/2023</b>	<b>30/09/2022</b>
<b>A NET RESULT</b>	<b>33,806</b>	<b>90,653</b>
<b>B TRANSFERS TO/FROM RESERVES</b>	<b>6,432</b>	<b>64,599</b>
1. Transfer to/from reserves of net change (positive or negative) in fair value of property assets (-/+)	-745	23,800
6. Transfer from reserve for changes in fair value of authorised hedging instruments to which IFRS hedge accounting is not applied (+)	-1,543	38,135
10. Transfers to/from reserves	8,720	2,665
<b>C REMUNERATION OF CAPITAL (ART. 13, §1, SUBSECTION 1)<sup>(*)</sup></b>	<b>24,055</b>	<b>18,954</b>
<b>D REMUNERATION OF CAPITAL - OTHER THAN C</b>	<b>3,319</b>	<b>7,100</b>

(\*) According to the Royal Decree of 13 July 2014, as amended by the Royal Decree of 23 April 2018, 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)	30/09/2023 (€000s)	30/09/2022 (€000s)
<b>STATUTORY NET RESULT</b>	<b>33,806</b>	<b>90,653</b>
(+) Depreciation	23	35
(+) Reductions in value	-169	114
(+/-) Other non-monetary items (change in value of financial participations)	-1,732	-8,607
(+/-) Other non-monetary items (change in value of financial instruments)	1,543	-38,135
(+/-) Other non-monetary items (change in value of deferred tax debts)	-383	3,932
(+/-) Net gains/(losses) on disposals of property assets	0	159
(+/-) Net gains/(losses) on disposals of financial assets and liabilities	-765	0
(+/-) Change in fair value of property assets	2,775	-14,229
<b>= CORRECTED RESULT (A)</b>	<b>35,098</b>	<b>33,923</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>28,078</b>	<b>27,138</b>
(-) REDUCTION IN BORROWINGS	-4,023	-8,184
<b>OBLIGATION TO DISTRIBUTE</b>	<b>24,055</b>	<b>18,954</b>
<b>AMOUNT DISTRIBUTED</b>	<b>27,373</b>	<b>26,054</b>
<b>PAY-OUT RATIO <sup>(**)</sup></b>	<b>78.0%</b>	<b>76.8%</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 30/09/2021</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 recognised 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>436,846</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 30/09/2022</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>436,846</b>
Distribution of dividends							-26,054	-26,054
Appropriation to reserves			23,800		34,180	6,619	-64,599	0
Capital increase								0
Net result							33,806	33,806
Other elements recognised in the global result								0
Reclassification of reserves					-6,894	6,894		0
Adjustment to reserves			-3,175			3,175		0
<b>BALANCE AT 30/09/2023</b>	<b>38,659</b>	<b>253,353</b>	<b>63,696</b>	<b>-9,923</b>	<b>22,803</b>	<b>42,204</b>	<b>33,806</b>	<b>444,598</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.



# C • STATUTORY AUDITOR'S REPORT

## STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING FOR THE YEAR ENDED 30 SEPTEMBER 2023 - CONSOLIDATED FINANCIAL STATEMENTS

In the context of the statutory audit of the consolidated financial statements of Ascencio SA ("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 2023, 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 2025. We have performed the statutory audit of the consolidated financial statements of Ascencio SA for 17 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 2023, 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 786 469 (000) EUR and the consolidated statement of comprehensive income shows a profit for the year then ended of 33 806 (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 2023 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 741 million as at 30 September 2023 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 6, 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 SA as of 30 September 2023 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 Bedrijfsrevisoren/  
Réviseurs d'Entreprises BV/SRL**  
Represented by Benjamin Henrion

### 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" is a financial indicator, historical or forward-looking, of the performance, financial situation or cash flows other than a financial indicator defined or described by the applicable accounting standards.

In its financial reporting Ascencio has for many years used APMs (Alternative Performance Measures) within the meaning of the guidelines recently laid down by the European Securities and Markets Authority, ESMA. These APMs have been defined by Ascencio with a view to offering the reader a better understanding of its results and performances. Performance indicators defined by IFRS 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.

		30/09/2023	30/09/2022
Net interest charges (heading XXI excluding IFRS 16) (€000s)		5,991	5,550
Commissions on undrawn balances under credit facilities		521	416
Opening commission and charges for credit facilities		83	68
<b>TOTAL COST OF FINANCIAL DEBTS</b>	<b>= A</b>	<b>6,595</b>	<b>6,033</b>
<b>WEIGHTED AVERAGE DEBT FOR THE PERIOD</b>	<b>= B</b>	<b>326,318</b>	<b>334,551</b>
<b>AVERAGE COST OF DEBT</b>	<b>= A / B</b>	<b>2.02%</b>	<b>1.80%</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 of the financial year.

