SPACE FOR GROWTH

ANNUAL FINANCIAL PRESS RELEASE FROM THE STATUTORY MANAGER FOR THE PERIOD FROM 01/01/2017 TO 31/12/2017 INCLUDED

REGULATED INFORMATION - EMBARGO UNTIL 22/02/2018 – 5.45 PM

SOLID RESULTS BASED UPON PORTFOLIO GROWTH OF €167 MILLION (+ 30%) IN FINANCIAL YEAR 2017:

- ✓ EPRA RESULT PER SHARE OF € 2.58 COMPARED WITH € 2.47 IN 2016 (INCREASE OF 4.5%)
- ✓ PROPOSED GROSS DIVIDEND OF € 2.17 PER SHARE COMPARED WITH € 2.11 IN 2016 (INCREASE OF 3%)
- ✓ INCREASE OF THE FAIR VALUE OF THE PROPERTY PORTFOLIO BY € 552 MILLION TO € 719 MILLION IN 2017 (GROWTH OF € 167 MILLIION OR 30%)
- ✓ AVERAGE TERM OF LEASES ON FIRST EXPIRY DATE OF 7.5 YEARS
- ✓ DEBT RATIO OF 51.9% – AVERAGE TERM OF FINANCES OF 5.5 YEARS – AVERAGE TERM OF INTEREST RATE HEDGES OF 7.7 YEARS

PROSPECTS FOR 2018:

- ✓ EPRA RESULT PER SHARE GROWS BY 5% / DIVIDEND PER SHARE GROWS BY 3%
- ✓ PROPERTY PORTFOLIO GROWS TO EXCEED € 800 MILLION
- ✓ OCCUPANCY RATE REMAINS ABOVE 95% - TERM OF LEASES AMOUNTS TO MORE THAN 7 YEARS
- ✓ OPERATING MARGIN OF 92% ON AN ANNUAL BASIS

Summary

- The EPRA result[1] amounts to € 26.8 million, an increase of 12% compared with the EPRA result of €24.0 million in 2016. The net rental income increased by 1% from € 40.5 million in 2016 to € 40.8 million in 2017. The net rental income in 2016 included a higher severance compensation from Neovia Logistics (€2.3 million) compared to that received in 2017 from SAS Automotive (€1.3 million). Furthermore, 2 French properties which brought in an annual net rental income of €4 million were sold in December 2016. These 2 impacts are offset (+ € 0.3 million) by rental income received in 2017 from recent acquisitions and developments.

  The EPRA result per share [2] in 2017 amounted to € 2.58, an increase of 4.5% compared with € 2.47 in 2016, including 7% more weighted average number of shares as a result of the increase of capital carried out in September 2017.

  The operating margin amounted to 95.2% compared with 89.6% the previous year. The operating margin is strongly influenced by the one-off compensation received from SAS Automotive and that received from the delivery of the building let to DHL Aviation. Without these one-off compensations, the operating margin amounts to 92%.

- The board of directors of the statutory management company of Montea will propose to the general meeting of shareholders to pay out a gross dividend of €2.17 per share on the basis of EPRA earnings of €2.58 per share, an increase of 3% compared with the previous year on the basis of a further lowering of the pay-out ratio from 87% in 2016 to 84% in 2017.

- The fair value of the property portfolio, including developments and solar panels, rose by 30% from € 552 million at the end of 2016 to €719 million at the end of 2017. The real value of the Belgian property portfolio, including developments and solar panels amounted to €397 million; the French property portfolio € 109 million and the Dutch € 213 million.

  The growth in the fair value in Belgium (€ 118.5 million) is chiefly due to:
  - The acquisition of the site in Willebroek, let to the Metro group, in Q1/2017
  - The delivery of the site in Brucargo, let to SACO in Q2/2017
  - The purchase of the site in Brucargo, let to DHL Aviation in Q2/2017
  - The delivery of the Crossdock centre, let to Mainfreight in Genk, in Q3/2017
  - The acquisition of the land on the Tyraslaan in Vilvoorde, in Q4/2017
  - The purchase of the site in Willebroek, let to Decathlon, in Q4/2017
  - The acquisition of the site in Saintes, let to Noukies, in Q4/2017
  - The start of the build-to-suit project in Bilzen, let to Carglass
  - The acquisition of the solar panels at the site in Aalst, let to Barry Callebaut, in Q4 2017
  - The increase in the fair value of the existing portfolio (incl. CAPEX) of € 5.7 million.

1 Corresponds to the former name “Net Current Earnings.” The description of Net Current Result was changed upon the entry into force of the European Securities and Market Authority (ESMA) guidelines on Alternative Performance Measures to core net earnings, i.e. the EPRA earnings. The use of the term ‘current’ is forbidden for the time being. The name was consequently changed to “core net earnings” and corresponds to the ERPA earnings as stipulated in the ‘Best Practice Recommendations’ of the European Public Real Estate Association (EPRA).

2 The EPRA earnings per share refer to earnings based on the weighted average number of shares, which does not correspond to the former heading “net current earnings per share,” since Montea has always used the number of shares entitled to dividends as a basis.

In the Netherlands, the fair value of the property portfolio (€ 36.9 million) increased as a result of:

- The delivery of the project in Aalsmeer, let to Scotch & Soda in Q1/2017
- The start of the expansion project in Waddinxveen, let to Delta Wines
- The acquisition of the Brakman site, let to NSK in Q2/2017
- The purchase of the site in Etten-Leur and the start of the expansion works, let to BAS Logistics, in Q4/2017
- The acquisition of the land in Schiphol and the start of construction, let to Thomsen Select, in Q4/2017
- The increase in the fair value of the existing portfolio (incl. CAPEX) of € 6.3 million.

The fair value of the existing portfolio in France (€ 11.0 million) increased as a result of:

- The acquisition of the site in Alfortville let to Brardt, in Q1 2017
- The acquisition of the site in Mesnil-Amelot, let to Facilit'Air and SSP, in Q4/2017
- The further development of the buildings situated in Camphin-en-Carembault, let to DSM, Danone and GBS
- The sale of the site in Savigny-le-Temple, let to Le Piston Français, in Q1/2017
- The increase in the fair value of the existing portfolio (incl. CAPEX) of € 2.3 million.

- The occupancy rate[3] amounted to 96.3% compared with 98.1% at the end of December 2016. The average term of the leases until their first termination option amounted to 7.5 years compared with 7.7 years at the end of 2016.
- The debt ratio amounts to 51.9% compared with 51.6% at the end of December 2016.
- In 2018, Montea expects further growth in the three countries in which it is active today. New commitments worth ca. € 45 million have already been signed and will begin to generate income in the course of 2018. In addition, Montea expects that the portfolio will grow to exceed €800 million in 2018 through its partnerships with land owners and developers.
- In 2018, Montea expects an increase in the EPRA earnings of 5% to €2.71 per share. On the basis of this outlook, a 3% increase in the dividend is again expected compared with 2017, which will lead to a gross dividend of €2.24 per share for 2018.

[3] The occupancy rate is compared on the basis of the occupied m² in relation to the total m². The projects under development were left out of consideration in both the numerator and the denominator.

Alternative Performance Measures (APM)

In accordance with the guidelines recently adopted by the European Securities and Markets Authority (ESMA), the Alternative Performance Measures (APM) used henceforth by Montea are indicated with an asterisk (*) the first time they are mentioned in this press release, and then defined in a footnote. The reader is thereby apprised of the definition of an APM. The performance measures stipulated by IFRS rules or by law as well as the measures which are not based on the headings of the balance sheet or the income statement are not considered as APMs.

The detailed calculation of the PERA performance measures and of other APMs that are used by Montea, are indicated in Chapter 1.8 and 1.9 of this press release.

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1. Management report

1.1. Key figures

		BE	FR	NL	31/12/2017 12 months	31/12/2016 RESTATED (0) 12 months
Real estate portfolio						
Real estate portfolio - Buildings (1)						
Number of sites		**28**	**14**	**12**	**54**	**47**
Surface of the real estate portfolio						
Logistics and semi-industrial warehouses	sqm	534.983	120.034	231.710	886.727	715.310
Offices	sqm	46.838	14.284	21.099	82.221	67.668
Total surface	**sqm**	**581.821**	**134.318**	**252.809**	**968.948**	**782.978**
Development potential	sqm	98.746	53.000	16.906	168.652	230.344
Value of the real estate portfolio						
Fair value (2)	K€	358.149	94.342	205.027	657.518	532.063
Investment value (3)	K€	367.103	101.085	219.379	687.567	558.167
Occupancy Rate	**%**	**93,9%**	**100,0%**	**100,0%**	**96,3%**	**98,1%**
Real estate portfolio - Solar panels						
Fair value	K€	12.771	0	0	12.771	9.978
Real estate portfolio - Projects under construction						
Fair value (2)	K€	25.966	14.122	8.351	48.439	10.281
Consolidated results						
Results						
Net rental result	K€				40.793	40.518
Operating result before the porfolio result	K€				38.830	36.304
Operating margin (5)*	%				95,2%	89,6%
Financial result (excl. Variations in fair value of the financial instruments) (6)*	K€				-11.107	-11.780
EPRA result (7)*	**K€**				**26.785**	**24.018**
Weighted average number of shares					**10.392.676**	9.722.190
EPRA result per share (8)*	**€**				**2,58**	**2,47**
Result on the portfolio (9)	K€				3.972	8.801
Variations in fair value of the financial instruments (10)	K€				5.791	-616
Net result (IFRS)	**K€**				**36.548**	**32.204**
Net result per share	**€**				**3,52**	**3,31**
Consolidated balance sheet						
IFRS NAV (excl. minority participations) (11)	**K€**				**332.911**	**251.846**
EPRA NAV (12)*	**K€**				**344.521**	**276.650**
Debts and liabilities for calculation of debt ratio	K€				**388.148**	307.164
Balance sheet total	**K€**				**748.426**	**594.759**
Debt ratio (13)	**%**				**51,9%**	**51,6%**
IFRS NAV per share	**€**				**28,67**	**25,31**
EPRA NAV per share (14)*	**€**				**29,67**	**27,80**
EPRA NNAV per share (15)*	**€**				**29,14**	**25,97**
Share price (16)	**€**				**42,95**	**46,37**
Premium	**%**				**49,8%**	**83,2%**

(0) The gray cells were adapted following the change in the valuation rule introduced in Q2 2017. The shareholders' equity is not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.
(1) Inclusive of real estate intended for sale.
(2) Accounting value according to the IAS/IFRS rules, exclusive of real estate intended for own use.
(3) Value of the portfolio without deduction of the transactions costs.
(4) *The occupancy rate is calculated on the basis of m². When calculating this occupancy rate, neither the numerator nor the denominator was taken into account for the unleased m² intended for redevelopment and the land bank.
(5) *The operating margin is obtained by dividing the operating result before the earnings from the property portfolio by the net rental earnings. See section 1.9.
(6) *Financial result (exclusive of variations in the fair value of the financial instruments): this is the financial result in accordance with the Royal Decree of July 13, 2014 regarding regulated property investments companies excluding the variation in the fair value of the financial instruments, and reflects the actual financing cost of the company. See section 1.9.
(7) *EPRA result: this concerns the underlying earnings from the core activities and indicates the degree to which the current dividend payments are supported by the profit. These earnings are calculated as the net earnings (IFRS) exclusive of the earnings from the portfolio and the variations in the fair value of financial instruments. Cf www.epra.comm and section 1.8.
(8) *EPRA result per share concerns the EPRA earnings on the basis of the weighted average number of shares. Cf. www.epra.com and section 1.8.
The EPRA result per share concern the EPRA result based on the weighted average number of shares, which does not correspond to the previous section 'Net current Result per share' as Montea always used the number of shares entitled to dividend.
(9) *Result on the portfolio: this concerns the negative and/or positive variations in the fair value of the property portfolio, plus any capital gains or losses from the construction of real estate. See section 1.9.
(10) Variations in the fair value of hedging instruments: this concerns the negative and/or positive variations in the fair value of the interest hedging instruments according to IAS 39.
(11) IFRS NAV: Net Asset Value for profit distribution for the current financial year in accordance with the IFRS balance sheet. The IFRS NAV per share is calculated by dividing the equity capital by the number of shares entitled to dividends on the balance sheet date.
(12) *EPRA NAV: The EPRA NAV is the NAV that was adjusted so as to comprise also property and other investments and their fair value, which excludes certain items which are not expected to assume a fixed form in a business model with property investments in the long term. Cf. www.epra.com and section 1.8.
(13) Debt ratio according to the Royal Decree of 13 July 2014 on regulated property companies.
(14) *EPRA NAV per share: The EPRA NAV per share concerns the EPRA NAV on the basis of the number of shares entitled to dividends on the balance sheet date. Cf. www.epra.com and section 1.8.
(15) *EPRA NNNAV: This is the EPRA NAV that was adjusted so as to comprise also the fair value of financial instruments, debts and deferred taxes. The EPRA NNNAV per share concerns the EPRA NNNAV on the basis of the number of shares entitled to dividends on the balance sheet date. Cf. also www.epra.com and section 1.8.
(16) Share price at the end of the period.

1.2. Significant events and transactions during 2017 in Belgium, France and the Netherlands

1.2.1. EPRA result per share[4]* was € 2.58: a rise of 4.5% on a recurrent basis compared with the same period in the previous year

The EPRA result[5] amounts to € 26.8 million, up 12% during financial year 2017, compared with € 24.0 million during the same period in the previous year. The EPRA result per share amounts € 2.58 per share compared with € 2.47 per share last year.

This growth of € 2.8 million is due chiefly to:

- The increase in the operating result before the result on the property portfolio of €2.5 million due to:
    - The increase in the net rental income of € 0.3 million from € 40.5 million at the end of December 2016 to € 40.8 million at the end of December 2017. The net rental income of 2016 contained a higher severance compensation from Neovia Logistics (€ 2.3 million) compared with that received in 2017 from SAS Automotive (€ 1.3 million). Furthermore, 2 French properties, which generated a net annual rental income of €4 million, were sold in 2016. These 2 impacts were offset (+ € 0.3 million) by the new rental income from investments and the delivery of built-to-suit projects in the previous financial year and the new investments and delivery of new projects in 2017;
    - The extra recovery of rental charges (€ 0.2 million) and the increase of “other rent-related income” (€ 2.2 million) have a positive impact of € 2.4 million, chiefly due to the one-off compensation received in April 2017 for the delivery of the building developed in Brucargo to be let to DHL Aviation NV (€ 0.9 million), the repayment for extra works financed by Montea for the same tenant, other income such as compensation for damages and PM compensation received from tenants (€ 0.8 million) and extra income from solar panels (€ 0.5 million);
    - An increase in the property costs and overheads of the company by €0.2 million as a result of an increase in marketing and communication, HR and legal costs.

