
STATEMENT OF THE STATUTORY MANAGER
CONSOLIDATED RESULTS FOR FINANCIAL YEAR 2017-2018

DIVIDEND UP BY 3 %.

GROWTH OF THE NAV EPRA 56.34 € (UP BY 2.5 %).

ASCENCIO DELIVERED SOLID OPERATING RESULTS THANKS TO A PERFORMING MANAGEMENT OF ITS PROPERTY PORTFOLIO AND AN EFFICIENT MANAGEMENT OF ITS FINANCIAL RESOURCES.

SOLID OPERATING RESULTS

- Rental income: €40.95 million, up by 0.4 %
- EPRA earnings¹: €26.73 million, up by 1.8 %
- Average cost of debt¹ down: to 2.69 %, from 2.94 % in the previous financial year

EARNINGS PER SHARE

- EPRA earnings¹: €4.05 (€4.04 in the previous financial year)
- Net result: €5.16 per share (€6.34 in the previous financial year)

PROPERTY PORTFOLIO

- Fair value at 30/09/2018: €619.0 million (€613.3 million at 30/09/2017)
- Value of the portfolio up slightly (0.6 %) on a like-for-like basis
- Occupancy rate at 30/09/2018: 97.3 % (compared with 97.0 % at 30/09/2017)

DEBT RATIO OF 40.8 % AT 30/09/2018

- Remaining investment capacity of more than €100 million before debt ratio reaches 50 % (before appropriation of profit).

DIVIDEND FOR THE 2017/2018 FINANCIAL YEAR

- It is proposed to distribute a gross dividend of €3.40 per share, up by 3.0 %, representing a non-consolidated pay-out ratio of 84.2 %

¹ Alternative Performance Measure (APM). See pages 9 to 11 of this press release.

Presentation

Ascencio SCA is a Public Regulated Real Estate Company (Société Immobilière Réglementée Publique or "SIRP", hereinafter referred to in the English translation as a "public B-REIT" (Belgian real estate investment trust)). It specialises in investment in out-of-town commercial property. Its portfolio currently comprises 103 properties in Belgium, France and Spain with a fair value of €619 million at 30 September 2018.

Some ten sectors of activity are represented, but with a predominance of the food sector with chains such as the Mestdagh group, Carrefour, Grand Frais (France), Delhaize, Aldi and Lidl. Other major tenants include Brico/Brico Plan It, Décathlon, Worten, Krëfel, Hubo, Orchestra and Conforama (France).

Ascencio SCA is listed on Euronext Brussels. Its stock market capitalisation amounted to €336 million at 30 September 2018. The share price at that date was: €51.00.

Consolidated results for financial year 2017/2018

CONSOLIDATED RESULTS (€000S)	30/09/2018	30/09/2017
RENTAL INCOME	40,954	40,782
Rental related charges	50	-330
Taxes and charges not recovered	-120	-155
PROPERTY RESULT	40,884	40,297
Property charges	-2,575	-2,694
Corporate overheads	-4,383	-3,397
Other income and operating costs	-15	10
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	33,912	34,216
<i>Operating margin²</i>	82.8%	83.9%
Financial income	0	3
Net interest charges	-6,370	-7,165
Other financial charges	-410	-370
Taxes	-404	-417
EPRA EARNINGS²	26,728	26,268
Net gains and losses on disposals of investment properties	-15	0
Change in the fair value of investment properties	4,141	8,573
Other result on the portfolio	0	0
Portfolio result	4,126	8,573
Change in fair value of financial assets and liabilities	3,292	6,584
Exit Tax	0	0
Taxes on net gains and losses on disposals of investment properties	0	-40
Deferred tax	-122	-187
NET RESULT	34,024	41,197

² Alternative Performance Measure (APM). See pages 9 to 11 of this press release.

Rental income for the year was up by 0.4 % at €40.95 million compared with €40.78 million for the previous financial year.

The following table shows rental income by country:

RENTAL INCOME (€000S)	30/09/2018		30/09/2017	
Belgium	25,240	62%	25,070	64%
France	13,803	34%	13,911	33%
Spain	1,912	5%	1,801	3%
TOTAL	40,954	100%	40,782	100%

On a like-for-like basis, rental income on the whole portfolio was down by 0.2 %. By country, the change on a like-for-like basis was as follows:

- Belgium: 0.0 %
- France: -1.3 %
- Spain: +6.2 %

The property result amounted to €40.9 million (up by 1.5 % on the year to 30 September 2017).