### USE

A significant portion of the Company's financial debts is at variable rates. This APM measures the risk associated with interest rate fluctuations and its potential effect on the results.

### RECONCILIATION

Details of the calculation of this APM are provided hereunder

(€000s)		30/09/2023	30/09/2022
Fixed-rate financial debts		92,573	130,720
Financial debts converted into fixed-rate debts by means of IRS		208,000	178,000
Financial debts converted into capped-rate debts by means of caps		0	0
<b>TOTAL FIXED RATE OR CAPPED FINANCIAL DEBTS</b>	<b>= A</b>	<b>300,573</b>	<b>308,720</b>
<b>TOTAL VARIABLE RATE FINANCIAL DEBTS</b>		<b>15,798</b>	<b>14,395</b>
<b>TOTAL FINANCIAL DEBTS</b>	<b>= B</b>	<b>316,371</b>	<b>323,115</b>
<b>HEDGING RATIO</b>	<b>= A / B</b>	<b>95.0%</b>	<b>95.5%</b>

## • OPERATING MARGIN

### DEFINITION

This is the operating result before result on portfolio divided by rental income.

The components of this APM relate to the last period ended on the closing date of the financial year.

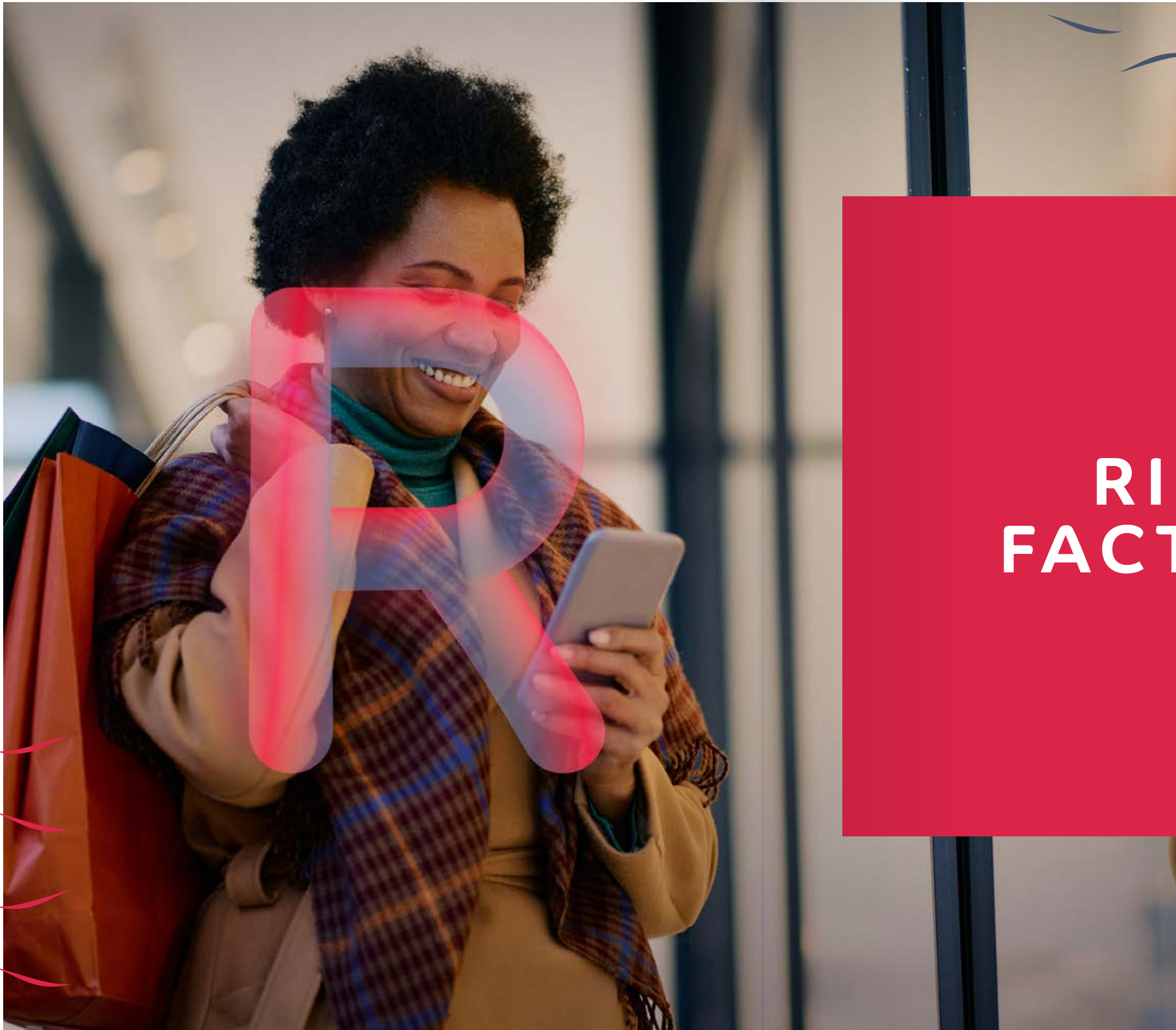
### USE

This APM measures the Company's operating profitability as a percentage of rental income.