- The drop in the negative financial results (excluding changes in the fair value of the financial instruments) of € 0.7 million, chiefly due to the settlement of an IRS contract in 2016 for a total amount of €2.1 million, partially offset by:
    - Increasing financial costs (€0.6 million) as a result of an increase in the hedging percentage in 2017 (new hedges were concluded at the end of 2016 for a nominal amount of € 87.5 million)
    - An increase of the average financial debt burden for new investments (€ 0.4 million)
    - A drop in financial income (€ 0.4 million)

- Partially offset (€ 0.4 million) by the increase in the estimated taxes due to the paid exit tax which turned out to be higher than originally foreseen.

4 *EPRA result per share concerns the EPRA profit on the basis of the weighted average number of shares. Cf. www.epra.com.
5 * EPRA result: this concerns the underlying result of the core activities and indicates to what extent the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) excluding the result on the portfolio and the changes in the fair value of financial instruments. See also www.epra.com.

1.2.2. Lease activity during 2017

2017 saw the following lease activity:

➢ **9/01/2017 - Signature of long-term lease agreement with LabCorp - 100% occupancy for the site Mechelen (BE)** [6]

LabCorp BVBA and Montea signed a new lease agreement for the lease of 5,750 m² of storage space and 570 m² of office space. The multi-tenant site is fully leased with this transaction. LabCorp BVBA, (www.labcorp.com) takes unit 2 from February 2017, based on a lease agreement with a fixed term of 9 years. The annual rent for the unit amounts € 257,000.

➢ **08/05/2017 – New tenant for the Site in Ghent, Hulsdonk (BE)** [7]

In October 2016, it was announced that SAS AUTOMOTIVE BELGIUM NV, former supplier of Volvo, was forced to close. It will therefore terminate the lease early, i.e. on 31 January 2017. The rent payable for the remaining term of the lease is covered by a one-off severance pay. Montea has signed a lease with Bleckmann België NV for a fixed rental period of 5 months, until October 2017. The building consists of 11,910 m² of storage space and 1,012 m² of office space, and will be used as storage space for clothing and accessories. The rent amounts to €26,500 per month.

➢ **5/09/2017 – New long-term lease with Danone (D.P.F.F.) for ca. 6,000 m² in Camphin-en-Carembault (FR) – 100% occupancy rate for building of ca. 18,000 m²** [8]

In December 2014, Montea and Panafrance concluded a partnership agreement for the development of a logistics platform on a 103,000 m² plot in Camphin-en-Carembault[9]. Two distribution centres are being developed on the plot of ca. 18,000 m² and ca. 24,000 m² (total floor space: ca. 42,000 m²). Danone (D.P.F.F.) will rent 1 unit of ca. 6,000 m² for a fixed period of 9 years in the ca. 18,000 m² building. For the other two units (ca. 12,000 m²), Montea has already signed a lease with DSM Food Specialties France SAS. This brings the occupancy rate of this building to 100%. The transaction will generate a rental income of €740,440 per year for the entire building as of April 2018.

[6] For more information, see the press release of 9/01/2017 or www.montea.com.
[7] For more information, see the press release of 8/05/2017 or www.montea.com.
[8] For more information, see the press release of 5/09/2017 or www.montea.com.
[9] For more information, see the press release of 03/12/2014 and of 30/05/2017 or www.montea.com.

- **5/09/2017 – New ease agreement with Parker Hannifin Manufacturing Belgium for 9,900 m² in Milmort (BE) [10]**

Montea and Parker Hannifin Manufacturing Belgium have signed a lease for a 9-year term for a 9,900 m² unit at the Milmort site, with a strategic location along the E313 in the direction of Antwerp and the E40 in the direction of Brussels. This agreement generates a rental income of €283,000 per year as of August 2017. The Parker group is a world leader in the production and distribution of components for the mobile, industrial and aerospace sector (www.parker.com).

- **5/09/2017 – Second lease with Nippon Express Belgium for 5,300 m² in Willebroek (BE) [11]**

Montea and Nippon Express Belgium have once again signed a lease for a 9-year term for a 5,300 m² unit on

"De Hulst" in Willebroek. This sustainable logistics estate boasts a unique location between the A12 and the E19 Brussels/Antwerp motorways. Nippon Express Belgium is already a lessee of a 6,000 m² built-to-suit project at Brucargo in Zaventem (www.nipponexpress.com). The new agreement is to generate a rental income of €263,000 per year as of September 2017.

- **13/12/2017 – Studio 100 finds new location fort he 40-45 musical in Puurs - Montea becomes exclusive real estate partner[12]**

Studio 100 is particularly delighted to announce that it has found a new location for the 40-45 musical. It is the Montea site near the A12 and N16 interchange in Puurs. In addition to excellent accessibility, this location provides enough parking and has all the winning assets to host the blockbuster production.

Location

A land close to the A12 and N16 interchange in Puurs. The entire site covers more than 40,000 m² in all. Studio 100 will transform this site completely in the coming months into an accessible, public-friendly and modern theatre, where visitors can enjoy a captivating performance in all comfort. A large temporary structure is being erected to measure for 40-45 on the lawn of the buildings. The artistic concept, including rolling bleachers, is fully retained. The warehouse of the building will be used as foyer and reception area. The office area will be arranged as an artistic and production facility. Sufficient parking will also be provided. Studio 100 has signed a lease which will generate rent totalling €700.000 per year as of March 2018.

10 For more information, see the press release of 5/09/2017 or www.montea.com.
11 For more information, see the press release of 5/09/2017 or www.montea.com.
12 For more information, see the press release of 13/12/2017 or www.montea.com.

- **22/12/2017 - Profit Europe NV becomes new quality tenant at site in Erembodegem (Aalst – BE)** [13]

Montea and Profit Europe NV have signed a lease for a fixed term of 9 years which will generate rental income of €122,380 per year. The lease for unit 7, previously rented to Movianto, comprises 2,860 m² storage space, 56 m² office space and 10 parking places. Profit Europe NV will use the site as storage space for sprinkler installation components (www.profittings.eu).

Montea «Space for Growth» - site Erembodegem - Aalst (BE)

- **Occupancy rate of 96.3% - Average term of leases on first expiry date of 7.5 years**

At 31/12/2017 the occupancy rate amounts to 96.3%.

The vacancy concerns the building in Willebroek, for which a severance payment was received in 2016 from Neovia Logistics, now let for 25% to Nippon Express. Furthermore, a part of the building in Milmort (formerly rented to Vincent Logistics) is vacant. The property that was leased to SAS Automotive, for which a one-off severance payment was received in Q1 2017, is recognized as vacant. However, after year end 30% of this site was let to Facil Europe, which will have a positive impact on the occupancy rate of Q1 2018.

Thanks to the new investments with long-term leases and the new leases mentioned above, Montea achieved its goal in 2017 to obtain an average term of leases on first expiry date of more than 7 years. At the end of 2017, the average duration of contracts at first break date is 7.5 years.

1.2.3. Investment activity during 2017

- **30/03/2017 - Montea acquired ca 14,000 m²of logistics floor space at MG Park De Hulst in Willebroek (BE), let to Metro Cash & Carry Belgium NV (Metro group)** [14]

In December 2013, Montea concluded a partnership agreement with MG Real Estate for the development of the sustainable logistics “MG Park De Hulst” in Willebroek, with 150,000 m² of logistics floor space in all to be developed. Today, Montea is once again adding a premium distribution centre to its portfolio at MG Park De Hulst. The site covers ca. 20,900 m² and comprises 13,100 m² of storage space, 1,000 m² of office space, and 45 parking places. The building is equipped with refrigeration and freezing and deep-freeze units (-27°C), a sprinkler system and 12 loading docks, and will constitute the operational base for the logistical service of various horeca customers of Metro Cash & Carry Belgium.

[13] For more information, see the press release of 22/12/2017 or www.montea.com.

[14] For more information, see the press release of 30/03/2017 or www.montea.com.

This operation represented a total investment value of €8.8 million (in line with the fair value determined by the property expert) and generates a gross initial yield of ca. 7.1%. In 2014 Montea had already developed a customised 3,500 m² distribution centre for Metro in Vorst (BE). Metro signed a lease for that facility with a fixed term of 27 years. A lease has been concluded for the site in Willebroek with a fixed term of 10 years. Metro Cash & Carry Belgium is part of the international Metro group, which is active in 35 countries and one of the largest international retailers (www.metro.be - www.metrogroup.de).

- **10/04/2017 - Acquisiton build-to-suit project of 36,500 m² for DHL – Investment value of € 30.5 million**[15]

On 12/02/2015, MG Real Estate and Montea signed a partnership agreement with the Brussels Airport Company for the development of a new international hub for DHL Aviation NV of no fewer than 31,500 m² of warehouse and 5,000 m² of office floor space. The building was planned directly at the entrance of Brucargo, the logistics hotspot of Brussels Airport for cargo handling. DHL, the world leader in transport and logistics and "the logistics company for the world," rents this extremely strategic building for its worldwide network for a fixed period of 15 years. The new hub replaces the current outdated building and quadruples the existing capacity, from 12,000 to 39,000 shipments per hour, thanks to the advanced automation of the sorting techniques used. Montea has once again concluded a long term superficies agreement with the Brussels Airport Company. This transaction represented a total investment value of € 30.5 million and generates a gross initial yield of ca. 7.3%.

- **10/04/2017 - Delivery of build-to-suit project of approx. 5,000 m² for SACO Groupair – Investment value of € 3.6 million**[16]

In June 2016 SACO Groupair signed an agreement to work with Montea on the construction and lease of a new state-of-the-art airfreight building with adjoining offices at Brucargo. The Cordeel group was responsible for the development of this new complex, which is made up of approx. 4,200 m² of warehousing and some 800 m² of office space.

[15] For more information, see the press release of 12/02/2015 or www.montea.com.
[16] For more information, see the press release of 28/06/2016 or www.montea.com.

SACO Groupair is a well-established forwarder. Its head office is in Hamburg and the company, which has

already been operating for some years at Brucargo (www.sacogroupair.com), has signed a lease agreement with a fixed term of nine years. In total, the site employs around 35 people and enables the group to grow rapidly. This transaction represents a total investment value of € 3.6 million and generates a gross initial yield of approximately 7.8%.

- **30/05/2017 - Sale & Lease back of an industrial building of ca. 1,500 m² in the Paris region – Investment value: € 1.93 million**[17]

Montea invested in an industrial building in Alfortville of ca 1,500 m² with a strategic location at the foot of the A86 motorway (Pompadour) just a few minutes of the western (A4) and southern (A6) motorway. The building comprises ca. 1,100 m² of storage space and 400 m² office space and mezzanines. This investment is in the framework of the extension of the existing portfolio in the Paris region, where Montea has invested € 29.7 million by purchasing 6 completed rented industrial buildings near Paris Charles De Gaulle airport and the Paris Region.[18] A lease agreement has been concluded with Brard, a woodworking company (www.brard-entreprise.fr) for a term of 9 years (first break after 6 years). This transaction represents a total investment value of € 1.93 million. It generates an additional rent of € 0.16 million per year.

- **01/06/2017 - Handover of Build-to-Suit project of approx. 21,100 m² for NSK European distribution centre at Tilburg (NL)** [19]

In June 2016 Montea started, in cooperation with Built to Build, with the development of a distribution centre for NSK in the logistics zone Vossenberg West, at Tilburg. One month earlier than the predetermined timing, the state-of-the-art logistics distribution center was delivered, consisting of 17,300 m² of storage space, 1,900

m² of offices and 1,900 m² of mezzanine. The building is rented for a fixed period of 10 years, the initial rent is € 1 million per year. This transaction represents a total investment value of € 15.4 million (in line with the investment value determined by the real estate expert), is financed by proper capital and generates an initial gross yield of approx. 6.50%.

[17] For more information, see the press release of 30/05/2017 or www.montea.com.
[18] For more information, see the press release of 30/09/2008 or www.montea.com.
[19] For more information, see the press release of 01/06/2017 or www.montea.com.

- **1/08/2017 - Montea acquires 59,500 m² plot of land strategically located along the Brussels Ring Road (R0)** [20]

Montea has signed an agreement concerning the acquisition of a strategically located plot of land of 59,900

m². The land is located on the Vilvoorde interchange along the Brussels Ring Road. This location provides excellent connections to the E19, A12, and E40 motorways, as well as a smooth connection to Brussels Airport and the Brussels-Capital Region. Montea wishes to develop a customised logistics and/or distribution building on this plot, once it has found a tenant. The project could encompass ± 35,000 m² of storage space. In the meantime, Montea is already in talks with a number of potential tenants, where the focus is placed on the high-quality logistics and (urban) distribution. With a total investment value of € 10 million, this acquisition proceeded through the takeover of 100% of the shares of VILPRO NV.

- **01/08/2017 - Delivery of the 8,800 m² build-to-suit Crossdock Centre for Mainfreight**[21]

In September 2016[22] Mainfreight signed a cooperation agreement with Montea for the construction and rental

of a new crossdock centre with offices in Genk. Willy Naessens assumed the development of this new building that consists of ca. 8,000 m² storage space and ca. 800 m² office space.

The lease was concluded for a fixed term of nine years and three months. Some 150 people will be employed at this location. This transaction represented a total investment value of €7.1 million and generates a gross initial yield of ca. 7.3%.

[20] For more information, see the press release of 1/08/2017 or www.montea.com.
[21] For more information, see the press release of 1/08/2017 or www.montea.com.
[22] For more information, see the press release of 15/09/2016 or www.montea.com.

