Annual Financial Press Release

of the sole director
on the period from
01/01/2020 to 31/12/2020

REGULATED INORMATION
EMBARGO UNTIL 11/02/2021 – 07:00 am

MONTEA
SPACE FOR GROWTH

www.montea.com

Highlights 2020:

EPRA earnings: € 3,50 per share = an increase of 7% compared with 2019	✓ Target: > €3.44 per share ⇨ target exceeded
Dividend: € 2.83 per share based on a payout ratio of 80% = an increase of 11% compared with 2019	✓ Target: > € 2.67 per share ⇨ target exceeded
The fair value of the portfolio in 2020 increased by € 205 million or 18% compared with 2019 to €1,364 million	✓ On track with growth plan for 2020-21: 77% of target growth identified in the meantime.
Average cost of debt: 1.9% at a coverage ratio of 85% at the end of 2020	✓ Target: < 2.2% and > 80% ⇨ target exceeded

Strong fundamentals to cope with the health crisis: a debt ratio under control (38.0%) combined with a high occupancy rate (99.4%) and a long remaining term of the leases until first expiry (7.7 years - exclusive of solar panels). On the date of this press release, Montea had received 99% of all rents payable.

Outlook for 2021:

- Montea reaffirms its aspiration to boost its property portfolio by € 300 million compared with 2019, which will result in a property portfolio of at least € 1,450 million by the end of 2021.
  77% of this growth (€ 230 million) has already been identified.

- Based on the current knowledge and assessment of the COVID-19 crisis, leaving any possible new negative consequences of a possible new wave or lockdown aside, in 2021 Montea expects:

  - the EPRA earnings per share to grow to € 3.68
    (+ 5% compared with 2020)

  - the dividend per share to grow to €2.96
    (+ 5% compared with 2020)

  - the occupancy rate to be maintained above 97%

  - a debt ratio lower than 50%

- Montea aspires to make its operations CO2 neutral in 2021.

- Montea intends to devise and implement a Green Finance Framework In 2021.

Summary

- Montea's EPRA earnings[1] in 2020 amounted to € 55.8 million, an increase of 12% compared with the EPRA earnings of € 50.0 million in 2019. This increase was achieved through the acquisition of new properties/leased lands and completed developments with a positive impact on the net rental result (€ 65.1 million in 2019 -> € 69.6 million in 2020). A write-down of € 0.5 million was taken into account in the net rental result, and a provision was made for the sake of prudence. The amount represents the payment spreads granted for 2020 to customers who are heavily impacted by the current crisis. None of Montea's customers went bankrupt in 2020.

- The EPRA earnings per share[2] amounted to € 3.50 for 2020, an increase of 7% compared with 2019 (€ 3.28) despite an increase of 5% in the weighted average number of shares. The target of at least 5% growth for 2020 was thus exceeded. This result places Montea fully on course to achieve the targeted EPRA earnings per share of € 3.68.

- The net profit (IFRS) amounted to € 155.0 million, driven partly by the latent capital gains on the completed projects and long-term lease of the site in Vilvoorde to DPD (€ 14.5 million), as well as by an increase in the fair value of the existing property portfolio (€ 92.8 million). The net earnings (IFRS) amounted to € 9.74 compared with € 7.12 per share in 2019 (an increase of 37%).

- On the basis of a payout ratio of 80%, the board of directors will propose to the general meeting of shareholders to pay out a dividend of € 2.83 per share, an increase of 11% compared with 2019. The target of at least 5% growth for 2020 was thus therefore widely exceeded.

- The new growth plan for 2020-21 got off to an excellent start. At the end of 2020, Montea had already managed to identify ca. € 230 million in investment volume, good for 77% of the proposed investment growth.

- An additional portfolio volume of € 205.2 million was attained (including latent capital gains on completed projects and an increase in the fair value of the existing portfolio by € 107.3 million). The fair value of the property portfolio including developments and solar panels increased as a result by 18% (€ 1,159.3 million) at the end of 2019 -> € 1,364.5 million at the end of 2020). The fair value of the property portfolio including developments and solar panels amounted to € 642.2 million in Belgium, € 201.2 million in France and € 520.9 million in the Netherlands.

- In 2020 Montea embarked on a partnership with the IMPEC Group, a German real estate player geared exclusively to logistics developments. After Belgium, France and the Netherlands, Montea is ready to enter the Germany market so as to bolster its international clout. The strong growth of the logistics sector in Europe and the leading role of the Germany economy are the most important drivers for further international breakthroughs.

- The average financing cost for 2020 fell from 2.2% to 1.9% with a coverage ratio of 85.3% at the end of December 2020.

[1] Pursuant to the guidelines issued by the European Securities and Markets Authority (ESMA), the Alternative Performance Measures (APMs) used by Montea will henceforth be marked with an asterisk (*) when first mentioned in this press release, and then defined in a footnote. This is intended to inform the reader that the definition concerns an APM. The performance indicators defined in IFRS rules or by law and indicators not based on the headings of the balance sheet or the income statement are not considered APMs. The detailed calculation of the EPRA performance indicators and of other APMs used by Montea are shown in Chapters 1.6 and 1.7 of this press release.