### RECONCILIATION

Details of the calculation of this APM are provided hereunder

		30/09/2023	30/09/2022
Operating result before result on portfolio (€000s)	= A	42,427	40,381
Rental income (€000s)	= B	51,322	47,849
<b>OPERATING MARGIN</b>	<b>= A / B</b>	<b>82.7%</b>	<b>84.4%</b>



# RISK FACTORS



IN VIEW OF THE ENTRY INTO FORCE OF THE PROSPECTUS REGULATION OF 21/07/2019, 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 the information available at the time of writing this report. There may be other risks that are unknown, improbable, non-specific or the materialisation of which is unlikely to have a significant adverse effect on the Company, its activities and its financial situation.

## RISKS LINKED TO ASCENCIO'S SECTOR OF ACTIVITY

### • SHORT-TERM ECONOMIC SITUATION

Ascencio's activities are evolving in a macro-economic context marked, in recent years, by the COVID-19 pandemic, the war between Russia and Ukraine, followed by inflation reaching record levels, leading to an increase in key interest rates and putting additional pressure on tenants.

The competitive quality offering in the commercial real estate market continues to grow while consumer habits are becoming omnichannel, meaning a shopping experience that combines physical and online commerce, complementing each other.

At the same time, the criteria for commercial location choices by tenants are evolving, increasingly considering the sustainability and energy efficiency of a commercial space.

#### DESCRIPTION OF THE RISK

##### RENTAL MARKET FOR COMMERCIAL REAL ESTATE

The current high inflation in Europe, together with weaker demand for commercial real estate, a glut in supply, and customers' deteriorating financial situation, could have a significant impact on the real estate market.

Inflation could make indexed rents unsustainable for some tenants, contributing to a decrease in demand for commercial real estate.

#### POTENTIAL IMPACT

- 1. Decreased rental demand and higher rental vacancies.
- 2. Fall in rentals: pressure on rentals when negotiating new leases or (re)-negotiation downwards of rentals before expiry of contracts.
- 3. Freeze on rent indexation.
- 4. Tenants' insolvency and/or bankruptcy.
- 5. Decrease in the fair value of the properties and consequently in the net asset value (NAV) per share.



**DESCRIPTION OF THE RISK**

**COMMERCIAL REAL ESTATE INVESTMENT MARKET**

It is important to note that the commercial real estate investment market is likely to experience a decrease in demand from real estate investors. This could turn out to be accurate given the impact of inflation on the potential profitability of commercial properties. When inflation rises, real returns on real estate investments may fall, potentially discouraging some investors.

Consequently, a decrease in investment demand could lead to downward pressure on real estate market prices, as assessed by independent experts for properties similar to those held by Ascencio.

**POTENTIAL IMPACT**

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

• **REAL ESTATE PORTFOLIO**

**DESCRIPTION OF THE RISK**

**RISK OF SECTOR OR GEOGRAPHICAL CONCENTRATION**

The assessment of concentration risk takes into account buildings, locations and groups of tenants or operators.

**RISK OF NEGATIVE CHANGE IN FAIR VALUE OF REAL ESTATE ASSETS**

The market value of real estate used as investments, as recorded in the balance sheet in the form of fair value, is subject to fluctuations and depends on various factors, some of which are beyond the control of Ascencio.

These factors include lower demand and occupancy rates, changes in interest rates in financial markets, and increases in stamp duty.

**POTENTIAL IMPACT**

- 1. Decreased rental demand and higher rental vacancies.
- 2. Fall in rentals: pressure on rentals when negotiating new leases or (re)-negotiation downwards of rentals before expiry of contracts.
- 1. Negative impact on net profit, NAV and leverage.
- 2. Impact on dividend 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 Belgian Companies and Associations Code.

**DESCRIPTION OF THE RISK**

**RISK OF NEGATIVE CHANGE IN FAIR VALUE OF REAL ESTATE ASSETS**

Other factors, such as the technical condition of the assets, their commercial positioning, the investment budgets necessary for their proper functioning and their marketing, also influence their valuation.

A significant and negative change in the fair value of real estate assets from one period to the next would have an adverse impact on financial results, reducing net assets and increasing the level of debt.

In addition, the current high inflation in Europe, leading to higher interest rates, may cause fluctuations in the fair value of goods.

**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.

**POTENTIAL IMPACT**

- 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 Belgian Companies and Associations Code.
- 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, possibly resulting in rental vacancy.
- 3. Fall in fair value of the properties.
- 4. Decrease in the price and potential attractiveness of the properties in case of sale.