- **24/10/2017 – Montea creates growth for Bas Logistics in Etten-Leur (NL) through Sale and Rent Back of a logistics distribution centre of ca 8,600 m² and development of adjoining build-to-suit project of ca. 11,400 m²**[23]

Montea has acquired a logistics distribution centre at the Business Park Vosdonk, located in Etten-Leur, between Breda and Roosendaal, right on the A58 motorway (Exit 19). The logistics distribution centre consists of 6,870 m² storage space and 1,730 m² office space and is rented to Bas Logistics. Montea has also acquired a 20,808 m² adjoining plot of land for the development and rent of an extension of the existing distribution centre for Bas Logistics. The building will consist of ca. 9,900 m² storage space, a mezzanine of ca. 900 m² and a workplace of ca 570 m². The build-to-suit project will be operational by April 2018.

Montea «Space for Growth» - Bas Logistics – Etten-Leur site (NL)

Bas Logistics has signed a triple-net lease for a fixed period of 13 years for the existing distribution centre and for a fixed period of 12.5 years for the extension. The company is an all-round logistics service provider with branches in Etten-Leur (Netherlands), Cambiago (Italy) and Bratislava (Slovakia) (www.bas.eu). This transaction represented a total investment value of € 14 million (in line with the investment value defined by the real estate expert), financed by bank debt, and generated a net initial yield of about 6.0%.

- **6/11/2017 - Montea acquires a build-to-suit project exceeding 47,000 m² for Decathlon at MG Park De Hulst in Willebroek (BE) - Investment value of € 31.6 million**[24]

Montea concluded a partnership agreement with MG Real Estate in December 2013 to develop the sustainable logistics parc “MG Park De Hulst” in Willebroek, with a total of 150,000 m² logistics space to be developed. Montea buys a high-quality distribution centre for Decathlon as final part of this successful cooperation. In addition, Montea buys the remaining plots of land for € 3.2 million adjacent to the existing developments of Dachser and Federal Mogul.

The development for Decathlon is on a plot of land of ca 71,000 m² and comprises 46,274 m² storage space, 1,022 m² offices and 256 parking places. The entire distribution for Decathlon Benelux is organized from this development (www.decathlon.be). Decathlon, already a tenant of Montea for its facility in Bornem, rents the building for a minimum fixed period of 10 years.

Montea «Space for Growth» - Site Willebroek MG Park De Hulst - Decathlon (BE)

This operation represented a total investment value of € 31.6 million and generates a gross initial yield of ca. 6.5%.

[23] For more information, see the press release of 24/10/2017 or www.montea.com.
[24] For more information, see the press release of 6/11/2017 or www.montea.com.

- **08/11/2017 - Schiphol Airport – Acquisition of land to develop a building of ca. 5,400 m² at Schiphol Logistics Park (NL)** [25]

Montea has acquired a plot of land of ca. 15,000 m² at activity park Schiphol Logistics Park, uniquely located directly on the A4 and N201 motorways and next to the A5 and A9. A new distribution centre is being constructed here that will comprise ca. 4,500 m² of warehouses and two office units totalling ca. 900 m². The project will be delivered by April 2018.

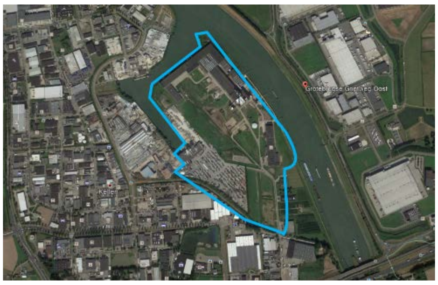
Montea «Space for Growth» - site Schiphol Logistcs Park (NL)

In the meantime, an initial lease has been signed with Thomsen Select, a company specialised in air cargo groupage and transport. This company will rent half of the building for a fixed period of 10 years. The other 50% and the strategically located separate truck parking of ca. 3,000 m² will be offered on the rental market. This transaction represents a total investment value of €7.12 million (in line with the investment value determined by the real estate expert) and generated a net initial yield of about 7.6%.

- **08/11/2017 - Roissy Charles de Gaulle Airport – Acquisition of building of ca 3,000 m² at Le Mesnil-Amelot (FR)** [26]

Montea has acquired a building in Le Mesnil-Amelot, with unique location adjacent at Roissy Charles de Gaulle. The 3,002 m² distribution center is divided into 2 units and is rented to Facilit'Air (1,996 m²) en Select Service Partners (1,006 m²). The total investment value amounts to € 3,29 million with an initial return of 6.76%. Montea is already owner since 2008 of the adjacent buildings and sees this investment as a complement to a previous investment. With this transaction, Montea has a portfolio of approximately 17,000 m² at this airport location.

- **09/11/2017 – Montea signs letter of intent to acquire ca 48 hectares of land in Tiel (NL)** [27]



Luchtfoto: Terrein 48 ha - Tiel (NL)

Montea has reached an agreement with De Kellen BV to acquire ca 48 hectares on the De Kellen industrial estate in Tiel. Its central location in the Netherlands makes the site eminently suitable for organizing national distribution. The site can be easily reached from the A15 motorway. It lies on the Amsterdam Rhine Canal and De Waal, and has its own quay facilities. The intended use is broadly defined and the size of the site enables Montea to develop an ambitious master plan for the environment.

[25] For more information, see the press release of 8/11/2017 or www.montea.com.
[26] For more information, see the press release of 8/11/2017 or www.montea.com.
[27] For more information, see the press release of 6/11/2017 or www.montea.com.

The plot of land comprises 3 parts:
- 9 hectares are let for a fixed period of 12.5 years to Struyk Verwo.
- 25.5 hectares will be re-rented by the seller after the transaction for a period of 5 years. De Kellen BV will deliver the land ready for construction upon request.
- 13.5 hectares will be delivered ready for construction immediately by the seller. This part is also available immediately for customized logistical development.

Montea is currently already in negotiations with some candidates for an initial development to measure on the first 13.5-hectare zone. The parties expect to close the transaction, after the due diligence, by Q1 2018. Montea ultimately wishes to develop 25.5 hectares for logistics, distribution and production activities. The total lead time for the project is estimated at 4 to 6 years.

1.2.4. Development activity during 2017

- **13/03/2017 - Wayland Real Estate and Montea sign agreement for the future development of "LogistiekPark A12" in Waddinxveen**[28]

Wayland Real Estate and Montea have signed an agreement for the development of "LogistiekPark A12", a 206,000 m² plot, on which a logistics project exceeding 130,000 m² can be developed. Wayland Real Estate and Montea are currently finalising the master plan which will be unveiled within a foreseenable time. This cooperation had come into being under guidance and support of XO Property Partners.

Photo: Artist impression "LogistiekPark A12" Waddinxveen (NL)

- **30/05/2017 – Launch of a build-to-suit project of ca. 18,000 m² in Camphin-en-Carembault (FR)** [29]

In December 2014, Montea and Panafrance concluded a partnership agreement for the development of a logistics platform on 103,000 m² in Camphin-en-Carembault[30]. The land has a unique location to the south of Lille on the A1 motorway in the heart of the Lille-Paris-Lyon logistics triangle. Two distribution centres of 18,000 m² and 24,000 m² (with a total of 42,000 m²) can be developed on the land.

[28] For more information, see the press release of 30/03/2017 or www.montea.com.
[29] For more information, see the press release of 30/05/2017 or www.montea.com.
[30] For more information, see the press release of 03/12/2014 or www.montea.com.

In the meantime, for phase 1 of the project, Montea will develop a distribution centre of ca. 18,000 m², that can be divided into 3 units. DSM Food Specialties France SAS will rent 12,000 m² (2 of the 3 units) for a fixed period of 9 years. DSM Food Specialties (DSM Group) is specialised in the production and export of enzymes for the food industry (www.dsm.com).

Montea «Space for Growth» - site Camphin-en-Carembault FR)

The development will be operational in the first quarter of 2018. The transaction represents a total investment value of € 11.2 million. Upon letting the third unit, which Montea expects to conclude before the building is delivered in the beginning of 2018, this distribution centre will generate an additional rent of € 740,440.

- **18/07/2017 - Launch of second build-to-suit project at the logistics parc in Camphin-en-Carembault (FR) – Investment value of € 14.1 million**[31]

Montea and GBS (Groupement des Bières Spéciales) signed a lease agreement for a period of 9 year for the development of a second build-to-suit project. The building of approximately 24,400 m² is divided into 4 units, of which GBS will rent approx. 18,500 m² (3 units). GBS will use the building as a distribution centre for France (www.gbs-solutions-boissons.fr). The building will be operational in the first quarter of 2018. The development represents a total investment value of approx. € 14.1 million. Upon letting the fourth unit, which Montea expects to conclude before the building is delivered in the beginning of 2018, this distribution centre will generate an additional rent of approx. € 1 million per year.

- **1/08/2017 - Montea offers Delta Wines in Waddinxveen ca 5,000 m² more floor space so that it can continue to grow** [32]

In February 2014[33] Montea acquired a ca. 19,500 m² distribution centre on 25,800 m² of land, let to Delta Wines. The site is strategically located along the A12 motorway with connection The Hague–Utrecht–Arnhem–Rhur Valley.

To keep pace with its growth, Delta Wines has asked Montea to expand the aforementioned site by ca. 5,000 m². Delta Wines signed an additional lease for a fixed period of 12 years under the same terms and conditions. This extension will generate additional rent of ca. €225,000 per year.

This extension is scheduled for delivery in the first quarter of 2018.

[31] For more information, see the press release of 18/07/2017 or www.montea.com.
[32] For more information, see the press release of 1/08/2017 or www.montea.com.
[33] For more information, see the press release of 7/02/2014 or www.montea.com.

- **8/11/2017 - Liege Airport – Launch of new development of 20,000 m² at Flexport City (BE)** [34]

Liege Airport has drawn up an ambitious masterplan for the development of the northern zone at the airport. In that respect, Montea has concluded a building lease contract with the landowner Sowaer, for the development of a plot of land of more than 51,000 m,² situated at the entrance of Flexport City, right next to the new logistics processing buildings. Montea will ultimately develop a total of ca. 20,000 m² of warehouse units and related offices on this site and in so doing provide concrete support for the further growth of the airport. The total investment for phases 1, 2 and 3 will amounts to € 15 million. The construction of the first and second phase, ca. 12,200 m², will start in the coming days, as a long-term lease has already been signed with Malysse-Sterima. Montea will actually construct a hypermodern distribution centre of 4,700 m² storage space with 500 m² of offices for Malysse-Sterima. Medical kits will be sterilized in the building and will be prepared for dispatching to European hospitals. This means a new strategic "medical care" specialist for the airport.

The lease with Malysse-Sterima is for a fixed period of 20 years and will generate an initial yield of 6.35% as of the end of 2018. The company will invest ca. € 4 million itself in various facilities for the packaging of the goods. The remaining 7,000 m² of phase 2 can be delivered within a year of the signing of the lease.

- **22/12/2017 - Montea acquires distribution centre of ca. 8,500 m² in Saintes (BE)** [35]

Montea has acquired a logistics distribution centre from Immocass BVBA in Saintes, located on the E429 motorway at the boundary between Flemish Brabant and Walloon Brabant. The distribution centre consists of 7,500 m² storage space and 1,000 m² offices and is rented to Noukies. Noukies signed a triple-net lease for a fixed period of 9 years, which will generate rental income of €330,000 per year. The company is known for its soft cuddly toys and baby clothing (www.noukies.com). The transaction represented a total investment value of € 4.7 million (in line with the investment value determined by the property expert) and generated a net initial yield of ca. 7.15%.

- **22/12/2017 - Montea acquires existing solar panel installation on site in Aalst (BE) through the acquisition of 100% shares of Orka Aalst NV** [36]

Since 2009, Orka Aalst NV, a specialist in solar energy projects, has been operating a 678 KwP solar park on the roofs of the Tragel site in Aalst through a superficies agreement. However in 2011, Montea made the choice to invest itself in the development of solar energy projects. In that context it was decided to take over the shares of Orka Aalst NV, the company that owns the solar panels. This transaction represented a total investment value of € 1 million and generated a net initial yield of approximately 7.6%.

[34] For more information, see the press release of 6/11/2017 or www.montea.com.
[35] For more information, see the press release of 22/12/2017 or www.montea.com.
[36] For more information, see the press release of 22/12/2017 or www.montea.com.

1.2.5. Divestment activity during 2017

➢ **30/03/2017 - Finalisation of the sale of the Savigny-le-Temple site (FR) to Patrizia Logistik Invest Europa I[37]**

On 10/01/2017 Montea announced the sale of 3 assets from its current portfolio in France, for a total sale value of €60,394,000. The sale of the properties in St Cyr en Val and in Tilloy-lez-Cambrai went through on 29/12/2016. The sale of the property in Savigny-le-Temple was finalised only on 30/03/2017, after the completion of a number of refurbishment works for the current tenant.

1.2.6. Further strengthening and diversification of the financing structure

➢ **27/12/2017 - Montea finalized a successful capital increase of €68,004,527 by issuing 1,658,647 new shares [38]**

On 14 September 2017, Montea launched a public offering for subscription to 1,658,647 new shares maximum under an increase of capital in cash within the framework of the authorized capital with irreducible allocation rights for a maximum amount of €68,004,527. The share capital (exclusive of the issue premium of €34,201,301.14) was increased by €33,803,225.86 and was thus brought to €236,623,450, represented by 11,610,531 shares. The new Montea shares are of the same nature as the existing shares and entitle the holder to a (pro rata temporis) dividend per share (if there is profit to be distributed) as of 1 October 2017.

➢ **Further optimization of the debt structure**

Montea managed to extend the following loans with a maturity date in 2018 and 2019:
- Loan of €10 million concluded with ING with new maturity date in June 2024
- Loan of € 5 million concluded with KBC with new maturity date in December 2024
- Loan of € 5 million concluded with KBC with new maturity date in December 2023
- Loan of € 5 million concluded with KBC with new maturity date in December 2022
- Loan of € 6.7 million concluded with Belfius with new maturity date in September 2022
- Loan of € 10 million concluded with Bank Degroof Petercam with new maturity date in January 2024

Furthermore, the following new lines of credit were granted:
- Loan of € 10 million concluded with KBC with an 8-year term
- Loan of € 10 million concluded with Belfius with a 9-year term
- Loan of € 10 million concluded with Belfius with a 7-year term

In addition, Montea entered a cooperation arrangement with Bank Nagelmackers; a loan of € 20 million with an 8-year term.