[2] The EPRA earnings per share are the EPRA earnings based on the weighted average number of shares.

- In 2020 Montea elaborated further its sustainability vision for the future, linked to the 4Ps approach (People, Planet, Profit and Policy) via a strategic Plan for 2030/2050. The first steps to making this plan a reality have in the meantime been taken through energy monitoring systems in buildings, the implementation of a relighting programme, the use of renewable sources of energy such as heat pumps and solar panels, and support for charities and scientific research. Particular attention has also been paid to the health and well-being of employees through online 'stay connected & in good shape' workouts and access to training platforms for employees.

- With a debt ratio of 38.0% on 31 December 2020 (compared with 39.4% at the end of 2019), the consolidated balance sheet is demonstrably highly solvent. Furthermore, the portfolio KPIs such as an occupancy rate of 99.4% and a remaining term of leases until first expiry of 7.7 years, plus a quality and diversified customer portfolio, are a valuable winning asset for dealing with the current crisis. The liquidity buffer of unused lines of credit exceeded € 100 million at the end of 2020.

- The coronavirus pandemic has accelerated various trends in the logistics sector. E-commerce, for instance, has grown even faster and certain market trends such as omnichannel, nearshoring, sustainable e-Commerce, use of data analytics are becoming increasingly more important. Thanks to the increasing importance of these trends, the in-house expertise (track record as a developing end investor), the well filled development pipeline and the numerous land positions, Montea is reaffirming the further growth of its property portfolio to at least € 1,450 million by the end of 2021. 77% of this growth (€ 230 million) has already been identified.

- Based on the current knowledge and assessment of the COVID-19 crisis, leaving aside serious negative consequences of a possible new wave or lockdown, Montea expects in 2021:
  - ✓ the EPRA earnings per share to grow to €3.68 (+ 5% compared with 2020)
  - ✓ the dividend per share to grow to €2.96 (+ 5% compared with 2020)
  - ✓ the occupancy rate to be maintained above 97%
  - ✓ a debt ratio lower than 50%

- Montea aspires to make its operations CO2 neutral by the end of the year by reducing emissions (stimulating the use of public transport, electric cars, etc.), improving energy efficiency (energy monitoring, etc.) and using renewable energy sources, such as solar panels and heat pump applications. A cooperation arrangement has been made with Co2logic to guide and certify the process. Montea joined the Science Based Targets initiative to underline its ambition and commitment in the fight against climate change.

- In 2021, Montea intends to develop and implement a Green Finance Framework.

Table of content

1 Management report

1.1 Key figures

		BE	FR	NL	31/12/2020 12 months	31/12/2019 12 months
Real estate portfolio						
Real estate portfolio - Buildings (1)						
Number of sites		**34**	**18**	**22**	**74**	**69**
Surface of the real estate portfolio						
Logistics and semi-industrial warehouses	m²	645.450	202.702	313.965	1.162.118	1.073.248
Offices	m²	65.724	17.774	30.598	114.096	103.334
Land - rent	m²	6.512	0	180.345	186.858	163.010
Total surface	**m²**	**717.686**	**220.476**	**524.909**	**1.463.071**	**1.339.593**
Development potential (m²) - rent	m²	32.562	0	840.216	872.778	753.542
Development potential (m²) - portfolio	m²	132.007	112.204	160.120	404.331	368.743
Development potential (m²) - in research	m²	0	70.000	0	70.000	0
Development potential (m²) - in option	m²	79.137	0	0	79.137	224.137
Total surface - development potential (m²)	**m²**	**243.706**	**182.204**	**1.000.336**	**1.426.246**	**1.346.422**
Value of the real estate portfolio						
Fair value (2)	K€	607.984	198.833	473.291	1.280.108	1.083.085
Investment value (3)	K€	623.287	212.832	515.709	1.351.828	1.134.150
Occupancy Rate (4)	%	**99,7%**	**97,1%**	**100,0%**	**99,4%**	**99,3%**
Real estate portfolio - Solar panels						
Fair value	K€	24.428	0	5.327	29.755	12.195
Real estate portfolio - Projects under construction						
Fair value (2)	K€	9.964	2.372	42.254	54.590	64.004
Consolidated results						
Results						
Net rental result	K€				69.597	65.063
Property result					74.374	68.135
Operating result before the porfolio result	K€				67.635	61.710
Operating margin (5)*	%				90,9%	90,6%
Financial result (excl. Variations in fair value of the financial instruments) (6)*	K€				-10.950	-11.356
EPRA result (7)*	**K€**				**55.778**	**49.997**
Weighted average number of shares					**15.916.319**	**15.229.606**
EPRA result per share (8)*	**€**				**3,50**	**3,28**
Result on the portfolio (9)	K€				107.308	71.207
Variations in fair value of the financial instruments (10)	K€				-8.077	-12.739
Net result (IFRS)	**K€**				**155.009**	**108.465**
Net result per share	**€**				**9,74**	**7,12**
Consolidated balance sheet						
IFRS NAV (excl. minority participations) (11)	**K€**				**815.311**	**680.029**
EPRA NRV (12)*	**K€**				**911.747**	**747.734**
EPRA NTA (13)*	**K€**				**845.722**	**702.535**
EPRA NDV (14)*	**K€**				**817.356**	**682.907**
Debts and liabilities for calculation of debt ratio	**K€**				**531.279**	470.104
Balance sheet total	**K€**				**1.398.921**	**1.193.698**
Debt ratio (15)	**%**				**38,0%**	**39,4%**
IFRS NAV per share	**€**				**50,88**	**43,09**
EPRA NRV per share (16)*	**€**				**56,90**	**47,38**
EPRA NTA per share (17)*	**€**				**52,78**	**44,51**
EPRA NDV per share (18)*	**€**				**51,01**	**43,27**
Share price (19)	**€**				**93,10**	**81,00**
Premium	**%**				**83,0%**	**88,0%**