• CLIENTS

DESCRIPTION OF THE RISK

**RISK OF TENANTS' INSOLVENCY**

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).

**RISK OF RENTAL VACANCY**

Unforeseen circumstances such as bankruptcies, relocations, pandemics, etc.

Non-renewal on expiry.

High risk resulting from the imperative right to terminate commercial leases at each three-year maturity.

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.

1. Decrease in rental income.
2. Fall in the fair value of the portfolio.
3. Increase in direct costs associated with rental vacancy (charges and taxes on unlet properties) and marketing expenses.

# RISKS LINKED TO ASCENCIO'S FINANCIAL SITUATION

DESCRIPTION OF THE RISK

**LIQUIDITY RISK**

Ascencio's investment strategy is largely based on its ability to obtain funds, whether through borrowing or by raising equity.

However, this capacity is influenced by external factors over which Ascencio has no control, such as the situation of international capital markets, the availability of credit granted by banks, the perception of Ascencio's solvency by market participants, as well as general opinion on the commercial real estate sector.

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.

**INTEREST RATE RISK**

Interest rates, whether short-term or long-term, can fluctuate significantly in financial markets, especially when inflation rises.

POTENTIAL IMPACT

1. Non-renewal or termination of existing credit lines resulting in additional restructuring costs and possibly higher costs for new facilities.
2. Acquisitions not being financeable at all, or only at higher costs, leading to a fall in profitability relative to estimates.
3. Need to sell assets on sub-optimal terms.

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 *Société Immobilière Réglementée* (regulated real estate company or "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 Companies and Associations Code and the specific regulations on town planning, commercial location and the environment in Belgium, France and Spain.

## DESCRIPTION OF THE RISK

### RISK ASSOCIATED WITH NON-COMPLIANCE WITH THE LEGAL REGIME

Ascencio has the status of *Société Immobilière Réglementée* ("SIR") (regulated real estate company or "B-REIT") in Belgium, *Société d'Investissement Immobilier Cotée* (SIIC) (listed real estate investment company) in France and *Sociedad Cotizada de Inversión en el Mercado Inmobiliario* (SOCIMI) (listed real estate investment company) in Spain.

There is a risk that the activities of Ascencio or its subsidiaries may not comply with the regulatory requirements associated with the respective status. In addition, regulations may be subject to changes by legislative authorities.

### 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.

## POTENTIAL IMPACT

1. Loss of authorisation and consequent loss of the tax transparency regime in the event of non-compliance with the B-REIT/SIIC/SOCIMI legal regime.
2. Non-compliance with covenants and obligation to repay loans early.
3. Potentially negative impact on results and/or NAV.

1. Restrictions on possible uses of properties, with potentially negative effects on rental income and vacancies affecting the Company's profitability.
2. Additional costs to be incurred, notably for decontamination.
3. Potentially negative impact on the fair value of the properties and therefore on NAV.



## 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 16/08/2022 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.

### RISK OF CHANGES IN TAX LEGISLATION

Changes to domestic tax provisions or bilateral agreements between countries.

For example, the double taxation agreement between Belgium and France signed on 09/11/2021 has not been ratified by all competent levels of authority. The effect of this agreement, once ratified, will be an increase in the branch tax to 25% (compared to 5% currently) of the taxable income of the French branch of Ascencio.

## POTENTIAL IMPACT

1. Decrease in rental income.
2. Difficulty in contract negotiation and finalisation of contracts.
3. Budgetary and anticipation difficulties.

1. Decrease in rental income.
2. Increase in the tax charge

# RISK ASSOCIATED WITH INTERNAL CONTROL

## DESCRIPTION OF THE RISK

### INTERNAL CONTROL SYSTEM

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").

### INTEGRITY OF COMPUTER SYSTEMS, CYBER CRIME AND CYBER FRAUD

## 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 the financial and management data.

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 durability 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.

### ESG TRANSPARENCY

Corporate social responsibility ("ESG") is a central factor in general public opinion and among private investors and institutional investors.

ESG 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 that are not yet standardised.

### 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 charging stations for electric vehicles.

## 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.

1. Deterioration of the Company's reputation among its various stakeholders.
2. Less access to the capital market (debt and equity).

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 under Belgian Law) or "SIR publique de droit belge" ("public B-REIT").

## • INCORPORATION, LEGAL FORM AND PUBLICATION

The Company was incorporated as a "société en commandite par actions" (corporate partnership limited by shares) on 10/05/2006 by deed drawn up by notary Olivier Vandembroucke, in Lambusart, Fleurus, and executed before notary Louis-Philippe Marcelis, published in extract in the appendices to the *Moniteur belge* (Belgian Official Journal) of 24/05/2006 under number 06087799.