In the course of the last quarter of 2017, Montea settled four IRS (Interest Rate Swap) contracts for a nominal amount of €60 million and then concluded new hedges (same amount) at current market conditions. This settlement will have a positive impact on the term of the hedges and the average financing cost for the coming years of €1.2 million per year.

The hedge ratio amounted to 87.4% on 31 December 2017.

[37] For more information, see the press release of 30/03/2017 or www.montea.com.
[38] For more information, see the press release of 27/09/2017 or www.montea.com.

1.2.7. Proposal to pay out a gross dividend of € 2.11 per share

On the basis of the EPRA earnings of € 2.58, the board of directors of the statutory management company of Montea will propose paying out a gross dividend of € 2.17 per share (€ 1.52 net per share), which entails a pay-out ratio[39] of 84% with regard to the EPRA earnings. This means an increase of the gross dividend per share of 3% compared with 2016 (€ 2.11 gross per share), in spite of the increase in the weighted average number of shares of 7% as a result of the increase of capital in 2017.

MONTEA SPACE FOR GROWTH — KEY RATIO'S	31/12/2017	31/12/2016
Key ratio's (€)		
EPRA result per share (1)	2,58	2,47
Result on the portfolio per share (1)	0,38	0,91
Variations in the fair value of financial instruments per share (1)	0,56	-0,06
Net result (IFRS) per share (1)	3,52	3,31
EPRA result per share (2)	2,31	2,41
Proposed distribution		
Payment percentage (compared with EPRA result) (3)	84%	87%
Gross dividend per share	2,17	2,11
Net dividend per share	1,52	1,48
Weighted average number of shares	10.392.676	9.722.190
Number of shares outstanding at period end	11.610.531	9.951.884

(1) Calculation on the basis of the weighted average number of shares.
(2) Calculation on the basis of the number of shares entitled to dividends.
(3) The payout ratio is calculated in absolute figures on the basis of the consolidated result. The dividend is actually paid out on the basis of the statutory result of Montea Commm. VA.

1.2.8. Other events during 2016

- **13/03/2017 - Nomination of Jan van der Geest as Development Manager for Montea Nederland**

With the appointment of Jan van der Geest as Development Manager Montea wants to strengthen its presence in the Netherlands. Jan will be responsible for the future development of LogistiekPark A12 in Waddinxveen. Because of his long-standing affinity with the industrial market in the Netherlands, Jan van der Geest has the necessary experience to follow the new projects Montea in Netherlands. Jan van der Geest worked since 2006 for Heembouw, a developing construction company, where he worked as a commercial manager since 2011.

[39] The payout ratio of 84% was calculated on the basis of the EPRA earnings and not on the basis of the earnings available for payout.

1.2.9. Policy developments concerning Dutch REIT status

With a view to its property investments in the Netherlands, in September 2013 Montea filed an application for the tax status of a '*Fiscal Investment Institution'* (hereinafter referred to as FII) pursuant to Article 28 of the Corporate Taxation Act of 1969. Montea has structured its property investments as public limited companies under Dutch law. These entities and Montea Nederland NV constitute a fiscal unit for the levying of corporate tax. An FII is subject to a 0% tax rate in the Netherlands. It is required to pay out its full fiscal result (consolidated in the case of a fiscal unit, with the exception of surplus values/capital gains) to its shareholders. In addition to this payout obligation, an FII is also subject to various other obligations such as requirements regarding its shareholders, in this case the Company, and its shareholding structure, as well as to restrictions concerning debt financing.

The Company's Dutch subsidiary, Montea Nederland NV, has had no final decision from the Dutch tax authorities approving the FII status. In 2016, referring to certain case law of the Dutch Supreme Court, the Dutch tax authorities developed a new approach in their policy concerning compliance with the shareholding test. More specifically, as shareholder of its FII subsidiary, Montea Nederland NV, the company would have to show that it can qualify as an FII itself. Only then can the Company be considered as a qualifying shareholder under the FII status in the view of the Dutch tax authorities. In this connection, the Company and the Dutch tax authorities engaged in consultations to determine how to proceed in concrete terms. The Company is of opinion that as a regulated real estate company it operates within a system that is comparable to that of the FII and therefore meets the requirements. The Company therefore believes it is likely it will be able to make reasonable arrangements with the Dutch tax authorities, so that FII status will be granted to Montea Nederland NV. Furthermore, the Dutch Ministry of Finance and the Dutch tax authorities already indicated in the past that they will proceed under the general principles of good governance so as to obtain a level playing field (same treatment applied to equivalent cases). The aim is to ensure that Montea is not treated by the Dutch tax authorities worse than other compliant comparable Belgian regulated real estate companies with existing arrangements concerning the FII status.

Furthermore, in its coalition agreement of October 2017, the Dutch government indicated that it wanted to abolish the real estate FII as of 2020 under the envisaged scrapping of the dividend tax. Montea and its tax advisors are looking into the possible impact of such an eventuality and are monitoring the situation closely.

1.3. Value and composition of the property portfolio at 31/12/2017

➢ **The total property assets of Montea amount to € 719 million, consisting of the valuation of the property portfolio for buildings inclusive buildings held for sale (€ 658 million), the fair value of the current developments (€ 48 million) and the fair value of the solar panels (€ 13 million).**

MONTEA	Total 31/12/2017	Belgium	France	The Netherlands	Total 31/12/2016
Real estate portfolio - Buildings (0)					
Number of sites	**54**	28	14	12	**47**
Warehouse space (sqm)	**886.727**	534.983	120.034	231.710	**715.310**
Office space (sqm)	**82.221**	46.838	14.284	21.099	**67.668**
Total space (sqm)	**968.948**	581.821	134.318	252.809	**782.978**
Development potential (sqm)	**168.652**	98.746	53.000	16.906	**230.344**
Fair value (K EUR)	**657.518**	358.149	94.342	205.027	**532.063**
Investment value (K EUR)	**687.567**	367.103	101.085	219.379	**558.167**
Annual contractual rents (K EUR)	**47.315**	26.341	7.397	13.577	**38.929**
Gross yield (%)	**7,20%**	7,35%	7,84%	6,62%	**7,32%**
Gross yield on 100% occupancy (%)	**7,43%**	7,78%	7,84%	6,62%	**7,43%**
Un-let property (m²) (1)	**35.257**	35.257	0	0	**15.274**
Rental value of un-let property (K EUR) (2)	**1.525**	1.525	0	0	**619**
Occupancy rate	**96,3%**	93,9%	100,0%	100,0%	**98,1%**
Real estate portfolio - Solar panels (3)					
Fair value (K EUR)	**12.771**	12.771	0	0	**9.978**
Real estate portfolio - Developments (4)					
Fair value (K EUR)	**48.439**	25.966	14.122	8.351	**10.281**

(0) Inclusive of the building held for sale.
(1) Exclusive of the site in Willebroek for which Montea received severance compensation from Neovia Logistics in 2016.
(2) Exclusive of the estimated rental value of projects under construction and/or renovation.
(3) The fair value of the investment in solar panels is entered under heading "D" of the fixed assets in the balance sheet.
(4) The fair value of the project developments is entered in heading "C" of the fixed assets in the balance sheet.

➢ **Increase in the fair value of the property portfolio for buildings by € 126 million to € 658 million, mainly due to:**

Belgium (+ € 90 million):

- The acquisition of the site in Willebroek, let to the Metro group, in Q1/2017
- The delivery of the site in Brucargo, let to SACO in Q2/2017
- The purchase of the site in Brucargo, let to DHL Aviation in Q2/2017
- The delivery of the Crossdock centre, let to Mainfreight in Genk, in Q3/2017
- The acquisition of the land on the Tyraslaan in Vilvoorde, in Q4/2017
- The purchase of the site in Willebroek, let to Decathlon, in Q4/2017
- The acquisition of the site in Saintes, let to Noukies, in Q4/2017
- The increase in the fair value of the existing portfolio (incl. CAPEX) of € 5.7 million.

The Netherlands (+ € 35.5 million):

- The delivery of the project in Aalsmeer, let to Scotch & Soda in Q1/2017
- The start of the expansion project in Waddinxveen, let to Delta Wines
- The acquisition of the Brakman site, let to NSK in Q2/2017
- The increase in the fair value of the existing portfolio (incl. CAPEX) of € 6.3 million.

France (stable):

- The sale of the third and last building (in Savigny-le-Temple, let to Le Piston Français) in Q1 partially offset by
- The acquisition of the site in Alfortville let to Brardt, in Q1 2017
- The acquisition of the site in Mesnil-Amelot, let to Facilit'Air and SSP, in Q4/2017
- The increase in the fair value of the existing portfolio (incl. CAPEX) of € 2.3 million.

✓ The **total surface** area of the property portfolio for buildings amounts to 968,948 m², spread over 54 sites, i.e. 28 in Belgium, 14 in France and 12 in the Netherlands.

✓ Montea also has a total land bank of 168,652 m² of **development potential** on existing sites.

✓ Based on the valuation of an independent property expert, in 2017 the fair value of the property portfolio at constant composition (not taking account of the new investments described above) grew by € 8.4 million (1.8% of the total fair value of the property portfolio in the beginning of the financial year) and is chiefly due to a drop in the return on investment for properties with a long-term lease.

✓ The gross return in real estate[40] on the total property investments in buildings amounts to 7.4% on the basis of a fully rented portfolio, stable compared to the situation on 31/12/2016. The gross return, taking account of the current vacancy rate, is 7.2%.

✓ The contractual annual rental income (exclusive of rent guarantees) amounts to € 47.3 million, up 22% compared with 31/12/2016, mainly attributable to the growth of the property portfolio.

✓ The occupancy rate amounted to 96.3%, compared with 98.1% at the end of December 2016. The vacant premises are in the building in Willebroek, for which a severance compensation was received in 2016 from Neovia Logistics, 25% of which has in the meantime been let to Nippon Express. Furthermore part of the building in Milmort (previously let to Vincent Logistics) is to let. The building, previously let to SAS Automotive (for which an one-off severance compensation was obtained Q1 2017), is included under vacant premises. Nevertheless, 30% of this site was rented at the end of the year to Facil Europe, and this will have a positive impact on the occupancy rate of Q1 2018.

[40] Gross return on investment in real estate if 100% rented is calculated as current rental income of rented properties plus market rent of the vacant floor space, together, with regard to the fair value of the property portfolio.

- **Fair value of the current developments of € 48.4 million**

The current developments, worth €48.4 million, consist of:

- The start of the build-to-suit project in Bilzen, let to Carglass
- The purchase of the site in Etten-Leur and the start of the expansion works, let to BAS Logistics, in Q4/2017
- The acquisition of the land in Schiphol and the start of construction, let to Thomsen Select, in Q4/2017
- The further development of the building in Camphin-en-Carembault, let to DSM, Danone and GBS.

- **Fair value of the solar panels of € 12.8 million**

The fair value of the solar panels concerns eight solar panel projects: one in Brussels (Vorst), two in Wallonia (Heppignies and Milmort) and five in Flanders (Bornem, Aalst, Grimbergen, Puurs and Ghent). In the fourth quarter of 2017, Montea acquired the existing solar panel installation on the site in Aalst (BE), let to Barry Callebaut, by obtaining all (100%) of the shares of Orka Aalst NV.

1.4. Summary of the abbreviated consolidated financial statements for the 2017 financial year

1.4.1. Condensed consolidated (analytical) income statement for financial year 2017

MONTEA SPACE FOR GROWTH — ABBREVIATED CONSOLIDATED PROFIT & LOSS ACCOUNT (K EUR) Analytical	31/12/2017 12 months	31/12/2016 RESTATED (0) 12 months
CONSOLIDATED RESULTS		
NET RENTAL RESULT	**40.793**	**40.518**
PROPERTY RESULT	**43.963**	**41.258**
% compared to net rental result	**107,8%**	**101,8%**
TOTAL PROPERTY CHARGES	**-1.246**	**-1.043**
OPERATING PROPERTY RESULT	**42.717**	**40.215**
General corporate expenses	-3.814	-3.769
Other operating income and expenses	-72	-142
OPERATING RESULT BEFORE THE PORTFOLIO RESULT	**38.830**	**36.304**
% compared to net rental result	**95,2%**	**89,6%**
FINANCIAL RESULT excl. Variations in fair value of the hedging instruments	**-11.107**	**-11.780**
EPRA RESULT FOR TAXES	**27.723**	**24.524**
Taxes	-938	-506
EPRA Earnings	**26.785**	**24.018**
per share (1)	**2,58**	**2,47**
Result on disposals of investment properties	769	8.131
Result on disposals of other non-financial assets	0	**0**
Changes in fair value of investment properties	3.204	670
Other portfolio result	0	**0**
PORTFOLIO RESULT	**3.972**	**8.801**
Changes in fair value of financial assets and liabilities	5.791	-616
RESULT IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**5.791**	**-616**
NET RESULT	**36.548**	**32.204**
per share	**3,52**	**3,31**

1.4.2. Notes on the condensed consolidated (analytical) income statement for financial year 2017

✓ **The net rental income amounts to € 40.8 million, for an increase of 1% compared with the same period last year – The operating result before the result on the property portfolio amounts to € 38.8 million, up 7% from the previous year**

- The net rental income amounts to € 40.8 million, for an increase of 1% compared with the same period in 2016 (€ 40.5 million). The net rental income in 2016 included a higher severance compensation from Neovia Logistics (€ 2.3 million) compared to that received in 2017 from SAS Automotive (€ 1.3 million). Furthermore, 2 French properties which brought in an annual net rental income of €4 million were sold in December 2016. These 2 impacts are offset (+ € 0.3 million) by new rental income received in 2017 from investments and the delivery of built-to-suit projects in 2017.