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 transaction 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 result on the property portfolio by the property result. See section 4.
6) *Financial result (exclusive of variations in the fair value of the financial instruments): this is the financial result in accordance with the RREC RD excluding the variation in the fair value of the financial instruments and reflects the actual funding cost of the company. See section 4.
7) *EPRA earnings: 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 result (IFRS) exclusive of the result on the portfolio and the variations in the fair value of financial instruments. Cf www.epra.comm and section 3.
8) *EPRA earnings per share concerns the EPRA earnings on the basis of the weighted average number of shares. Cf. www.epra.com and section 3.
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 sale of real estate. See section 4.
10) Variations in the fair value of financial hedging instruments: this concerns the negative and/or positive variations in the fair value of the interest hedging instruments according to IFRS 9.
11) IFRS NAV: Net Asset Value of intrinsic value before 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 according to IFRS by the number of shares entitled to dividends on the balance sheet date.
12) * EPRA Net Reinstatement Value: NRV assumes that entities never sell assets and aims to represent the value required to rebuild the entity. The aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, including real estate transfer taxes. Cf. www.epra.com and section 3.
13) * EPRA Net Tangible Assets assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax. This is the NAV adjusted to include properties and other investments at their fair value and exclude certain line items that are not expected to take shape in a business model with investment properties over the long term. Cf. www.epra.com and section 3.
14) * EPRA Net Disposal Value provides the reader with a scenario of the disposal of the company's assets resulting in the settlement of deferred taxes and the liquidation of debt and financial instruments. Cf. www.epra.com and section 3.
15) Debt ratio according to the Royal Decree of 13 July 2014 on regulated property companies.
16) * EPRA NRV per share: EPRA NRV per share is calculated by dividing the EPRA NRV by the number of shares outstanding at period end. Cf. www.epra.com and section 3.
17) * EPRA NTA per share: EPRA NTA per share is calculated by dividing the EPRA NTA by the number of shares outstanding at period end. Cf. www.epra.com and section 3.
18) * EPRA NDV per share: EPRA NDV per share is calculated by dividing the EPRA NDV by the number of shares outstanding at period end. Cf. www.epra.com and section 3.
19) Share price at the end of the period.

		Definition	Purpose	31/12/2020	31/12/2019
A)	EPRA earnings	Recurring earnings from the core operational activities.	A key measure of a company's underlying operating results from its property rental business and an indicator of the extent to which current dividend payments are supported by earnings.	In € x 1000: 55.778 In € / aandeel: 3,50	49.997 3,28
B)	EPRA Net Reinstatement Value	The EPRA NAV set of metrics make adjustments to the NAV per the IFRS financial statements to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios. The Net Reinstatement Value assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	The objective of the EPRA NRV measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallize in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included.	In € x 1000: 911.747 In € / aandeel: 56,90	747.734 47,38
C)	EPRA Net Tangible Assets	The Net Tangible Assets assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	The underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallizing certain levels of deferred tax liability.	In € x 1000: 845.722 In € / aandeel: 52,78	702.535 44,51
D)	EPRA Net Disposal Value	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	The EPRA NDV provides the reader with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the Balance Sheet, net of any resulting tax. This measure should not be viewed as a "liquidation NAV" because, in many cases, fair values do not represent liquidation values.	In € x 1000: 817.356 In € / aandeel: 51,01	682.907 43,27

		Definition	Purpose	31/12/2020	31/12/2019
E)	EPRA VACANCY RATE	Estimated rental value (ERV) of vacant space, divided by the ERV of the entire portfolio.	A pure, financial measurement of vacancy (in %).	1,0%	1,3%
F)	EPRA Net Initial Yield	Annualized rental income based on the steady rent collected on the balance sheet date, minus the non-recoverable property operating costs, divided by the market value of the property, plus the (estimated) acquisition costs.	A comparable benchmark for portfolio valuations in Europe	5,5%	6,0%
G)	EPRA "Topped-up" Net Initial Yield	This benchmark integrates an adjustment of the EPRA NIY before the expiry of rent-free periods (or other non-due rental incentives such as discounted and tiered rent).	A comparable measure around Europe for portfolio valuations.	5,5%	6,0%
H)	EPRA cost ratio (incl. vacancy charges)	Administrative and operational charges (including vacancy charges), divided by rental income.		8,3%	9,3%
I)	EPRA cost ratio (excl. vacancy charges)	Administrative and operational charges (excluding vacancy charges), divided by rental income.		8,1%	9,0%