On 17/02/2023, the Company was converted into a public limited company (SA) with a sole statutory director in order to comply with the Companies and Associations Code.

The coordinated articles of association are available on the Ascencio website ([www.ascencio.be](http://www.ascencio.be)).

## • HEAD OFFICE

The registered office is at Avenue Jean Mermoz, 1, Box 4, B-6041 Gosselies, Charleroi, Belgium.

Ascencio's French branch is at Cours Valmy 11/13, Tour Pacific, 92977 Paris La Défense.

## • CORPORATE OBJECT – ARTICLE 3 OF THE ARTICLES OF ASSOCIATION

### 3.1

The sole corporate object of the Company is to carry out the activities permitted by the B-REIT regulations:

(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 real estate assets in the meaning of the B-REIT regulations.

**Property (or real estate) assets are understood to mean:**

i. properties as defined in Articles 3.47 and 3.49 of the new Civil Code (formerly Articles 517 et seq. of the old 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 25% or more of whose capital is held directly or indirectly by the Company;

iii. option rights on real estate assets;

iv. shares of public regulated real estate companies or institutional regulated real estate companies, provided in the latter case that more than 25% of the capital is held directly or indirectly 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 and institutional "SICAFIs" (*sociétés d'investissement à capital fixe en immobilier*, or "fixed capital real estate investment companies");

vii. units in foreign real estate investment funds included in the list referred to in Article 260 of the Law of 19/04/2014 on alternative investment funds and their managers;

viii. units in real estate investment 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 19/04/2014 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 or are not admitted to trading on a regulated market and are or are not 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 shares in companies whose activities are similar; 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. the real estate certificates referred to by the Law of 11/07/2018; and

xi. units in FIIS (Belgian specialised real estate investment funds).

Real estate assets referred to in Article 3.1, (b), paragraph 2, (vi), (vii), (viii), (ix) and (xi) that constitute units in alternative investment funds in the meaning of European regulations cannot be considered as shares or units with voting rights issued by real estate companies, regardless of the amount of the equity interest held directly or indirectly by the Company.

If the B-REIT regulations were to change in the future and to designate other types of assets as real estate assets in the meaning of the B-REIT regulations, the Company will also be able to invest in these additional types of assets.

(c) to conclude in the long term, possibly in collaboration with third parties, directly or through a company in which it holds an equity interest in accordance with the provisions of the B-REIT regulations, with a public contracting authority or to subscribe one or more:

i. DBF (Design, Build, Finance) contracts;

ii. DB(F)M (Design, Build, (Finance) and Maintain) contracts;

iii. DBF(M)O (Design, Build, Finance, (Maintain) and Operate) contracts; and/or

iv. contracts for public works concessions relating to buildings and/or other infrastructure of a real estate nature and to the services relating to these, and on the basis of which:

- the *Société Immobilière Réglementée* (regulated real estate company or "B-REIT") is responsible for making a public service available, and maintaining and/or operating such public service for a public entity and/or citizens as end users, in order to respond to a social need; and

- the *Société Immobilière Réglementée* (regulated real estate company or "B-REIT") may, without necessarily having rights in rem, assume, in whole or in part, risks of financing, availability, demand and/or operation as well as construction risk;

(d) to ensure in the long term, possibly in collaboration with third parties, directly or through a company in which it holds an equity interest in accordance with the provisions of the B-REIT regulations, the development, establishment, management and operation of these activities, with the possibility of subcontracting:

i. storage facilities and installations for the transport, distribution or storage of electricity, gas, fossil or non-fossil fuels, and energy in general, including assets related to such infrastructures;

ii. facilities for the transport, distribution, storage or purification of water, including assets related to such facilities;

iii. facilities for the production, storage and transmission of renewable or non-renewable energy, including assets related to such infrastructure; or

iv. incinerators and waste disposal facilities, including assets related to this infrastructure.

(e) initially to hold less than 25% of the capital of a company in which the activities referred to in Article 3.1(c) above are carried on, provided that said holding is converted by transfer of shares, within a period of two years, or such longer period as may be required by the public entity with which the contract is concluded, and after the end of the constitution phase of the PPP project (in the meaning of the B-REIT regulations), into a holding complying with said B-REIT regulations.

If the B-REIT regulations were to be amended in the future and authorise the Company to carry out new activities, the Company may also carry out these new activities authorised by the B-REIT regulations.

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.

### 3.2

On an ancillary or temporary basis, and within the limits provided by the B-REIT regulations, the Company may make investments in negotiable securities which are not real estate 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 activities referred to in the B-REITs Law, and excluding any transaction of a speculative nature.

### 3.3

The Company may lease (as lessee) or lease out (as lessor) one or more properties under a finance lease. 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).

### 3.4

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 all acts that are conducive or necessary to the fulfilment of its corporate object.