- The operating result **before the result on the property portfolio** rose from € 36.3 million in 2016 to €38.8 million in 2017. This growth of € 2.5 million is mainly due to:

  - The increase in the net rental income of €0.3 million.
  - The extra recovery of rental charges (€ 0.2 million) and the increase of “other rent-related income” (€ 2.2 million) have a positive impact of € 2.4 million, chiefly due to the one-off compensation received in April 2017 for the delivery of the building developed in Brucargo to be let to DHL Aviation NV (€ 0.9 million), the repayment for extra works financed by Montea for the same tenant, other income such as compensation for damages and PM compensation received from tenants (€ 0.8 million) and extra income from solar panels (€0.5 million);
  - Partially offset by the increase in the property costs and overheads of the company by €0.2 million as a result of an increase in marketing and communication, HR and legal costs.

- The operating **margin** [41]* amounts to 95.2% for the entire year 2017, compared with 89.6% for 2016.

  The operating margin was strongly impacted in 2017 by the one-off compensation received from SAS and that received for the delivery of the building rented to DHL Aviation. Without these one-off compensation, the operating margin amounts to 92%.

➢ **Financial result exclusive of the changes in the fair value of the financial instruments amounts to € 11.1 million compared with € 11.8 million the previous year**

The **financial result** exclusive of changes in the fair value of the financial instruments amounts to € 11.1 million and is down by 6% from the same period in the previous year. The average debt burden increased by €41.8 million or 13%. The average financial cost remained stable at 3.0%[42]* for the financial year. In 2018, the average financing cost is expected to drop thanks to the settlement of four Interest Rate Swaps for a total nominal amount of €60 million at the end of 2017, with a new hedging concluded thereupon for a nominal amount at market conditions.

[41]* The operating margin is obtained by dividing the operating result before the result on the property portfolio by the net rental income.

[42]* This financial cost is an average over the entire year, inclusive of the leasing payables and was calculated on the basis of the total financial costs regarding the average of the opening balance and closing balance of the financial debt burden for 2017, without taking account of the valuation of hedge instruments.

The drop of the negative financial result (exclusive of changes in the real value of the financial instruments) of €0.7 million is chiefly due to the settlement of an Interest Rate Swap (IRS) in 2016 for a total cost of €2.1 million partially offset by:

- Increasing financial costs (€0.6 million) as a result of an increase in the hedging ratio in 2017
- An increase in the average financial debt burden for new investments (€ 0.4 million)
- A drop in the financial income (€ 0.4 million)

Given the explanation on the accounting processing of the settlement of swaps and in order to obtain a better connection with the EPRA guidance, it was decided to process the unwinding of the swaps via the P&L heading as of 2017: changes in the real value of financial assets and liabilities. If we had applied this processing method on the unwinding of the swap in 2016, it would have had no impact on the net result and the capital equity of 2016, only on the EPRA result that would have been €2.1 million or €0.21 per share higher.

On 31/12/2017, Montea had a total bank debt (bilateral lines of credit) of € 264.9 million with 7 financial institutions. On that date, 87% of the total financial debt (including debt loans and leasing debt) was hedged by IRS contracts.

✓ **The result on the property portfolio[43] amounts to € 4.0 million**

The **result on the property portfolio** amounts to €4.0 million on 31/12/2017. This positive result is due to the sale of one of the French sites situated in Savigny with a positive impact of €0.7 million, proof of the very prudent and conservative valuation of the property portfolio of Montea with regard to the great interest in the property market for quality logistics real estate. Furthermore, the result is due to a net positive change in the fair value portfolio exclusive of capex of €3.2 million as a result of the drop in the return of investment in the Netherlands and France for projects with a long-term lease. The fair value of the Belgian property portfolio exclusive of capex remains stable with regard to the fair value in the previous year due to the large investment volume in Belgium (owing to the change in the valuation rules as of 2017, transaction costs are assumed by the result on the property portfolio).

In the valuation of the solar panels, the capital gains are entered under a separate component of the equity capital. Capital losses are also entered under this component, unless they are realised or unless the fair value drops below the original investment cost.

✓ **The positive changes in the fair value of the financial instruments amount to €5.8 million**

The **positive changes** in the fair value of financial instruments arises out of the positive impact of the fair value of the existing interest hedging as a result of the expectations of rising long-term interest rates in the course of 2017.

[43] * Result on the property portfolio: this concerns the negative and/or positive variations in the fair value of the property portfolio plus any capital gains or losses from the construction of real estate.

- **Net result (IFRS) amounts to € 36.5 million, i.e. an increase of € 4.3 million from the previous year, strongly impacted by the positive change on the fair value of financial instruments**

  The EPRA earnings together with the result on the portfolio and the variations in the fair value of financial instruments, led to **net earnings** (IFRS) of € 36.5 million in 2017 compared with € 32.2 million in 2016. The net earnings (IFRS) per share amount to € 3.52 per share compared with € 3.31 per share in 2016. The result on the property portfolio and variations in the fair value of financial instruments are not cash items and have no impact on the EPRA earnings.

- **EPRA result of €2.58 per share**

  The **EPRA result** on 31/12/2017 amounts to € 26.8 million, an increase of 12% compared with the same period the previous year.

  On the basis of the distributable result, Montea will propose a gross dividend of € 2.17 per share to the general meeting of shareholders. This means an increase of the gross dividend per share of 3% compared with 2016, in spite of the dilution owing to the optional dividend and the increase of capital (by contribution in kind) carried out in 2017.

1.4.3. Condensed consolidated balance sheet for financial year 2017

	CONSOLIDATED BALANCE SHEET (EUR)	31/12/2017 Conso	31/12/2016 Conso
I.	NON-CURRENT ASSETS	**719.615.007**	**545.461.627**
II.	CURRENT ASSETS	**28.811.399**	**49.297.472**
	TOTAL ASSETS	**748.426.406**	**594.759.099**
	SHAREHOLDERS' EQUITY	**333.029.072**	**251.964.960**
I.	Shareholders' equity attributable to shareholders of the parent company	332.910.588	251.846.477
II.	Minority interests	118.483	118.483
	LIABILITIES	**415.397.334**	**342.794.139**
I.	Non-current liabilities	386.250.635	310.381.242
II.	Current liabilities	29.146.699	32.412.897
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**748.426.406**	**594.759.099**

1.4.4. Notes on the consolidated balance sheet for financial year 2017

- On 31/12/2017, **the total assets** (€ 748.4million) consist primarily of investment properties (88% of the total), solar panels (2% of the total), and developments (7% of the total). The remaining amount of the assets (3% of the total) consists of the other tangible and financial fixed assets, including assets intended for proprietary use, assets intended for sale and current assets, including cash investments, trade and tax receivables.

- The **total liabilities** consist of the equity capital of € 333 million and a total debt of € 415.4 million.

This total debt consists of:

- A total amount of € 264.9 million in lines of credit at 7 financial institutions. Montea has € 285 million in lines of credit taken out and an unused capacity of € 20.1 million
- A total amount of € 109.1 million with regard to the four debenture loans that Montea concluded in 2013, 2014 and 2015
- A total lease debt of €1.4 million for the financing of the solar panels at our site in Aalst
- The negative value of the ongoing hedging instruments to the tune of €11.7 million
- Other debts and deferred charges for an amount of € 28.3 million. The deferred charges comprise in large measure the rent already invoiced in advance for the subsequent quarter.

On 31/12/2017, the **EPRA NAV**[44]***** amounted to € 29.67 per share compared with € 27.80 per share on 31/12/2016. On 31 December 2017, the EPRA NNNAV per share amounted to € 29.14 per share compared with € 25.97 per share on 31/12/2016.

- The **debt ratio**[45] of Montea amounted to €51.9% compared with 51.6% at the end of 2016.

Montea meets all debt ratio covenants it has concluded with its financial institutions on the grounds whereof Montea may not have a debt ratio that exceeds 60%.

- **Article 24 of the Royal Decree of 13 July 2014**

If the consolidated debt ratio of the public Regulated Real Estate Company (RREC) and its subsidiaries is more than 50% of the consolidated assets, after deducting the authorised financial hedge instruments, the public RREC draws up a financial plan with an implementation schedule, where it gives a description of the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.

A special report is drawn up on the financial plan by the auditor, confirming that the latter has verified the drafting of the plan, particularly as regards the economic premises thereof, and that the figures contained in that plan correspond with the accounts of the public RREC. The financial plan and the auditor's special report are submitted to the FSMA for information.

The general guidelines of the financial plan are entered in detail in the annual and semi-annual financial reports, which contain a description and justification of (a) how the financial plan was carried out in the course of the relevant period, and (b) how the RREC will carry out the plan in the future.

[44] *EPRA NAV: EPRA NAV: The EPRA NAV is the NAV that was adjusted so as to comprise also property and other investments and their fair value, which excludes certain items which are not expected to assume a fixed form in a business model with property investments in the long term. Cf. www.epra.com. EPRA NAV per share: The EPRA NAV per share concerns the EPRA NAV on the basis of the number of shares entitled to dividends on the balance sheet date. Cf. www.epra.com.

[45] Calculated according to the Royal Decree of 13 July 2014 concerning regulated real estate companies.

- **Evolution of the debt ratio at Montea**

The consolidated debt ratio amounted to 51.9% on 31/12/2016 (compared with 51.6% in December 2016). In historical terms, the debt ratio has been over 50% since 2008, reaching the highest level of 57.62% in mid-2010. An increase of capital was carried out on 2 July 2010 as a result of which the debt ratio dropped below 50%.

The debt ratio then climbed to 55.29% in September 2012. An increase of capital of €21.1 million was carried out on 20 December 2012 to finance the project for DHL Global Forwarding on Brucargo, thereby bringing the debt ratio down again to 50.80% in the first quarter of 2013.

Owing also to the dividend distribution, the acquisition of the shares of Evenstuk NV (for the property let to DSV Solutions) and the acquisition of the shares of Acer Parc NV (for the build-to-suit property let to St. Jude Medical), the debt ratio rose again to 52.82% on 31/12/2013.

An increase of capital was carried out in the first half of 2014 to anticipate the planned acquisitions and investments in the second half of 2014. These concern redevelopments at the sites of Grimbergen and Vorst, 3 build-to-suit projects in Belgium (2 on De Hulst in Willebroek and 1 on Brucargo) and 1 build-to-suit project in the Netherlands (Oss) and 2 sale-and-lease back transactions (Beuningen and Waddinxveen).

In the first half of 2015 it was decided to proceed to a contribution in kind (for the acquisition of Apeldoorn) and to an optional dividend to bring the debt ratio down in mid-2015 after the acquisitions of ’s Heerenberg (NL) and Cofriset (FR) and the finalisation of the build-to-suit project in Heerlen (NL).

In the second half of 2015, the property in Tilburg was acquired (let to the Verstijnen group, and financed fully with debt). Furthermore, a number of build-to-suit projects were initiated (Movianto in Erembodegem, CDS in Vorst and Bakkersland in Schiphol) where the ongoing works are financed fully with debt. As a result of these operations, the debt ratio stood at 55.77% on 31/12/2015.

The build-to-suit projects Movianto in Erembodegem, CdS in Vorst, and Bakkersland in Aalsmeer were delivered in 2016. The works of these 3 projects were financed with debt. Furthermore, the acquisition of the project in Eindhoven (Jan de Rijk) and the acquisition of the land in Bornem (Bornem Vastgoed) were likewise financed with debt. To keep the debt ratio within limits, the project in Willebroek (Federal Mogul) was acquired in March 2016 by contribution in kind and an optional dividend was successfully paid out in June. In December 2016, the sale of St.-Cyr-En-Val and Cambrai went through, as a result of which the debt ratio was brought down again to 51.65% on 31/12/2016.

New properties were acquired in 2017, including the site in Willebroek, let to Metro group, in Q1/2017, the delivery of the site in Brucargo, let to SACO in Q2/2017, the acquisition of the site in Brucargo, let to DHL Aviation in Q2/2017, the delivery of the Crossdock Center project, Mainfreight in Genk, in Q3/2017, the purchase of the site in Willebroek, let to Decathlon, the acquisition of the land on the Tyraslaan in Vilvoorde, the acquisition of the site in Saintes, let to Noukies, in Q4/2017 and the acquisition of the shares of Orka Aalst NV in Q4/2017. These were financed by the increase of capital in September 2017, and by bank loans, whereby the debt ratio (51.9%) remained stable by comparison with the previous year (51.6%).

The debt ratio has at no time reached alarming levels, not even during the periods of financial crisis which erupted as of the end of 2008.

- **Future investment potential**

On the basis of this current debt ratio, the investment potential would amount to ca. € 280 million[46]without exceeding the maximum debt ratio of 65%.

in euro	31/12/2017	Investment potential	Balance sheet after investment potential
Investment properties	718.728.241	280.000.000	998.728.241
Other assets	29.698.165	-	29.698.165
TOTAL ASSETS	**748.426.406**	**280.000.000**	**1.028.426.406**
	-	-	-
Own capital	**333.029.072**	**-**	**333.029.072**
	-	-	-
Liabilities	**415.397.334**	**280.000.000**	**695.397.334**
Non-current liabilities	**386.250.635**	**280.000.000**	**666.250.635**
Provisions	-	-	-
Other non-current financial liabilities	11.707.142	-	11.707.142
Deferred taxes - liabilities	-	-	-
Other non-current liabilities	374.543.493	280.000.000	654.543.493
Current liabilities	**29.146.699**	**-**	**29.146.699**
Provisions	-	-	-
Other current financial liabilities	-	-	-
Accruals	15.542.082	-	15.542.082
Other current liabilities	13.604.618	-	13.604.618
TOTAL LIABILITIES	**748.426.406**	**280.000.000**	**1.028.426.406**
Debt ratio	**51,9%**		**65,0%**

Montea has concluded covenants with a number of banking institutions under the terms of which the debt ratio may not exceed 60%. Consequently, on the basis of the same calculation, the investment potential amounts to ca. € 150 million.

in euro	31/12/2017	Investment potential	Balance sheet after investment potential
Investment properties	718.728.241	150.000.000	868.728.241
Other assets	29.698.165	-	29.698.165
TOTAL ASSETS	**748.426.406**	**150.000.000**	**898.426.406**
	-	-	-
Own capital	**333.029.072**	**-**	**333.029.072**
	-	-	-
Liabilities	**415.397.334**	**150.000.000**	**565.397.334**
Non-current liabilities	**386.250.635**	**150.000.000**	**536.250.635**
Provisions	-	-	-
Other non-current financial liabilities	11.707.142	-	11.707.142
Deferred taxes - liabilities	-	-	-
Other non-current liabilities	374.543.493	150.000.000	524.543.493
Current liabilities	**29.146.699**	**-**	**29.146.699**
Provisions	-	-	-
Other current financial liabilities	-	-	-
Accruals	15.542.082	-	15.542.082
Other current liabilities	13.604.618	-	13.604.618
TOTAL LIABILITIES	**748.426.406**	**150.000.000**	**898.426.406**
Debt ratio	**51,9%**		**60%**

[46] This calculation does not take account of the EPRA earnings for the future periods, the variations in the fair value of the property investments, nor any variations in the deferred charges, provisions for risks and deferred taxes of the liabilities.