1.2 Significant events and transactions in 2020

1.2.1 Rental activity in 2020

Occupancy rate of 99.4%

On 31 December 2020, the occupancy rate amounted to 99.4% compared with 99.3% at the end of 2019. 91% of the 7% leases that expired in 2020 could be renewed.

The limited vacancy is located in Mesnil-Amelot (FR), previously let to Autoclick and UTC Aerospace.

Long-term partnership with DPD Belgium[3]

The French courier company DPD is investing € 60 million in new depots in our country, € 50 million of which in a brand new, fully automated sorting centre of ca. 9,000 m². This sorting centre will be located in Vilvoorde, on a 59,500 m² site owned by Montea. It is not by chance that the two companies are entering into a partnership: e-commerce is booming in our country as never before due to the coronavirus crisis. It is because of this and the strategic location of the site that DPD Belgium decided to commit itself to a minimum of 27 years, so that parcels in our country can run even more smoothly.

Impact of COVID-19 on rental activity and customer payment behaviour

The COVID-19 crisis had little impact on Montea's activities in 2020.

The risk of non-payment is minimized thanks to its quality and diversified customer portfolio (in geographic as well as sector and site terms). The warehouses remain operational and have even increased their activity in certain cases. Montea is aware of the challenge some of its customers are up against. Requests from tenants to spread the rent owed over time are considered on a case-by-case basis in order to find a balanced solution. Montea has not granted any rent reductions or waivers.

The spread rental sums as a result of the agreements concluded amounted to ca. € 0.5 million at the end of 2020. A provision was earmarked for the totality of these spreads in the 2020 income statement for the sake of prudence.
Montea collected 99% of the rent invoices payable in 2020.
Today, the same percentage (99%) of the expired rental invoices of January 2021 (monthly rentals) and the first quarter of 2021 (quarterly rentals) have been received.

[3] See press release of 22/09/2020 or go to www.montea.com for more information.

1.2.2 Acquisitions in 2020

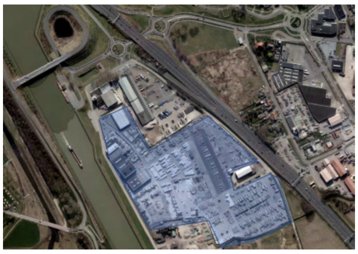
The total acquisition volume in 2020 amounted to € 48 million. All acquisitions were made at an investment value lower than or in line with the value determined by the independent property expert. When fully let, Montea will generate a net initial yield of 5.9%, exclusive of land reserve. The net initial yield inclusive of net reserve is 4.9%. All the acquisitions were in the Netherlands.

1.2.2.1 Overview of acquisitions in 2020.

Logistics Park A12, Waddinxveen (NL)[4]

In August 2020, Montea exercised its option on a site of ca. 120,000 m² in Waddinxveen. The investment value of the land amounted to ca. € 25 million. The land holds the possibility of a new distribution centre of ca. 100,000 m². Montea will start construction of the first phase in 2021, with a 50,000 m² distribution centre being developed. HBM Machines B.V.[5] was the first tenant to sign a lease for a fixed 10-year term for 36,000 m² in this development.

Acquisition of industrial site, Echt (NL)[6]



In December 2020, Montea acquired a site located between the A2 motorway and the Juliana Canal at the Echt exit. The site is let fully under a triple-net lease for a 15-year term. The site has a total area of ca. 120,000 m², a significant expansion of the yielding land bank, and therefore of Montea's future development potential. This operation represents an investment value of ca. € 23 million.

[4] See press release of 13/03/2017 or go to www.montea.com for more information.
[5] See press release of 21/12/2020 or go to www.montea.com for more information.
[6] See press release of 21/12/2020 or go to www.montea.com for more information.

1.2.3 Development activity in 2020

1.2.3.1 Projects delivered in 2020

An area of ca. 55,000 m² in pre-let projects and ca. 18,000 m² in pre-let sites (parking) were delivered in 2020 for a total investment amount of € 61 million (excluding the investments for solar panels) at a net initial yield of 7.05%. The average term of the leases until first termination option is 13 years.