After deduction of property charges and corporate overheads, the **operating result before result on portfolio** was €33.91 million (€34.22 million for the year to 30 September 2017). **The operating margin³** came to 82,8 %.

The decline in operating result was due to the due diligence and structuring costs of a major investment project studied during the third quarter of the financial year which did not come to fruition. These non-recurring costs amounted to €0.83 million.

Net interest charges, including the cash flows generated by interest rate hedging instruments, amounted to €6.37 million (11.1 % down on the previous financial year).

The **average cost of debt³** (2.69 % including margins and the cost of hedging instruments) was down compared with the year ended 30 September 2017 (2.94 %).

After deducting taxes on result from properties held in France and Spain and the subsidiary Rix Retail S.A. (owner of the Papeteries de Genval shopping centre), **EPRA Earnings³** amounted to €26.73 million for the financial year ended 30 September 2018, compared with €26.27 million for the year to 30 September 2017.

Non-monetary items in the income statement comprised:

- +€4.1 million representing the change in fair value of investment properties (IAS 40) as a result of the higher appraisal values of the properties;
- +€3.3 million increase in the fair value of interest rate hedging instruments (IAS 39);
- -€0.1 million of deferred taxes relating to the deferred taxation (5 % withheld at source) of unrealised capital gains on French assets.

Net result came to €34.02 million, compared with €41.20 million for the year ended 30 September 2017.

³ Alternative Performance Measure (APM). See pages 9 to 11 of this press release.

Consolidated balance sheet at 30 September 2018

CONSOLIDATED BALANCE SHEET (€000S)	30/09/2018	30/09/2017
ASSETS	631,258	625,414
Investment properties	619,029	613,317
Other non-current assets	2,193	2,877
Trade receivables	4,307	4,000
Cash and cash equivalents	4,027	2,919
Other current assets	1,703	2,301
EQUITY AND LIABILITIES	631,258	625,414
Equity	364,026	346,281
Non-current financial debts	132,772	185,455
Other non-current liabilities	10,254	13,656
Current financial debts	114,698	69,183
Other current liabilities	9,508	10,839
DEBT RATIO (*)	40.8%	42.6%

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

Assets

At 30 September 2018, investment property was valued at its fair value (as defined by IAS 40) for an amount of €619.0 million, representing 98.1 % of consolidated assets, of which:

- €380.0 million for properties located in Belgium;
- €205.6 million for properties located in France;
- €33.3 million for properties located in Spain.

Liabilities & Equity

Financial debt amounted to €247.5 million (compared with €254.6 million as at 30 September 2017), of which

- €132.8 million at more than one year;
- €114.7 million at less than one year.

Financial debts at less than one year consisted of:

- an amount of €50.0 million in commercial paper issued under a €50 million program put in place in June 2016 with a view to reducing the company's average cost of financing;
- €64.7 million in credit lines maturing during financial year 2018/2019, of which €25.0 million have already been renewed.

The Company's debt ratio stood at 40.8 % at 30 September 2018 compared to 42.6 % at 30 September 2017.

At 30 September 2018, Ascencio still had investment capacity of some €115 million before reaching the 50 % debt ratio threshold (before appropriation of profit).

Property portfolio as at 30 September 2018

The fair value of the property portfolio stood at €619.0 million at 30 September 2018, compared with €613.3 million at 30 September 2017.

(€000s)	30/09/2018	30/09/2017
BALANCE AT BEGINNING OF THE PERIOD	613,317	572,132
Acquisitions	4,930	32,612
Disposals	-3,359	0
Transfer from assets held for sale	0	0
Change in fair value	4,141	8,573
BALANCE AT THE END OF THE PERIOD	619,029	613,317

Investments during the financial year:

During the financial year, Ascencio made €4.9 million of investments:

- acquisition of the 1,963 m² store operated by Mr. Bricolage in the Bellefleur retail park in Couillet;
- completion of construction work on the Carrefour Market supermarket in Anderlecht as part of the Nautilus project;
- construction of an extension to the Grand Frais store in Chasse-sur-Rhône.

Divestments during the financial year:

On 9 March 2018, Ascencio sold the 9,259 m² mixed (offices and warehouse) property located in Overijse, in the context of its strategy of disposal of non-strategic assets.

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

On a like-for-like basis, the fair value of the property portfolio increased by 0.6 % relative to 30 September 2017.