The changes in the fair value of the property portfolio can also have a significant impact on the debt ratio. On the basis of the equity capital, the maximum admissible debt ratio of 65% would be excluded only in the event of a negative variation in the fair value of the property investments of more than € 151 million. This corresponds to a drop of 21% in the existing portfolio.

in euro	31/12/2017	Investment potential	Balance sheet after investment potential
Investment properties	718.728.241	- 151.000.000	567.728.241
Other assets	29.698.165	-	29.698.165
TOTAL ASSETS	**748.426.406**	**- 151.000.000**	**597.426.406**
	-	-	-
Own capital	**333.029.072**	**- 151.000.000**	**182.029.072**
	-	-	-
Liabilities	**415.397.334**	**-**	**415.397.334**
Non-current liabilities	**386.250.635**	**-**	**386.250.635**
Provisions	-	-	-
Other non-current financial liabilities	11.707.142	-	11.707.142
Deferred taxes - liabilities	-	-	-
Other non-current liabilities	374.543.493	-	374.543.493
Current liabilities	**29.146.699**	**-**	**29.146.699**
Provisions	-	-	-
Other current financial liabilities	-	-	-
Accruals	15.542.082	-	15.542.082
Other current liabilities	13.604.618	-	13.604.618
TOTAL LIABILITIES	**748.426.406**	**- 151.000.000**	**597.426.406**
Debt ratio	**51,9%**		**65,0%**

On the basis of the current state and valuation of the portfolio by an independent expert, Montea sees no substantial possible negative variations in the fair value. Montea is therefore of opinion that the current debt ratio of 51.9% provides a sufficient buffer to deal with possible further negative variations in the existing portfolio.

The debt ratio has at no time reached alarming levels, not even during the periods of financial crisis which erupted as of the end of 2008.

- **Conclusion**

Montea deems that the debt ratio will not rise above 65% and that no additional measures need to be taken on the basis of the planned changes in the composition of the real estate portfolio and the expected development of the equity capital.

Montea's goal remains to continue its financing with a debt ratio of ca. 55% and will see to it that said ratio will never exceed 60% (as contained in the bank covenants).

The debt ratio of 55% is perfectly justified given the nature of the real estate in which Montea invests, i.e. logistics and semi-industrial real estate, with an average net return of ca. 7%.

Should a situation nonetheless arise where certain events require an adjustment of the company's strategy, it will do so at once and inform the shareholders accordingly in the semi-annual and annual financial reporting.

1.5. Stock exchange performance of Montea share

STOCK MARKET PERFORMANCE	31/12/2017	31/12/2016
Share price (€)		
At closing	42,95	46,37
Highest	50,22	48,42
Lowest	41,06	35,10
Average	45,82	42,36
Net asset value per share (€)		
IFRS NAV	28,67	25,31
EPRA NNNAV	29,14	25,97
EPRA NAV	29,67	27,80
Premium (%)	**49,8%**	**83,2%**
Dividend return (%)	**5,1%**	**4,6%**
Dividend (€)		
Gross	**2,17**	2,11
Net	**1,52**	1,48
Pay out ratio		87%
Volume (number of securities)		
Average daily volume	5.941	7.717
Volume of the period	1.514.920	1.983.235
Number of shares	**11.610.531**	**9.951.884**
Market capitalisation (K €)		
Market capitalisation at closing	498.672	461.469
Ratios (%)		
Velocity	13,0%	19,9%

Dividend yield (%): Gross dividend divided by the stock price at the end of the period
"Velocity": Volumefort he periode divided by the number of shares

Based on the closing price on 31/12/2017 (€ 42.95) the Montea shares were listed 44,7% above the value of the EPRA NAV[47].

Montea's board of directors will propose to the General Meeting of Shareholders that a gross dividend be paid of € 2.17 gross per share (€ 1.52 net per share).

[47] *EPRA NAV per share: the EPRA NAV per share is the EPRA NAV based on the number of shares outstanding at the balance sheet date. Cfr www.epra.com.

1.6. Significant events after the balance sheet date

- **15/01/2018 - Montea signed a partnership agreement with J|MO, represented by Julien Mongoin, to increase the assets and strengthen the presence of Montea in France**

Montea has registered strong growth in its portfolio in France since being listed on the stock exchange. In signing the partnership agreement with J|MO, Montea aims to strengthen its presence in France. The partnership seeks to accelerate Montea's development in that country. Building on an affinity of long standing with the logistics real estate market, J|MO, represented by Julien Mongoin, has the necessary experience to embark on new developments for Montea in France. A graduate of the École Nationale des Travaux Publics (ENTPE), Julien Mongoin worked as Development Director from 2007 to 2010 at Nexity Geprim, a French property development company. Since the end of 2010, he was the Development and Acquisitions' Director of Barjane, a business real estate planning and development company.

1.7. Transactions between affiliated parties

There were no transactions between affiliated parties in 2017.

1.8. EPRA Performance measures

EPRA earnings – EPRA earnings per share

Definition: The EPRA earnings concern the net earnings (after processing of the operating result before the result on the portfolio, minus the financial results and corporate tax, exclusive of deferred taxes), minus the changes in the fair value of property investments and real estate intended for sale, minus the result from the sale of investment properties, plus changes in the fair value of the financial assets and liabilities. The EPRA earnings per share are the EPRA earnings divided by the weighted average number of shares for the financial year.

Purpose: The EPRA earnings measure the operational profitability of the company after the financial result and after taxes on the operational result. The EPRA earnings measure the net result from the core activities per share.

Calculation: The detailed calculation of this APM is given below:

EPRA earnings

	(in EUR X 1 000)	**31/12/2017**	**31/12/2016 RESTATED (0)**
	Net result (IFRS)	**36.548**	**32.204**
	Changes for calculation of the EPRA earnings		
	To exclude:		
(i)	Variations in fair value of the investment properties and properties for sale	-3.204	-670
(ii)	Result on sale of investment properties	-769	-8.131
(vi)	Variations in fair value of the financial assets and liabilities	-5.791	616
		-	-
	EPRA earnings	**26.785**	**24.018**
	Weighted average number of shares	10.392.676	9.722.190
	EPRA earnings per share (€/share)	**2,58**	**2,47**

The grey cells were adapted following the change in the valuation rule introduced in Q2 2017. The shareholders' equity is not affected. Furthermore, this adjustment has no impact on the EPRA learnings and on the distributable profit.

EPRA NAV – EPRA NAV per share

Definition: The EPRA NAV is the NAV applied so that it comprises real estate and other investment at their fair value and excludes certain items which are not expected to acquire fixed form in a business model with property investments in the long term. The EPRA NAV per share concerns the EPRA NAV on the basis of the number of shares in circulation on the balance sheet date. Cf. also www.epra.com.

Purpose: The EPRA NAV measures the intrinsic value without taking account of the fair value of the hedging instruments, the impact of which is booked in the financial costs in future financial years, if the IRS is not cancelled before the maturity date. The EPRA NAV per share measures the intrinsic value per share without taking into account the fair value of the hedging instruments, the impact of which is booked in the financial costs in future financial years, if the IRS is not cancelled before the maturity date.

Calculation: The detailed calculation of this APM is given below:

EPRA NAV

	(in EUR X 1 000)	**31/12/2017**	**31/12/2016**
	IFRS NAV	**332.911**	**251.846**
	NAV per share (€/share)	**28,67**	**25,31**
	Effect of exercise of options, convertible debt and other equity instruments		
	Diluted net asset value after effect of exercise of options, convertible debt and other equity instruments	**332.911**	**251.846**
	To exclude		
(iv)	IV. Fair value of financial instruments	11.611	24.804
	EPRA NAV	**344.521**	**276.650**
	Number of shares in circulation per end period	11.610.531	9.951.884
	EPRA NAV per share (€/share)	**29,67**	**27,80**

EPRA NNNAV – EPRA NNNAV per share

Definition: The EPRA NNNAV is the EPRA NAV that was applied so that it includes the fair value of financial instruments, debts and deferred taxes. The EPRA NNNAV per share concerns EPRA NNNAV on the basis of the number of shares in circulation on the balance sheet date. Cf. also www.epra.com.

Purpose: The EPRA NNNAV measures the intrinsic value taking into account the fair value of the hedging instruments. The EPRA NNNAV per share measures the intrinsic value taking into account the fair value of the hedging instruments.

Calculation: The detailed calculation of this APM is given below:

EPRA NNNAV

	(in EUR X 1 000)	31/12/2017	31/12/2016
	EPRA NAV	**344.521**	**276.650**
	Number of shares in curculation at the end of the period	11.610.531	9.951.884
	EPRA NAV (€/share)	**29,67**	**27,80**
	To add:		
(i)	I. Fair value of financial instruments	-11.611	-24.804
(ii)	II. Revaluation of the fair value of financing at fixed interest rate	5.397	6.573
	EPRA NNNAV	**338.308**	**258.419**
	Nmber of shares in circultation at the end of the period	11.610.531	9.951.884
	EPRA NNNAV (€/share)	**29,14**	**25,97**

EPRA vacancy

Definition: The EPRA vacancy corresponds to the complement of “Occupancy rate” with the difference that the occupancy rate used by Montea is calculated on the basis of square metres whereas the EPRA vacancy is calculated on the basis of the estimated rental value.

Purpose: The EPRA vacancy measures the vacancy percentage as a function of the estimated value without taking account of non-rentable m², intended for redevelopment, and of the land bank.

Calculation: The detailed calculation of this APM is given below:

EPRA VACANCY RATE

(in EUR X 1 000)	(A) Estimated rental value (ERV) for vacancy	(B) Estimated rental value portfolio (ERV)	(A/B) ERPA Vacancy rate *(in %)*	(A) Estimated rental value (ERV) for vacancy	(B) Estimated rental value portfolio (ERV)	(A/B) ERPA Vacancy rate *(in %)*
	31/12/2017	31/12/2017	31/12/2017	31/12/2016	31/12/2016	31/12/2016
Belgium	1.525	26.760	5,7%	429	19.914	2,2%
France	-	7.012	0,0%	-	7.175	0,0%
The Netherlands	-	13.974	0,0%	-	11.659	0,0%
Total	**1.525**	**47.745**	**3,2%**	**429**	**38.748**	**1,1%**

1.9. Detail of the calculation of the APMs used by Montea[48]

Result on the portfolio

Definition: This concerns the positive and/or negative changes in the fair value of the property portfolio plus any capital gains or losses from the construction of properties.

Purpose: This APM indicates the positive and/or negative changes in the fair value of the property portfolio plus any capital gains or losses from the construction of properties.

[48] Exclusive of the EPRA measures, some of which are considered as an APM, and are calculated under Chapter 1.8 EPRA Performance measures.

Calculation: The detailed calculation of this APM is given below:

RESULT ON PORTFOLIO (in EUR X 1 000)	31/12/2017	31/12/2016 RESTATED (0)
Result on sale of property investments	769	8.131
Variations in the fair value of property investments	3.204	670
RESULT ON PORTFOLIO	**3.972**	**8.801**

(0) The gray cells were adjusted due to the change in the valuation rule implemented in Q2 2017. Equity is not affected. Furthermore, this adjustment also has no impact on the EPRA earnings and the distributable profit.

Financial result exclusive of changes in the fair value of financial instruments

Definition: This is the financial result pursuant to the Royal Decree of 13 July 2014 on regulated real estate companies, exclusive of the change in the real value of the financial instruments.

Purpose: This APM indicates the actual financing cost of the company.

Calculation: The detailed calculation of this APM is given below:

FINANCIAL RESULT excl. variations in fair value of financial instruments (in EUR X 1 000)	31/12/2017	31/12/2016
Financial result	-5.316	-12.396
To exclude:		
Variations in fair value of financial assets & liabilities	-5.791	616
FINANCIAL RESULT excl. variation in fair value of financial instruments	**-11.107**	**-11.780**

Operating margin

Definition: This is the operating result before the result of the real estate portfolio, divided by the net rental income.

Purpose: This APM measures the operational profitability of the company as a percentage of the rental income.

Calculation: The detailed calculation of this APM is given below:

OPERATING MARGIN (in EUR X 1 000)	31/12/2017	31/12/2016
Net rental result	40.793	40.518
Operating result (before the result on the portfolio)	38.830	36.304
OPERATING MARGIN	**95,2%**	**89,6%**

Average cost of debt

Definition: Average financial cost over the entire year calculated on the basis of the total financial result with regard to the average of the initial and end outstanding balance of the financial debt burden for 2016 without taking into account the valuation of the hedging instruments.

Purpose: The company finances itself partially through debt financing. This APM measures the cost of this source of financing and the possible impact on the results.

Calculation: The detailed calculation of this APM is given below:

AVERAGE COST OF DEBT (in EUR X 1 000)	**31/12/2017**	**31/12/2016**
Financial result	-5.316	-12.396
To exclude:		
Variations in fair value of financial assets and liabilities	-5.791	616
TOTAL FINANCIAL CHARGES (A)	-11.107	-11.780
AVERAGE FINANCIAL DEBTS (B)	366.615	324.766
AVERAGE COST OF DEBT (A/B) (*)	**3,0%**	**3,0%**

Given the explanation on the accounting processing of the settlement of swaps and in order to obtain a better connection with the EPRA guidance, it was decided to process the unwinding of the swaps via the P&L heading as of 2017: changes in the real value of financial assets and liabilities. If we had applied this processing method on the unwinding of the swap in 2016, it would have had no impact on the net result and the capital equity of 2016, only on the EPRA result that would have been €2.1 million or €0.21 per share higher.