- **Saint-Laurent-Blangy, France** [7]
  - Start of development: Q2 2019.
  - Surface area: ca. 33,000 m² storage space and 1,900 m² office space
  - Leased for 20 years to Groupe Advitam
  - Investment value: ca € 22 million
  - Delivery: 15/06/2020

- **Meyzieu, France** [8]
  - Start of development: Q3 2019
  - Surface area: ca 10,000 m² storage space
  - Leased for 9 years to Renault
  - Investment value: ca € 13 million
  - Delivery: 15/06/2020

- **Schiphol Airport (NL)**[9]
  - Acquisition of the plot of land (21,500 m²) in 2019
  - Start development: Q1 2020
  - Surface area of distribution centre: ca. 9,000 m²
  - Office space: ca 1,000 m²
  - Leased for 10 years to Amazon Logistics
  - Investment value: ca € 17 million
  - Delivery: 15/10/2020

- **Schiphol Airport – parking plot 1 (NL)**
  - Acquisition of the plot of land: Q3 2020
  - Start of development: Q4 2020
  - Delivery: 01/12/2020
  - Entry into force of lease: 01/12/2020
  - Surface area of the site: 17,900 m² (331 parking spaces)
  - Leased for 10 years to Amazon Logistics
  - Investment value (land + development): ca. € 9 million

Impact of COVID-19 on project developments

The projects were delivered on time, in accordance with the arrangements made in the leases, despite a temporary interruption of about one month in April 2020 in France due to the measures taken by the competent authorities.

7 See press release of 04/04/2019 or go to www.montea.com for more information.
8 See press release of 19/09/2019 or go to www.montea.com for more information.
9 See press release of 26/01/2020 or go to www.montea.com for more information.

1.2.3.2 Identified projects in progress in 2021

In addition, Montea has identified a number of projects that are to be delivered or started in 2021, for a total investment of ca. € 163 million.[10] These are mainly sites under Montea's control for which, given the unique location and the current rental market, the company expects to find a customer in the short term and thus to start the construction work.

- **Schiphol Airport - parking plot 2 (NL)**
  - Acquisition of the plot of land: Q4 2020
  - Start of development: Q4 2020
  - Entry into force of lease: Q2 2021
  - Surface area of the site: 4,400 m² (60 parking spaces)
  - Leased for 10 years to Amazon Logistics
  - Investment value (land + development): ca. € 2 million

- **Circular and climate-neutral Blue Gate industrial estate in Antwerp, Belgium** [11]
  - Start of development: Q4 2019
  - Delivery: 08/01/2021
  - Surface area: ca. 4,250 m² distribution centre (urban distribution with electric vehicles, cargo bikes)
  - 15-year fixed lease to DHL Express
  - Investment value: ca. € 10 million

- **Logistics Park A12, Waddinxveen (NL)**
  - Surface area of the site: 120,000 m²
  - Acquisition of the plot of land: Q3 2020
  - Estimated investment budget for land + development: ca. € 80 million
  - **Development phase 1:**
    - Surface area: ca. 50,000 m² storage space
    - Start of development: Q1 2021
    - Expected delivery: Q1 2022
    - Leased area: ca. 36,000 m²
    - Tenant: 10-year fixed lease to HBM Machines B.V.[12]
    - Renting out during the development phase: ca. 14,000 m²
  - **Development phase 2:**
    - Expected surface area of storage space: ca. 50,000 m²
    - Start of development: after commercialization (< Q4 2021)

- **Extension + parking, De Hulst, Willebroek (BE)**
  - Start of construction: Q2 2021
  - Entry into force of lease: Q4 2021
  - Surface area of parking plot: 7,250 m² (75 parking spaces and 76 truck parking spaces)
  - Surface area cross dock: ca. 2,000 m²
  - Leased for 15.5 years to Dachser Belgium N.V.
  - Investment value: ca. € 2.5 million

[10] Of which € 40.8 million were already invested as at 31/12/2020
[11] See press release of 19/12/2019 or go to www.montea.com for more information.
[12] See press release of 21/12/2020 or go to www.montea.com for more information.

- **Lumineus, Lummen (BE)**
    - Acquisition of plot of land (55,000 m²) in 2019
    - Start of development: after pre-rental (< Q4 2021)
    - Expected surface area of distribution centre: ca. 30,000 m²
    - Estimated investment budget for land + development: ca. € 27 million

- **Vosdonk industrial estate, Etten-Leur (NL)**
    - Acquisition of plot of land (37,500 m²) in 2019
    - Start of development: after decontamination and commercialization (< Q4 2021)
    - Expected surface area of distribution centre: ca. 24,500 m²
    - Estimated investment budget for land + development: ca. € 19 million

- **Refurbishment projects of existing sites (BE)[13]**
    - Start refurbishment: at the end of the current lease (< Q4 2021)
    - Estimated investment budget: ca. €15 million

- **St-Priest industrial estate (FR)**
    - Acquisition of the plot of land (70,000 m²) in 2022
    - Investment budget for land: ca. € 7 million

[13] As part of its sustainability strategy, Montea decided to review the previously planned redevelopments in Aalst and Vorst. In Aalst, Montea decided to reinstate the building as it structurally meets today's requirements. A first phase has already been carried out by renovating the roof and adapting the insulation so that it complies with contemporary standards. The strategy was also changed in Vorst, where initially the two buildings let to Unilever were to be redeveloped. Montea decided to upgrade the current building, where until recently Lipton tea was produced, to a future-proof location, while the second building will be demolished to make way for a new state-of-the-art warehouse.