Geographical distribution of the portfolio:

As at 30 September 2018, the breakdown of the portfolio (not counting development projects) among the three countries in which Ascencio operates was as follows:

COUNTRY	Investment value (€000s)	Fair value (€000s) (%)	Contractual rents (€000s)	Occupancy rate (%)	Gross yield (%)
Belgium	389,634	380,094 61.4%	25,681	96.0%	6.59%
France	218,211	205,635 33.2%	13,942	99.5%	6.39%
Spain	34,421	33,300 5.4%	1,970	100.0%	5.72%
TOTAL	642,266	619,029 100%	41,593	97.3%	6.48%

At 30 September 2018, the occupancy rate of the portfolio stood at 97.3 %, compared with 97.0 % at 30 September 2017.

Over the course of the past financial year, Ascencio re-let practically all the unoccupied floor space in its French property portfolio, bringing the occupancy rate to 99.5 % compared with 96.7 % at 30 September 2017.

Consolidated data per share

	30/09/2018	30/09/2017
NUMBER OF SHARES		
Weighted average number of shares	6,595,985	6,497,594
Total number of shares issued	6,595,985	6,497,594
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CONSOLIDATED RESULT PER SHARE (euros)		
EPRA Earnings per share (euros)	4.05	4.04
Earnings per share (EPS) (euros)	5.16	6.34
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	30/09/2018	30/09/2017
Net asset value (NAV) (€000S)	364,026	346,281
NAV per share (EUR)	55.19	53.29
Restatements:		
Deferred tax (€000S)	3,357	3,235
Fair value of financial instruments (IRS & CAP) (€000S)	4,238	7,530
Net asset value EPRA (€000S)	371,620	357,046
Number of shares	6,595,985	6,497,594
Net asset value EPRA per share (€000S)	56.34	54.95

Statutory auditor's opinion

The statutory auditor has confirmed that the accounting information contained in this press release gives rise to no reservations on its part and agrees with the consolidated financial statements on which he has issued an unqualified opinion.

Appropriation of results for financial year 2017/2018

In view of the results for the financial year 2017/2018, the statutory manager will propose to the AGM of 31 January 2019 that a gross dividend of €3.40 per share be distributed, which is 3.0 % more than for the previous financial year.

Resignation and appointment of a non-executive director linked to reference shareholder AG Insurance

Benoît Godts resigned as non-executive director as from 30 November 2018.

Benoît Godts has been with Ascencio from the very beginning. The Chairman of the Board of Directors thanks him warmly for the qualitative expertise he has brought to Ascencio over more than ten years.

To replace him, the general meeting of shareholders of Ascencio SA approved, on 29 November 2018, the appointment of Amand-Benoît D'Hondt as non-executive director as from 1st December 2018.

Amand-Benoît D'Hondt is backed by an international career and wide experience of legal affairs and real estate. He has been Head of Corporate Finance, Funds, Alternative & Healthcare Investments with AG Real Estate since 2015. Amand-Benoît D'Hondt started his career in 2001 as a lawyer in the Corporate and Real Estate departments of Allen & Overy. From 2013 to 2015 he was COO & General Counsel of DTH Capital, a joint-venture between Eastbridge and AG Real Estate, based in New York.

Amand-Benoît D'Hondt holds a master's degree in law from University of Louvain, an MBA from the Vlerick Business School and an LLM from Columbia University.

Outlook

The quality and diversification of Ascencio's property portfolio (in terms of geography, sectors and tenants) constitute a solid basis for future results. This approach is reinforced by the strategic resolve to maintain the weighting of the relatively resilient and defensive food sector at not less than 25 %.

In the second half of the 2017/2018 financial year, with a view to ensuring reasonable and selective portfolio growth, Ascencio established a new 2021 strategic plan. This plan aims to strengthen Ascencio's ability to stay on top of the challenges currently faced by retailers and to look after quality investments in its three target markets, Belgium, France and Spain, while allowing itself to seize during this period an investment opportunity in a new country.

The execution of this strategic plan and Ascencio's investment capacity of several hundred millions euros (before it reaches the 50 % indebtedness threshold) should sustain growth in revenues and of the dividend.

Financial calendar⁴

Ordinary general meeting	31 January 2019 at 2.30 p.m.
Interim statement as at 31 December 2018	28 February 2019
Semi-annual financial report as at 31 March 2019	14 June 2019
Interim statement as at 30 June 2019	8 August 2019
Annual press release as at 30 September 2019	22 November 2019
Ordinary general meeting	31 January 2020 at 2.30 p.m.