In general, 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.

The nominal value per share is €6.

There are no shares that do not represent capital.

The Company does not hold any of its own shares, either in its own name or through the intermediary of its subsidiaries.

There are no convertible or exchangeable securities or securities with subscription warrants.

There are no rights, privileges or restrictions attaching to any different category of share.

## • AUTHORISED CAPITAL

The sole statutory director is entitled to increase the capital in one or more instalments up to a maximum of:

(a) nineteen million seven hundred and eighty-seven thousand nine hundred and fifty-five euros (€19,787,955.00) i.e. fifty per cent (50%) of the capital on 05/07/2023, if the capital increase to be carried out is a capital increase by contributions in cash,

i. with the possibility for shareholders of the Company to exercise the preferential right, as provided for in Articles 7:188 et seq. of the Companies and Associations Code, or

ii. with the possibility for shareholders of the Company to exercise rights granted in a rights issue, as provided for in Article 26, §1, para. 1 and 2 of the B-REITs Law;

(b) seven million nine hundred and fifteen thousand one hundred and eighty-two euros (€7,915,182.00), i.e. twenty per cent (20%) of the capital on 05/07/2023, if the capital increase to be carried out is a capital increase as part of the distribution of an optional dividend, as provided for in Article 26, §1, last para. of the B-REITs Law; and

(c) three million nine hundred and fifty-seven thousand five hundred and ninety-one euros (€3,957,591.00), i.e. ten per cent (10%) of the capital on 05/07/2023 for:

i. capital increases by contributions in kind,

ii. capital increases by contributions in cash without the possibility for the shareholders of the Company to exercise the preferential right or rights granted in a rights issue, or

iii. any other form of capital increase.

The capital, within the framework of this authorisation, may not under any circumstances be increased by an amount greater than the cumulative amount of the various authorisations referred to above in terms of authorised capital.

This authorisation is granted for a period of five (5) years from the date of publication in the appendices to the *Moniteur belge* (Belgian Official Journal) of the minutes of the extraordinary general meeting on 05/07/2023, or 03/08/2023, that granted this authorisation.

This authorisation may be renewed for a maximum period of five (5) years, by decision of the general meeting adopted in accordance with the rules for amending the Articles of Association, with the prior specific consent of the sole director.

## • GENERAL MEETINGS

The annual general meeting will 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 Companies and Associations Code, require a general meeting 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 Companies and Associations Code, request the addition of items to be dealt with on the agenda of any general meeting, as well as presenting proposed resolutions regarding the items included or to be included in the agenda. The additional items or proposed resolutions to be dealt with must reach the Company no later than the twenty-second (22nd) day preceding the date of the general meeting.

Ordinary or extraordinary general meetings 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 (14th) day preceding the general meeting, at midnight, Belgian time (the "registration date") for the number of shares for which they wish to participate in the general meeting.

- Owners of paperless shares must notify their financial intermediary or approved account holder not later than the fourteenth (14th) day preceding the general meeting, 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.

Only persons who are shareholders on the registration date will be entitled to attend and vote in the general meeting, irrespective of the number of shares held by the shareholder on the day of the general meeting.

### Confirmation of participation is as follows:

- Shareholders intending to attend the general meeting must give notice of such intention not later than the sixth (6th) day before the date of the meeting. In addition to the registration procedure described above, shareholders must inform Ascencio by ordinary letter, fax or e-mail of their intention to attend the meeting not later than the sixth (6th) day prior to the date of the meeting.

In accordance with Article 7:129, 7:146, of the Companies and Associations Code, 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 Companies and Associations Code, 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 (6th) day prior to the date of the meeting.

The general partner(s) will be admitted by right to any general meeting without having to complete any admission formality.

## • ACTIONS NECESSARY TO ALTER THE RIGHTS OF SHAREHOLDERS

Any change to shareholders' rights can be made only by an extraordinary general meeting in accordance with Articles 7:153 and 7:155 of the Companies and Associations Code.

## • CHANGE IN THE SHAREHOLDING OF ASCENCIO MANAGEMENT SA – CHANGE OF CONTROL

The shareholders of Ascencio Management 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 SA's articles of association.

The articles of association of the sole statutory director, Ascencio Management 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 Companies and Associations Code and Article 3.5 of the 2020 Code. Directors are appointed for a maximum of four years by the ordinary general meeting and their appointment may be revoked at will.

The board of directors of the sole statutory director will elect a chairman from among its members, at the proposal of Carl, Eric and John Mestdagh, and will meet when called by the chairman or by two directors with at least 24 hours prior notice.

The board of directors of the sole statutory director 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. For as long as Ascencio Management SA is the sole statutory director of the Company, it will be represented in accordance with its own rules as regards general representation and day-to-day management.