1.10. Outlook

➢ Economic climate

Montea's business is affected partly by the overall economic climate. Lower economic growth can have an indirect effect on occupancy rates and rental income. It can also increase the risk that some tenants may not be able to fulfil their obligations under their lease.

For Montea, this risk is offset to some extent by the diversification of its revenue streams (e.g. solar panels), as well as its geographical diversification (Belgium, France and the Netherlands) and the signing of leases for longer terms with high-quality clients from a range of different sectors.

We also see a growing appetite for logistics real estate in Belgium, France and the Netherlands, which puts downward pressure on the investment yields. As a result, Montea has to be involved from the beginning of the project.

- **Specific outlook for Montea**

- Investment pipeline

  The expansion of the office in the Netherlands and France, and the long-term partnerships that Montea has concluded with developers and land owners will enable Montea to continue its robust growth of recent years. In this respect, Montea is less dependent on products that are offered in the property market and can develop products that meet its quality standards from its own positions. We have consequently seen the portfolio grow above the €800 million mark in the course of the year.

- Occupancy rate and term of the leases

  On 31/12/2017 the occupancy rate amounted to 96.3% chiefly as a result of the partial vacancy at the sites in Milmort, Willebroek and Genk. Montea's goal is to keep the occupancy rate above 95%. The average term of leases until the first termination option is 7.5 years. On the basis of already announced growth, Montea expects to maintain the average term for its leases above 7 years by the end of the financial year.

- Financing strategy

  Taking account of the 60% debt ratio restriction, Montea still has an investment capacity of € 150 million. Montea is striving for a diversified financing policy, where the aim is to bring the term of our loans (currently 5.5 years) in line with the term of our leases (currently 7.5 years on average).Montea analysed its debt position again in December 2017, and, prior to the expiry dates of a number of lines of credit, refinanced debts at lower market conditions.

- Operating margin

  The operating margin amounted to 95.2% on 31/12/2017 but was impacted by certain one-off compensation. On the basis of already announced growth, Montea expects to be able to maintain the operating margin over 92%.

- EPRA earnings

  On the basis of the EPRA earnings of € 26.8 million in 2017, the coming net income from the acquired projects and taking account of an estimated extension of certain leases and the letting of currently vacant premises, Montea expects growth of at least 5% in EPRA earnings per share in 2018. On the basis of these prospects, a dividend increase of 3% is again expected in 2018 compared with 2017, which should lead to a gross dividend of €2.24 per share for 2018.

1.11. Corporate responsibility and sustainable business

As a benchmark player in the logistics and semi-industrial property sector, Montea makes every effort to conduct itself as a socially responsible company. For this reason, Montea is involved in an ongoing improvement process in which economic, environmental and social considerations are systematically taken into account in the way the business is conducted on a day-to-day basis.

Montea strives not only to comply with the legal requirements, but wishes to go further than the applicable legislation by means of initiatives and actions. Montea's management is convinced that taking a responsible approach to these activities is a decisive factor in the company's sustainability.

1.11.1. Further implementation of the "Blue Label" plan

Montea has implemented, together with its outside specialists, its own "Blue Label". The plan encompasses Montea's overall approach with regard to sustainability, both for its existing portfolio and for new investments. There are various standards worldwide in relation to sustainability for the property sector. The best known of these are: HQE (France), BREEAM (UK standard) and LEED (US standard). Montea has included the most important standards in its "Blue Label" plan.

"Blue Label" includes:

- an efficient approach to energy, water and waste management;
- cost-conscious and proactive maintenance management;
- limiting CO2 emissions;
- creating comfort and safety in the work environment;
- risk management;
- monitoring and improving energy consumption;
- document management and making documents available to customers and partners;
- the repeated screening of the property portfolio and related activities.

1.11.2.Montea places the spotlight on sustainability with the Lean and Green Star (Award & Star)

As a member of the VIL (Flemish Logistics Institute), Montea supports the Lean and Green sustainability programme. Lean and Green encourages and supports companies in making dramatic reductions to their CO2 emissions. Given that Montea is very much involved with sustainability and making its property portfolio sustainable, it was the ideal time to join in with this project. On 8 May 2015, Montea was the first Belgian property investor to earn the be awarded the **Lean & Green Star** in recognition of reducing CO2 emission in the Belgian portfolio b 26%. The Lean & Green Star certificate was officially issued on 16 June 2015.

By obtaining this additional independent recognition, Montea is able to pass on its sustainability targets to both its partners (contractors, architects, suppliers, etc.) and to its tenants. At Montea, we are convinced that we, as the owner of logistics buildings, can act as the catalyst to promote the Lean and Green programme with our tenants and in so doing develop a coherent concept on sustainability. DHL Freight, VDAB, Coca-Cola Enterprises Belgium and XPO are all Montea tenants that have received the Lean and Green Award.

Efforts already made for the sustainability of Montea's Belgian property portfolio:

- 230,000 m2 of logistical space has been equipped with energy monitoring systems for the day-to-day evaluation of the energy consumption of tenants (> 50% of the Belgian portfolio);
- All buildings have already undergone an in-depth energy scan. Based on these scans, sustainable investments have been carried out (increase insulation values, reduce ventilation losses, increase lighting yields, more effective HVAC systems, etc.);
- A total capacity of 5 MWp in solar panels was placed on the roofs of the portfolio in Belgium, good for the generation of 4,450 MWh, comparable to ca. 1,100 households.
- 275,000 m2 of buildings have been bought or built in which the K-value is lower than K35 (the legal maximum is K=40)

1.11.3. Sustainable development

As a responsible company, Montea is well aware of the potential consequences of its business activities for the environment in the broad sense of the word and as such it subscribes to targets in relation to sustainable development. The Company undertakes to manage its property assets with respect for the following aspects:

1.11.3.1. Energy management

Montea has developed a rational policy aimed at optimising the use of energy. In 2012 the programme regarding energy scans was further optimised, along with the implementation of Life Cycle Analyses. On the basis of these detailed analyses and additional energy calculations a complete study was performed for the sites in Mechelen and Puurs.

This study enabled Montea to draw up a full investment programme with these items:
• investments with an immediate impact on energy;
• investments in consultation with the tenant based on its operations;
• refurbishment and replacement investment objectives;
• investments from a commercial point of view.

With this in-depth study Montea confirms its focus on optimising the sustainability and quality of its real estate portfolio. Montea also took the initiative to equip the sites at Erembodegem, Mechelen, Milmort, Heppignies, Bornem, Aalst (Movianto & Barry Callebaut), Puurs Schoonmansveld 18 and Grimbergen with a monitoring system. Montea can thus monitor its energy management closely and to make adjustments when there is extreme consumption.

1.11.3.2. Solar panels

From the monitoring mentioned above, the total energy produced from the PV installations is up to the forecast expectations. Depending on their operations, our tenants use up to 90% of the solar energy produced. Each quarter, we inform our tenants about the solar energy generated, as well as the solar energy consumed locally and the financial benefit.

1.11.3.3. Facility Management programme

At the end of 2011, a Facility Management programme was introduced. This programme is an internal management system and also provides tenants with access to a secure “My Montea” web portal. The Facility Management programme features the following applications:

- By using the “work order” module in “My Montea”, Montea is able to monitor and track its work orders and their due dates accurately and then generate reports for each site, project and, if required, each tenant.
- Tenants can also use our “My Montea” web portal to register and monitor all messages/problems/queries themselves so that the service and communication relating to buildings management can run clearly and smoothly.
- For four sites the maintenance module can be used so that maintenance purchase orders relating to these buildings are generated automatically and the maintenance can be tracked in detail. In 2013, a maintenance plan will be implemented for all sites.

Implementation of the Facility Management programme fits in perfectly with the “Blue Label” plan and the transparency that Montea wishes to give its tenants and partners.

1.11.3.4. Waste management

Montea encourages its tenants to sort their waste, making separate containers available and offering solutions for waste collection.

1.12. Statement on compliance with certain bond issue covenants

In compliance with article 5.11 of the issue terms for the bonds issued on 28 June 2013 (totalling € 30 million), on 28 May 2014 (totalling € 30 million), and on 30 June 2015 (totalling € 50 million), Montea will make a statement in its consolidated annual and half-yearly figures regarding the compliance with certain covenants imposed in art. 5.10 of these issue terms.

Montea declares that:
- The consolidated debt ratio is 51.6%, thereby making it below the 65% mark required in Article 5.10 point (d) of the information memorandum of the debenture loans issued in 2013 and 2014 and Article 5.10 point (c) of the information memorandum of the debenture loans issued in 2015;
- The "Interest Cover" is 3.00, thereby making it higher than 1.5 as required in Article 5.10 point (e) of the information memorandum of the debenture loans issued in 2013 and 2014 and Article 5.10 point (d) of the information memorandum of the debenture loans issued in 2015.

2. Forward-looking statements

This press release also contains a number of statements focused on the future. Statements such as these are subject to risks and uncertainties that may result in the actual results differing substantially from the results that might have been expected from the forward-looking statements made in this press release. Some of the major factors that may affect these results include changes to the economic situation, as well as commercial and competitive circumstances resulting from future court rulings or changes to legislation.

3. Financial calendar

- 15/05/2018 General meeting of shareholders
- 15/05/2018 Interim statements on 31/03/2018
- 21/08/2018 Half-yearly report 30/06/2018
- 07/11/2018 Interim statements 30/09/2018

This information is also available on our website www.montea.com.

About MONTEA "SPACE FOR GROWTH"

Montea Comm. VA is a public property investment company (PPIC – SIIC) under Belgian law specialising in logistical property in Belgium, France and the Netherlands, where the company is a benchmark player. Montea literally offers its customers room to grow by providing versatile, innovative property solutions. In this way, Montea creates value for its shareholders. Montea was the first Belgian property investor to be awarded the Lean & Green Star in recognition of effectively reducing CO2 emissions in the Belgian portfolio by 26%. On 31/12/2006 Montea's property portfolio represented total space of 782,978 m² across 46 locations. Montea Comm. VA has been listed on NYSE Euronext Brussels (MONT) and Paris (MONTP) since 2006.

MEDIA CONTACT

Jo De Wolf
+32 53 82 62 62
jo.dewolf@montea.com

FOR MORE INFORMATION

www.montea.com

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DE TIJD L'Echo

ANNEX 1: Consolidated overview of the income statement on 31/12/2017

	MONTEA SPACE FOR GROWTH — CONSOLIDATED PROFIT & LOSS ACCOUNT (EUR x 1.000)	31/12/2017 12 months	31/12/2016 RESTATED (0) 12 months
I.	Rental income	43.234	41.833
II.	Write-back of lease payments sold and discounted	0	0
III.	Rental-related expenses	-2.440	-1.315
	NET RENTAL RESULT	**40.793**	**40.518**
IV.	Recovery of property charges	0	**0**
V.	Recovery of charges and taxes normally payable by tenants on let properties	5.168	4.942
VI.	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0
VII.	Charges and taxes normally payable by tenants on let properties	-5.895	-5.863
VIII.	Other rental-related income and expenses	3.897	1.660
	PROPERTY RESULT	**43.963**	**41.258**
IX.	Technical costs	-34	-122
X.	Commercial costs	-122	-257
XI.	Charges and taxes of un-let properties	0	-31
XII.	Property management costs	-1.047	-590
XIII.	Other property charges	-44	-43
	PROPERTY CHARGES	**-1.246**	**-1.043**
	PROPERTY OPERATING RESULT	**42.717**	**40.215**
XIV.	General corporate expenses	-3.814	-3.769
XV.	Other operating income and expenses	-72	-142
	OPERATING RESULT BEFORE PORTFOLIO RESULT	**38.830**	**36.304**
XVI.	Result on disposal of investment properties	769	8.131
XVII.	Result on disposal of other non-financial assets	0	0
XVIII.	Changes in fair value of investment properties	3.204	670
XIX.	Other portfolio result	0	0
	OPERATING RESULT	**42.803**	**45.105**
XX.	Financial income	240	656
XXI.	Net interest charges	-11.245	-12.308
XXII.	Other financial charges	-102	-128
XXIII.	Change in fair value of financial assets & liabilities	5.791	-616
	FINANCIAL RESULT	**-5.316**	**-12.396**
XXIV.	Share in the result of associates and joint ventures	0	0
	PRE-TAX RESULT	**37.486**	**32.709**
XXV.	Corporation tax	-938	-506
XXVI.	Exit tax	0	0
	TAXES	**-938**	**-506**
	NET RESULT	**36.548**	**32.204**
	Attributable to:		
	Shareholders of the parent company	36.548	32.204
	Minority interests	0	0
	Number of shares in circulation at the end of the period	11.610.531	9.951.884
	Weighted average of number of shares of the period	10.392.676	9.722.190
	NET RESULT per share (EUR)	**3,52**	**3,31**

(0) The gray cells were adapted following the change in the valuation rule introduced in Q2 2017. The shareholders' equity is not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.