1.2.3.3 Developments in the PV portfolio.

The investments in PV installations in 2020 were to bring the total capacity of solar panels to 38 MWp by the end of that year, good for the generation of 35,500 MWh, comparable to the energy consumption of more than 10,000 families or an equivalent CO_2 reduction of 565 hectares of forest. Montea has proceeded to PV installations on the roofs of its Belgian and Dutch portfolio for the time being. In 2021, the first PV installations will be installed on the roofs of the French portfolio.

- **Completed projects in 2020**

14 new PV installations on the roofs of Belgian portfolio came into operation in 2020 for a total investment cost of ca. €11.6 million. With these new installations, the PV plants in Belgium generate ca. 22.500 MWh, i.e. the annual energy consumption of almost 6,500 families.

6 new PV plants were installed in the Netherlands, for a total investment cost of € 4.7 million. The solar panel capacity in the Netherlands will thus be brought to ca. 14.5 MWp, a level needed to cover the annual consumption of 3,800 families.

- **Expected project completions after 2020**

In the meantime, Montea has actually equipped ca. 81% of all the roofs of its warehouses in Belgium with PV installations. The ambition is to increase this percentage to 95%, the maximum technical capacity of the current portfolio. An investment budget of approximately € 2.7 million is earmarked to that end.

38% of the portfolio of warehouses in the Netherlands has already been fitted with solar panels. That percentage will be increased to 60% in 2021. An investment budget of approximately € 9.1 million is earmarked to that end.

In addition to Belgium and the Netherlands, PV installations are also planned in France as of 2021. An investment budget of ca. € 4 million has been earmarked to that end.

After this operation, the total generation by Montea's PV installations will correspond to the annual consumption of 16,300 families and an equivalent of 950 hectares of forest will be saved in terms of CO_2.

1.2.4 Divestment activity

No divestments took place in 2020.

1.2.5 Other events in 2020

Montea expands its activities to Germany through cooperation with the German IMPEC Group [14]

After Belgium, France and the Netherlands, Montea is now ready to enter the German market and thus increase its international position. The strong growth of the logistics market in Europe and the leading role of the German economy are the main drivers for further international breakthrough. For the expansion, Montea enters into a partnership with the IMPEC Group.

Like Montea, the IMPEC Group has grown out of a family business. Moreover, the German group has the same values with a focus on a long-term value creation through built-to-suit developments on strategic positions.

The IMPEC Group – or IMPEC Real Estate GmbH – was founded in 1993 by Gerhard Mannsperger. Since the arrival of son Domenique Mannsperger, a seasoned logistics developer, the company has focused exclusively on logistic developments, with clients like Seifert Logistics, Duvenbeck and Mateco. The IMPEC Group developed over 550,000 m² of leased storage space and has a transactional volume of €400 million in the past years.

The growth ambition is clearly present at Montea and due to this partnership Germany will be - next to Belgium, the Netherlands and France - the fourth country where Montea is active. The expansion marks the start of a next phase in the investment strategy in high-quality and sustainable logistics positions. Supported by a debt ratio of 38.0%, Montea is convinced that it will grow rapidly in Germany.

Introduction of the Companies and Associations Code (abolition of the legal form of partnership limited by shares).

On 9 November 2020, the extraordinary general meeting of shareholders of Montea decided inter alia to change the legal form of Montea from a *commanditaire vennootschap op aandelen* [partnership limited by shares] (Comm. VA) with a statutory manager to a *naamloze vennootschap* [limited liability company] (NV) with sole director (i.e. Montea Management NV). Montea's Articles of Association were also brought in line with the requirements of the new Code on Companies and Associations at the occasion of this conversion.

1.2.6 Sustainable entrepreneurship: Plan 2030/2050

Ever since being listed on the stock exchange in 2006, Montea has endeavoured to secure sustainable growth of its quality portfolio. Montea is not about profit for profit's sake or growth for growth's sake but about sustainable value creation. Sustainability, in the broadest sense of the term, has long been ingrained in Montea's DNA and extends far beyond purely ecological considerations. Montea endeavours to think further ahead than the current standards and legislation.

Active efforts have been made since the Strategic Plan 2030/2050 - 'Sustainability Vision for the Future' was launched in 2020 to make this plan a reality. The renewed vision and ambitions are linked to the 4Ps approach (People, Planet, Profit and Policy), which is broader than the ESG (Environmental, Social and Governance) criteria.

[14] See press release of 25/06/2020 or go to www.montea.com for more information.

The first phase of the Plan, i.e. stock-taking, has already been completed. It kicked off with a baseline measurement. The level playing field was also determined. The number of Montea's stakeholders is constantly increasing, and they are included in this study accordingly. Montea is accountable not only to its customers and shareholders, but also to society -- a very important stakeholder because of the impact of our activities on e.g. mobility, use of space, pollution, etc. Montea is fully aware of this impact and does not think in purely economic terms.