• **ARTICLES OF ASSOCIATION OF ASCENCIO SA**

The articles of association of Ascencio SA were last amended on 05/07/2023. 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 performs a dual control.

On the one hand, in accordance with the Companies and Associations Code, 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. The FSMA may also ask it to confirm the accuracy of information requested by it.

The ordinary general meeting of the Company of 31/01/2023 resolved to renew for a term of three years the mandate of SCRL Deloitte, Réviseurs d'Entreprises, whose registered office is at Luchthaven Nationaal 1J, B-1930 Zaventem, represented for the purposes of the performance of its mandate by Mr Rik Neckebroek, auditor. Following his retirement, Deloitte is currently represented by Benjamin Henrion.

• **PROPERTY EXPERTS**

In accordance with applicable regulations, Ascencio SA 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 to the exercise of the activity of expert.

The experts are appointed for a maximum term of three years, renewable. An expert may not be entrusted with the valuation of a particular property asset for more than three years.

In order to ensure compliance with this rule, the Company has put in place a system of rotation of its experts and of the portion of the portfolio that they value.

At the end of each financial year, the experts value the real estate assets in detail, and this valuation binds the Company for the preparation of the annual accounts. Additionally, at the end of each of the first three quarters of the financial year, the experts update the overall valuation of the real estate assets in the light of their characteristics and of market developments. The experts also value the Company's real estate 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 half-yearly report.

The value of the portfolio is estimated on a quarterly and annual basis.

The remuneration of the property experts, excluding VAT, is set on a flat basis per property valued.

In accordance with Article 24 of the B-REITs Law, Ascencio rotates its experts every three years.

Until 30/09/2024 the Company's property experts are:

	Jones Lang LaSalle SPRL	Roderick Scrivener	Avenue Marnix 23 1000 Brussels
<b>BELGIUM</b>	Cushman & Wakefield SPRL	Ardalan Azari	Avenue des Arts 58 1000 Brussels
	CBRE SA	Pieter Paepen	Boulevard de Waterloo 16 1000 Brussels
	Cushman & Wakefield (ex DTZ)	Valérie Parmentier	Rue de l'Hôtel de Ville 8 92522 Neuilly-Sur-Seine
<b>FRANCE</b>	Jones Lang LaSalle Expertises SAS	Pierre-Jean Poli	Rue de la Boétie 40-42 75008 Paris
	CBRE Valuation	Christian Robinet	Avenue Wagram 131 75017 Paris
<b>SPAIN</b>	Cushman & Wakefield	Tony Laughran	Jose Ortega 4 Gasset 29 - 6ªPlanta 28006 Madrid

• **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-REITs Law).

• **PLACE WHERE DOCUMENTS ACCESSIBLE TO THE PUBLIC CAN BE CONSULTED**

The following documents can be consulted in physical form at the Company's registered office or electronically on 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 the Moniteur belge (Belgian Official Journal): [www.ejustice.just.fgov.be](http://www.ejustice.just.fgov.be).



## B • LEGAL FRAMEWORK

### • STATUS OF SOCIÉTÉ IMMOBILIÈRE RÉGLEMENTÉE PUBLIQUE (PUBLIC REGULATED REAL ESTATE COMPANY OR "B-REIT")

From its establishment in 2006, Ascencio held the status of a "SICAFI" (Société d'Investissement à Capital Fixe en Immobilier or fixed capital real estate investment company).

On 18/12/2014, Ascencio adopted the status of a "SIRP" (Société Immobilière Réglementée Publique or public regulated real estate company ("public B-REIT")).

In this capacity, the Company is subject to the provisions of the Law of 12/05/2014, as amended by the Law of 22/10/2017, and the Royal Decree of 13/07/2014, as amended by the Royal Decree of 23/04/2018 ("the Law").

Ascencio is incorporated in the form of a corporate partnership limited by shares (SCA), whose sole statutory director, is the public limited company Ascencio Management. The powers of the sole statutory director of the public B-REIT will be exercised by the board of directors of Ascencio Management SA or under its responsibility.

As a public B-REIT, the Company benefits from a transparent tax regime. Its results (rental income) are exempt from corporate tax at public B-REIT level but not at the level of its subsidiaries.

**In order to preserve its status, the public B-REIT complies with the constraints imposed by law, the authorised activities consisting notably of:**

- (i) making properties available to users, (ii) within the limits of the legal framework, holding other types of real estate assets (shares in public SICAFs (closed-end-

ed investment companies), units in mutual funds, shares issued by other REITs and title deeds), and (iii) in the context of making properties available, carrying out all activities relating to the construction, rebuilding, renovation, development (for its own portfolio), acquisition, disposal, management and operation of real estate 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.

On 17/02/2023, the Company was converted into a public limited company with a sole statutory director in order to comply with the Companies and Associations Code and the corporate object was changed in accordance with the law on regulated real estate companies.