ANNEX 2: Consolidated overview of the balance sheet on 31/12/2017

		CONSOLIDATED BALANCE SHEET (EUR x 1.000)	31/12/2017	31/12/2016 RESTATED (0)
I.		**NON-CURRENT ASSETS**	**719.615**	**545.462**
	A.	Goodwill	0	0
	B.	Intangible assets	168	189
	C.	Investment properties	706.431	535.136
	D.	Other tangible assets	12.877	10.098
	G.	Trade receivables and other non-current assets	42	39
II.		**CURRENT ASSETS**	**28.811**	**49.297**
	A.	Assets held for sale	0	7.721
	D.	Trade receivables	14.364	10.499
	E.	Tax receivables and other current assets	8.748	6.607
	F.	Cash and cash equivalents	3.436	3.350
	G.	Deferred charges and accrued income	2.263	21.121
		TOTAL ASSETS	**748.426**	**594.759**
		TOTAL SHAREHOLDERS' EQUITY	**333.029**	**251.965**
I.		**Shareholders' equity attributable to shareholders of the parent company**	**332.911**	**251.846**
	A.	Share capital	232.938	200.282
	B.	Share premiums	66.641	32.439
	C.	Reserves	-3.216	-13.079
	D.	Net result of the financial year	36.548	32.204
II.		**Minority interests**	**118**	**118**
		LIABILITIES	**415.397**	**342.794**
I.		**Non-current liabilities**	**386.251**	**310.381**
	B.	Non-current financial debts	374.543	285.577
		a. Credit institutions	264.072	175.132
		b. Financial leasings	1.136	184
		c. Other	109.335	110.261
	C.	Other non-current financial liabilities	11.707	24.804
	E.	Other non-current liabilities	0	0
II.		**Current liabilities**	**29.147**	**32.413**
	B.	Current financial debts	2.273	10.590
		a. Credit institutions	2.000	10.000
		b. Financial leasings	273	590
		c. Other	0	0
	C.	Other current financial liabilities	0	0
	D.	Trade debts and other current debts	10.894	10.848
		a. Exit taks	4.346	2.014
		b. Other	6.547	8.833
	E.	Other current liabilities	437	150
	F.	Accrued charges and deferred income	15.542	10.826
		TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**748.426**	**594.759**

(0) The gray cells were adapted following the change in the valuation rule introduced in Q2 2017. The shareholders' equity is not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.

ANNEX 3: Consolidated overview of changes to shareholders' equity (€ '000')

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (EUR x 1.000)	Share capital	Share premiums	Reserves	Result	Deduction of transfer rights and costs	Minority interests	Shareholders' equity
ON 31/12/2016	**200.282**	**32.438**	**-13.079**	**32.204**	**0**	**118**	**251.964**
Elements directly recognized as equity	**32.656**	**34.201**	**-1.342**	**0**	**0**	**0**	**65.515**
Capital increase	32.656	34.201	0	0	0	0	66.857
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	0	0	-1.840	0	0	0	-1.840
Positive change in value of solar panels (IAS 16)	0	0	484	0	0	0	484
Own shares	0	0	0	0	0	0	0
Own shares held for employee option plan	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0
Corrections	0	0	14	0	0	0	14
Subtotal	**232.938**	**66.641**	**-14.421**	**32.204**	**0**	**118**	**317.479**
Dividends	0	0	-20.999	0	0	0	-20.999
Result carried forward	0	0	32.204	-32.204	0	0	0
Result for the financial year	0	0	0	36.548	0	0	36.548
ON 31/12/2017	**232.938**	**66.641**	**-3.217**	**36.548**	**0**	**118**	**333.028**

ANNEX 4: Overview of the consolidated comprehensive income

ABBREVIATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR x 1.000)	31/12/2017 12 months	31/12/2016 RESTATED (0) 12 months
Net result	**36.548**	**32.204**
Other items of the comprehensive income	**484**	**-720**
Items taken in the result	**0**	0
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investments properties	0	0
Changes in the effective part of the fair value of authorized cash flow hedges	0	0
Items not taken in the result	**484**	**-720**
Impact of changes in fair value of solar panels	484	-720
Comprehensive income	**37.032**	**31.483**
Attributable to:		
Shareholders of the parent company	37.032	31.483
Minority interests	0	0

(0) The gray cells were adapted following the change in the valuation rule introduced in Q2 2017. The shareholders' equity is not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.

ANNEX 5: Consolidated overview of the cash flow summary (€ '000')

CONSOLIDATED CASH FLOW STATEMENT (EUR x 1.000)	31/12/2017 12 months	31/12/2016 RESTATED (0) 12 months
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR (A)	**3.350**	**4.930**
Net result	**36.548**	**32.204**
Financial cash elements (not dedectable of the net profit) to become the operating result	**11.107**	**11.780**
Received interests	-240	-656
Payed interests on finances	11.347	12.436
Received dividends	0	0
Taxes (dedected from the net result) to become the operating result	**938**	**506**
Non-cash elements to be added to / deducted from the result	**-10.415**	**-8.480**
Depreciations and write-downs	**286**	**211**
Depreciations/write-downs (or write-back) on intangible and tangible assets (+/-)	205	200
Write-downs on current assets (+)	90	11
Write-back of write-downs on current assets (-)	-9	0
Other non-cash elements	**-10.701**	**-8.691**
Changes in fair value of investment properties (+/-)	-3.204	-670
IAS 39 impact (+/-)	-5.791	616
Other elements	0	0
Realized gain on disposal of investment properties	-769	-8.131
Provisions	0	0
Taxes	-938	-506
NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS (B)	**38.178**	**36.009**
Change in working capital requirements (C)	**25.620**	**-11.920**
Movements in asset items	**20.570**	**-11.159**
Trade receivables	-3	-1
Other long-term non-current assets	-3.865	-2.808
Other current assets	5.580	-2.538
Deferred charges and accrued income	18.858	-5.812
Movements in liability items	**5.050**	**-762**
Trade debts	-543	2.865
Taxes, social charges and salary debts	589	68
Other current liabilities	287	-3.843
Accrued charges and deferred income	4.717	149
NET CASH FLOW FROM OPERATING ACTIVITIES (A)+(B)+(C) = (A1)	**67.148**	**29.018**
Investment activities	**-166.546**	**-24.718**
Acquisition of intangible assets	-79	-66
Investment properties and development projects	-164.934	-80.929
Other tangible assets	-51	-55
Solar panels	-2.250	246
Disposal of investment properties	769	56.086
Disposal of superficy	0	0
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B1)	**-166.546**	**-24.718**
FREE CASH FLOW (A1+B1)	**-99.398**	**4.301**
Change in financial liabilities and financial debts	**67.599**	**2.721**
Increase (+)/Decrease (-) in financial debts	80.650	1.511
Increase (+)/Decrease (-) in other financial liabilities	-13.097	1.211
Increase (+)/Decrease (-) in trade debts and other non-current liabilities	-46	0
Change in other liabilities	**0**	**0**
Increase (+)/Decrease (-) in other liabilities	0	0
Increase (+)/Decrease (-) in other debts	0	0
Change in shareholders' equity	**46.342**	**8.108**
Increase (+)/Decrease (-) in share capital	32.656	14.994
Increase (+)/Decrease (-) in share premium	34.201	11.546
Increase (+)/Decrease (-) in consolidation differences	0	0
Increase (+)/Decrease (-) in minority interests	0	19
Dividends paid	-20.999	-18.700
Increase (+)/Decrease (-) in reserves	484	249
Increase (+)/Decrease (-) in changes in fair value of financial assets/liabilities	0	0
Disposal of treasury shares	0	0
Dividend paid (+ profit-sharing scheme)	**0**	**0**
Interim dividends paid (-)	0	0
Financial cash elements	**-11.107**	**-11.780**
NET FINANCIAL CASH FLOW (C1)	**102.834**	**-951**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (A1+B1+C1)	**3.436**	**3.350**

(0) The gray cells were adapted following the change in the valuation rule introduced in Q2 2017. The shareholders' equity is not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.

ANNEX 6: Independent expert's report on 31/12/2017[49]

Conclusions of the real-estate expert coordinator

To the Board of Directors Montea Comm VA openbare GVV
Industrielaan 27 bus 6
9320 Erembodegem

Dear Sirs,

Re : Valuation of the real-estate portfolio of Montea as at 31st December 2017.

Context

In accordance with Chapter III, Section F of the law of 12th of May 2014 on B-REITs, Montea has instructed an independent valuer to provide an opinion of value for its portfolio as at 31st December 2017. We have been mandated to value the entire portfolios in Belgium, The Netherlands and France. Furthermore we have consolidated the results of the valuation of which the main conclusions are listed hereunder.

Jones Lang LaSalle has been active in Belgium since 1965 and has a long track record in valuing professional real estate. We benefit from sufficient knowledge of the property markets in which Montea is active, as well as the required professional qualifications and recognition to fulfil this assignment. The mission of the valuer has been carried out in full independence.

Consistently with market practice, our mission has been carried out on the basis of information provided by Montea, in particular relating to tenancy situation, costs and taxes borne by the landlord, works to be carried out, as well as any other element which could have an influence on the assets' value. We have assumed this information to be correct and complete. As specifically mentioned in our reports, our valuation does not constitute in any way a quality or technical survey of the properties, nor an analysis of the possible presence of deleterious materials. These elements are well known by Montea, which carries out a technical and legal due diligence prior to the acquisition of each property.

Opinion

The investment value is defined as the most likely value that could reasonably be obtained on the date of valuation in normal sales conditions between willing and well-informed parties before deduction of transaction costs.

As our principal valuation method we have adopted a static capitalisation approach and also carried out a simple "sanity check" in terms of price per square meter.

The static capitalisation is carried out in the form of a "Term and Reversion" valuation, with the current income based on contractual rents capitalised until the end of the current contract, and the ERV capitalised in perpetuity and brought to a net present value. It should be noted that this method of valuation applies a multiplier to the current and future expected rent that is based on analysis of sales of comparable properties in the market. The multiplier depends on the yield that investors require when acquiring in this market. The yield reflects the risks intrinsic to the sector (future voids,

[49] The full report from the property assessor dated 31/12/2017 was not included in this annual report, but only the conclusions. This is because the full report contains confidential information that may be of interest to competitors.

credit risk, maintenance obligations, etc.). Where there are unusual factors specific to the property, then an explicit correction is made either, for example:

• Non-recovered charges or taxes in a market where recovery from the tenant is usual;
• Renovation work or deferred repairs necessary at the date of valuation in order to continue to receive the rent;
• Unusual outgoing costs.
• Concession deeds
• Development potential

It is important to understand the distinction between this "capitalisation" approach and the discounted cash flow method where future growth and inflation are explicit. This difference is why discount rates in a discounted cash flow valuation are higher than yields in a static capitalisation approach.

The yields used are based on the valuer's judgement in comparison with evidence of comparable sales. Factors in the market that determine yield are numerous, and different factors are of importance to different buyers. The following criteria are often taken into account: the quality of the tenant and duration of the lease, the location, the state of repair, the age and the architectural quality of the building and also the efficiency of the building (gross to net ratio/parking ratio).

Ultimately it is supply and demand in the investment market that determines the price. For the financial accounting of a B-REIT and in accordance with the IAS/IFRS norms it is common practice to use the fair value. Following a press release of the Belgian Association of Asset Managers (BEAMA), dated 8 February 2006, the fair value of the Belgian properties can be obtained by subtracting 2,5% transaction costs from properties with an investment value of more than € 2.500.000. For properties with an investment value under € 2.500.000 full registration duties should be subtracted, depending on the region where they are situated.

A/ Properties held as an investment

In the light of all comments mentioned above, we confirm that the investment value of the consolidated Montea property portfolio as at 31st December 2017 amounts to a total of

688.350.300 €
(Six hundred and eighty eight million three hundred fifty thousand and three hundred Euros);

This amount includes the investment value of the buildings held as an investment in Belgium, The Netherlands and France.

The most likely sale value corresponding to the fair value of this consolidated Montea property portfolio as at 31st December 2017 amounts to a total of

658.282.400 €
(Six hundred fifty eight million two hundred and eighty two thousand and four hundred Euros);

this amount includes the fair value of the buildings held as an investment in Belgium, The Netherlands and France.

On this basis, the initial yield of the portfolio is 6,87%.

B/ Properties under development

In the light of all comments mentioned above, we confirm that the investment value of the consolidated Montea property portfolio as at 31st December 2017 amounts to a total of

49.427.000 €
(Forty nine million four hundred twenty seven thousand Euros);

This amount includes the investment value of the buildings under development in Belgium, The Netherlands and France.

The most likely sale value corresponding to the fair value of this consolidated Montea property portfolio as at 31st December 2017 amounts to a total of

48.440.100 €
(Forty eight million four hundred and forty thousand and one hundred Euros);

this amount includes the fair value of the buildings under development in Belgium, The Netherlands and France.

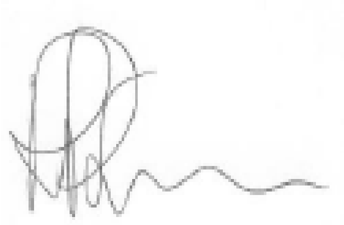
The property portfolio comprises:

31/12/2017							
INVESTMENT PROPERTIES	Initial Yield	passing rent	Potential rent	ERV	Investment value	Fair value	Net value ('kosten koper')
Belgium	7,16%	26.341.488 €	28.287.707 €	26.825.208 €	367.886.500 €	358.913.900 €	335.362.900 €
The Netherlands	6,19%	13.577.017 €	13.973.578 €	13.973.578 €	219.179.400 €	205.027.400 €	205.027.400 €
France	7,32%	7.396.797 €	7.396.797 €	7.012.053 €	101.084.400 €	94.341.100 €	94.341.100 €
TOTAL	6,87%	47.315.302 €	49.658.080 €	47.810.837 €	688.150.300 €	658.282.400 €	634.731.400 €
UNDER DEVELOPMENT	Initial Yield	passing rent	Potential rent	ERV	Investment value	Fair value	Net value ('kosten koper')
Belgium					26.615.471 €	25.966.300 €	23.941.400 €
The Netherlands					8.435.500 €	8.352.000 €	8.352.000 €
France					14.376.000 €	14.121.800 €	14.121.800 €
TOTAL					49.426.971 €	48.440.100 €	46.415.200 €

31/12/2017							
TOTAL PORTFOLIO	Initial Yield	passing rent	Potential rent	ERV	Investment value	Fair value	Net value ('kosten koper')
Belgium					394.501.971 €	384.880.200 €	359.304.300 €
The Netherlands					227.814.900 €	213.379.400 €	213.379.400 €
France					115.460.400 €	108.462.900 €	108.462.900 €
TOTAL					737.777.271 €	706.722.500 €	681.146.600 €

Yours sincerely,

Brussels, 6th February 2018



R.P. Scrivener FRICS
National Director
Head of Valuation and Consulting
On behalf of Jones Lang LaSalle

ANNEX 8: Auditor’s report

The statutory auditor, Ernst & Young Bedrijfsrevisoren, represented by Joeri Klaykens, confirms that their control activities on the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union, have been substantially completed and that these did not result in any significant corrections that should be made to the accounting figures, resulting from the consolidated financial statements and included in this press release.