The existing portfolio and future projects are currently being analysed in depth and tested against the needs of the future. The action plan and the determination of concrete objectives for the medium and long-term will be developed further in 2021. The climate goals for 2030 set by the European Union and the European Green Deal 2050 will be duly taken into account. Given the importance of this study for Montea, its stakeholders and society at large, the Company has surrounded itself by experienced partners in this field so as to achieve the best possible result.

Montea will make its own operations CO2 neutral by way of an objective for 2021. To this end, it has entered into a partnership with CO2logic, which will supervise and certify the entire process. Montea has joined the Science Based Targets initiative to underline its ambition and commitment in the fight against climate change. It also aspires to develop and implement a Green Finance Framework in 2021.

Montea will of course continue its current efforts on sustainability. These efforts consist of the following:

- ✓ 70% of our warehouses are already equipped with energy monitoring systems for the daily assessment of the energy consumed by tenants. Deviations in energy consumption can thus be identified at an early stage and action taken quickly. Energy consumption is moreover an important parameter for calculating the ecological footprint. All Montea sites will be equipped with energy monitoring systems by the end of 2021.
- ✓ The relighting programme is being further implemented in our warehouses. The lighting in all our older buildings is being replaced by energy-efficient LED lighting, resulting in significantly lower energy costs and CO2 emissions, but also in greater safety and well-being on the shop floor. Our LED lighting is combined with daylight and motion detection.
- ✓ The use of heat pumps, recovery and reuse of water and the installation of charging stations for electric vehicles are now standard features for a new project to be developed. Existing installations are also revamped to meet the strictest standards.
- ✓ Newly developed buildings are no longer linked to the gas network but are either connected to a heat network or are heated/cooled by means of heat pumps.
- ✓ In 2019, Montea joined the Flemish Government's Green Deal on Circular Construction, which pays more attention to a circular way of building.
- ✓ Further research into the feasibility of a hydrogen storage system at one of our sites to gain insight into and a deeper understanding of this promising energy storage system.
- ✓ Montea supports the Dennie Lockefeer fundamental research chair at the University of Antwerp, which organizes scientific research into multimodal transport, in particular how the use of inland waterways can serve as a possible solution for improving mobility.
- ✓ Montea organizes seminars for the sector with partners (including VIL, Spryg) at regular intervals to share knowledge with as many stakeholders as possible.

Montea as an organization is also responsible for the health and well-being of its own employees in particular through:

- ✓ A fully digital environment
- ✓ online 'stay connected & in good shape' work-outs
- ✓ online team moments
- ✓ access to a training platform with a wide range of topics

Montea encourages its employees to be active in socially relevant initiatives alongside their work and is happy to support projects and initiatives in which they are closely involved.

- ✓ Roparun: Montea was to have taken part in this annual relay race from Paris to Rotterdam in 2020 to support organizations working with people suffering from cancer, but this event was cancelled because of COVID-19.
- ✓ Montea takes part every year in the IMMOrun, a sporting form of networking in the real estate world.
- ✓ Montea supports various good causes, including De Kampenhoeve, a therapy centre with horses and donkeys – an initiative by one of Montea's employees.
- ✓ Montea organizes activities and trips for its employees and their families on a regular basis.

1.2.7 Further strengthening of the financial structure

Optional dividend result[15]

A total of 64.22% of the coupons no. 22 (representing the dividend for the 2019 financial year) were exchanged for new shares. 241,100 new shares were issued for a total issue amount of € 18,004,383.60 (€ 4,913,618.00 in capital and € 13,090,765.60 in issue premium) within the authorized capital. The newly created shares were admitted to trading on Euronext Brussels and Euronext Paris as of 15 June 2020. The authorized capital of Montea is represented by 16,023,694 shares.

Financing activities

In addition, Montea was able to commit an amount of € 175 million in new financing with a weighted average term of 5.4 years during the second quarter of 2020. Furthermore, lines of credit coming to maturity in 2020 and some others in 2021 were extended.

Impact of COVID-19 on financing activities

Against the background of the uncertainties caused by the COVID-19 pandemic, Montea has continued to work on strengthening its financial structure, such as a debt ratio[16] of 38.0% and an Interest Coverage Ratio of 6,2x. All other things being equal, Montea has covered its financing needs (obligations including expected expenditures for projects not yet committed in accordance with the prospect of portfolio growth) up to August 2021. Montea currently has an undrawn capacity of € 106.5 million in its lines of credit.

Montea always considers all possible forms of financing. Montea's access to the debt market was not restricted due to COVID-19 thanks to its track record, its low debt ratio of 38.0% and the real estate class (logistics) in which it operates. In view of the uncertainties caused by COVID-19, Montea has decided to increase the available debt capacity, which will entail additional financial costs in the form of a reservation fee for the future.

The average cost of debt decreased from 2.2% in 2019 to 1.9% in 2020.

[15] See press release of 11/06/2020 or go to www.montea.com for more information.
[16] Calculated in accordance with the Royal Decree of 13 July 2014 on real estate investment trusts.