⁴ These dates are subject to change

For more detailed information, this press release must be read in conjunction with the annual report for the year ended 30 September 2018, which will be available on our website www.ascencio.be not later than one month before the ordinary general meeting of shareholders of 31 January 2019.

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Reconciliation of Alternative Performance Measures (APMs)

Following the coming into force of the ESMA (European Securities and Markets Authority) Guidelines on Alternative Performance Measures (APMs) the APMs used in this press release are identified by an asterisk (*).

The definition of the APMs and the use made of them can be found at the end of the 2016/2017 Annual Report, which is available on Ascencio's website (www.ascencio.be).

Operating margin

		30/09/2018	30/09/2017
Operating result before result on portfolio (€000S)	= A	33,912	34,216
Rental income (€000S)	= B	40,954	40,782
OPERATING MARGIN	= A / B	82.8%	83.9%

EPRA Earnings

(€000s)		30/09/2018	30/09/2017
EARNINGS (OWNERS OF THE PARENT) PER IFRS INCOME STATEMENT		34,024	41,197
ADJUSTMENTS TO CALCULATE EPRA EARNINGS		-7,296	-14,930
(i)	Change in value of investment properties, development properties held for investment and other interests	-4,141	-8,573
(ii)	Profits or losses on disposal of investment properties, development properties held for investment and other interests	15	0
(iii)	Profits or losses on disposal of trading properties including impairment charges in respect of trading properties	0	0
(iv)	Tax on profits or losses on disposals	0	40
(v)	Negative Goodwill / Goodwill impairment	0	0
(vi)	Change in fair value of financial instruments and associated close-out costs	-3,292	-6,584
(vii)	Acquisition costs on share deals and non-controlling joint venture interests (IFRS 3)	0	0
(viii)	Deferred tax in respect of EPRA adjustments	122	187
(ix)	Adjustments (i) to (viii) above in respect of joint ventures	0	0
(x)	Non-controlling interests in respect of the above	0	0
EPRA EARNINGS (OWNERS OF THE PARENT)		26,728	26,268
Number of shares		6,595,985	6,497,594
EPRA EARNINGS PER SHARE (EPRA EPS - €/SHARE)		4.05	4.04

EPRA NAV

(€000s)	30/09/2018	30/09/2017
NAV PER THE FINANCIALS STATEMENTS (OWNERS OF THE PARENT)	364,026	346,281
Number of shares	6,595,985	6,497,594
NAV PER THE FINANCIALS STATEMENTS (€/SHARE) (OWNERS OF THE PARENT)	55.19	53.29
Effect of exercise of options, convertibles and other equity interests (diluted basis)	0	0
DILUTED VAN, AFTER THE EXERCISE OF OPTIONS, CONVERTIBLES AND OTHER EQUITY INTERESTS	364,026	346,281
Include :		
(i) Revaluation of investment properties	0	0
(ii) Revaluation of investment properties under construction	0	0
(iii) Revaluation of other non-current investments	0	0
Exclude :		
(iv) Fair value of financial instruments	4,238	7,530
(v.a) Deferred tax	3,357	3,235
(v.b) Goodwill as a result of deferred tax	0	0
Include/exclude :		
Adjustments (i) to (v) in respect of joint venture interests	0	0
EPRA NAV (OWNERS OF THE PARENT)	371,620	357,046
Number of shares	6,595,985	6,497,594
EPRA NAV PER SHARE (€/SHARE) (OWNERS OF THE PARENT)	56.34	54.95

Average cost of debt

		30/09/2018	30/09/2017
Net interest charges (heading XXI) (€000S)		6,370	7,165
Commissions on undrawn balances under credit facilities		331	294
Opening commission and charges for credit facilities		37	34
Change in fair value of caps		62	0
TOTAL COST OF FINANCIAL DEBTS	= A	6,800	7,493
WEIGHTED AVERAGE DEBT FOR THE PERIOD	= B	253,138	254,639
AVERAGE COST OF DEBT	= A / B	2.69%	2.94%

Hedging ratio

(€000s)		30/09/2018	30/09/2017
Fixed-rate financial debts		55,000	56,784
Financial debts converted into fixed-rate debts by means of IRS		112,500	120,000
Financial debts converted into capped-rate debts by means of caps		55,000	40,000
TOTAL FIXED RATE OR CAPPED FINANCIAL DEBTS	= A	222,500	216,784
TOTAL VARIABLE RATE FINANCIAL DEBTS		24,969	37,854
TOTAL FINANCIAL DEBTS	= B	247,469	254,638
HEDGING RATIO	= A / B	89.91%	85.13%