### • 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 fair value pursuant to IAS 40.

#### VALUATION OF PROPERTIES

The fair value of a given property asset is estimated at the end of each financial year by a property expert. This fair value is updated by the expert at the end of each of the first three quarters of the financial year in line with market developments and the characteristics of the property asset concerned. These valuations are binding on public B-REITs as regards the preparation of the annual accounts (both statutory and consolidated).

The property expert also sometimes has to value specific real estate assets. Such is the case, inter alia, on the occasion of an issue of shares or a merger, split or similar transaction.

Real estate assets held by a public B-REIT are not amortised.

#### PAY-OUT RATIO

**The public B-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 real estate 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 B-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 public B-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 real estate 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 B-REIT is in principle equal to 30%. This withholding tax is in full discharge for private individuals domiciled in Belgium.

Companies seeking approval as B-REITs that merge with a B-REIT or split off part of their real estate assets and transfer it to a B-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 30/12/2002, 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 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 regime 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 regime, 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 corporate tax, of permanent establishments of foreign companies may be subject to additional tax. With regard to Belgium, Article 17 of the Franco-Belgian treaty provides for a withholding tax of 5%. This treaty 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 26/10/2009, which was subsequently amended by Law 16/2012 of 27/12/2012 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 the 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 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 corporate object of the unlisted SOCIMI subsidiary is the acquisition, sale and development of urban real estate for rental. The Spanish SOCIMI subsidiary 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 the 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 the 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 sole statutory director of Ascencio SA, Ascencio Management 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 Management 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 30/09/2023.

### • DECLARATION REGARDING THE DIRECTORS AND EFFECTIVE MANAGERS

**The sole statutory director of Ascencio SA declares, on the basis of the information made available to him, that during the last five years, none of the directors or 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 sole statutory director of Ascencio SA 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 headed "Corporate governance declaration – The sole statutory director and its governing body: the Board of Directors – The directors" in this report;
- that to date no options on the Company's shares have been granted;
- that 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, EXPERTS' 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.

NAME	ASCENCIO SA
STATUS	Société Immobilière Réglementée (regulated real estate company or "B-REIT")
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	10/05/2006
APPROVAL AS A PUBLIC B-REIT	28/10/2014
DURATION	Indefinite
STATUTORY AUDITOR	Deloitte
PROPERTY EXPERTS	JLL - Cushman & Wakefield - CBRE
FINANCIAL SERVICES	BNP Paribas Fortis Banque SA
FINANCIAL YEAR-END	30 September
SHARE CAPITAL	€39,575,910
NUMBER OF SHARES	6,595,985
LISTING	Euronext Brussels
FAIR VALUE OF THE REAL ESTATE PORTFOLIO	€736,430,149
NUMBER OF PROPERTIES	104
TYPE OF PROPERTIES	Out-of-town commercial properties and others

The annual financial report is also available in Dutch and English, but only the French version of the document is official.

The English and Dutch versions are free translations.

# DISCLAIMER<sup>1</sup>

Ascencio's annual report is a combined report in the meaning of Articles 3:6 and 3:32 of the Companies and Associations Code.

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 accounts. The complete statutory accounts 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.





# GLOSSARY

## • CORE ASSETS

Term used to refer to properties in the best locations, where there is a shortage of property, occupied by quality tenants under long-term firm leases and with no significant works expected. Out-of-town, these are certified, restructured assets associated with much longer leases. Acquisitions in this context are made with a long-term view and reflect the quest for secured yield.

## • CORE + ASSETS

Term used to refer to properties in good locations and of good quality but that may be subject to minor works. With this in mind investors accept a slightly less secured yield in return for a potential capital gain.

## • VALUE-ADDED ASSETS

Term used to refer to assets with which it is possible to create or recreate value by means of dynamic management. These generally tend to be properties with rental vacancies or with some technical obsolescence requiring works. Once renovated, these assets, riskier and less onerous than the Core assets, allow an attractive overall return to be obtained, consisting of distribution of revenue and revaluation of assets. In the medium term, the works undertaken will allow these properties to enter the Core + or even Core category.

## • FOOTFALL

Pedestrian footfall

## • GLA (GROSS LEASING AREA)

As its name suggests, it is the sum of 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 stores, 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 stores.

## • 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 CENTER

A structured property complex bringing together at least 20 retail 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 center 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**

Chief Financial Officer  
cédric.biquet@ascencio.be

- **STÉPHANIE VANDEN BROECKE**

Secretary General & General Counsel  
stephanie.vandenbroecke@ascencio.be

Av. Jean Mermoz 1  
Bâtiment H boîte 4  
B-6041 Gosselies  
**Tel:** 0032 71 91 95 00  
**Fax:** 0032 71 34 48 96  
**Email:** info@ascencio.be  
**www.ascencio.be**