1.2.8 Policy developments concerning the Dutch REIT status

Application for FBI status for Montea Nederland NV and its subsidiaries

In order to carry out real estate investments in the Netherlands, in September 2013 Montea filed for the application of the 'Fiscale Beleggingsinstelling' (FBI) [tax investment institutions] regime as referred to in Article 28 of the Corporate Tax Act of 1969. Up to now, the Company's Dutch subsidiary, Montea Nederland NV and its subsidiaries still did not have a final decision from the Dutch tax authorities in which the FBI status was approved.

In 2016, with reference to certain case law of the Dutch Supreme court, the Dutch tax authorities developed a new view in their policy concerning what the shareholder test will entail. As a shareholder of its FBI (foreign investment institution) subsidiary Montea Nederland BV, the Company would have to show that it can itself be considered as an FBI. Only then can the Company be considered as a qualified shareholder under the FBI regime in the view of the Dutch tax authorities.

In this context, consultations are held between the Dutch tax authorities, the Dutch Ministry of Finance and the Company to see how this can be put into practice in concrete terms. In January 2020, the ministry officially announced that this interpretation cannot be given concrete form for the time being, particularly because it depends on the outcome of ongoing lawsuits between the Dutch tax authorities and foreign investment funds regarding the refund of dividend tax, which the ministry does not wish to anticipate. Pursuant to the judgment of the European Court of Justice of 30 January 2020 (in the Köln-Aktienfonds Deka case), a foreign entity that wishes to avail itself of the Dutch FBI regime must meet similar requirements. This must be interpreted in relation to the (underlying) purpose of the FBI requirements in question.

Montea maintains ongoing constructive contacts with the Dutch tax authorities and the Dutch ministry on the concrete application of the judgments already published and on the comparability of Montea with Dutch institutions with FBI status. Such contacts are geared to obtaining FBI status for Montea Nederland NV and its subsidiaries.

Future of the FBI regime

Moreover, the Dutch government is looking into whether an adjustment of the FBI regime in general and for property funds in particular is necessary, possible and feasible in the long run. Possible changes to the policy are not expected before 2022.

Accounting treatment and financial impact up to 2020

Despite the fact that Montea does not yet have the approval of the Dutch tax administration for FBI status, it does keep its accounts as if it already has such status. After all, the Ministry has already indicated in the past that it will act within the framework of the general principles of good administration in order to obtain a level playing field ('equal cases will be treated equally'). This is intended to ensure that Montea will not be treated worse by the Dutch tax authorities than other sufficiently comparable Belgian REITs with existing agreements concerning FBI status.

Montea Nederland NV[17] has taken the position in its corporate tax returns for 2015 to 2019 that it qualifies for FBI status which means that it owes zero corporate tax. The Dutch tax inspector has however imposed a (provisional) assessment for 2015 to 2019 taking into account the regular corporate tax rate. In view of the applicable tax rate (basically 8%), Montea has opted to pay these provisional assessments (i.e. a total amount of € 8.2 million for these 5 years).

[17] And its Dutch subsidiaries.

For 2015 and 2016, Montea received a final corporate tax assessment (the response time for the Dutch tax authorities would expire for these years, for that matter). For 2015, said assessment was € 0.1 million higher than the return filed. Montea filed an objection to the final assessments for 2015 and 2016.

Montea also entered the same total amount (€ 8.2 million) as a receivable in its accounts. If the FBI status is granted, this full amount will be reimbursed. If the FBI status is refused, however, the assessments will have been correctly paid and the receivable must be written off, with a material negative impact on Montea's profitability. Montea Nederland NV[18] has complied with the obligation to pay out a dividend under the FBI regime every year and has consequently paid out € 1.6 million in dividend tax owed for the period 2015 to 2019. Requests for automatic reduction have been filed for the dividend tax payments in 2016, 2017 and 2018. An objection has been lodged against the dividend tax payments in 2019 and 2020. The dividend tax may possibly be recovered if the FBI status should be refused after all. The total impact with regard to years 2015 to 2019 would therefore amount to € 6.7 million or € 0.42 per share (12% with the EPRA earnings for 2020).

Unless events occur that show that a different course of action should be taken, Montea intends to apply the same methods in 2020. An amount of approximately € 3.5 million will be paid by way of the provisional corporate income tax assessment for 2020. The figures for 2020 include a debt of € 3.5 million and a receivable of € 3.5 million. An amount of approximately € 0.7 million will be paid in respect of the dividend tax due once the distribution obligation has been fulfilled. The impact of not obtaining FBI status for 2020 would therefore be € 2.8 million or € 0.17 per share, i.e. the amount of the expected provisional assessment for 2020 less the amount of dividend tax.

Accounting treatment and financial impact for 2021

Despite the fact that Montea has not yet obtained approval from the Dutch tax authorities concerning FBI status, it has kept its accounts up to 2020 as if had already obtained said status. The basis for this can be found in the level playing field principle with other sufficiently comparable Belgian REITs that already have agreements concerning the FBI status.
In line with new developments (withdrawal of tax ruling handed down as of 1 January 2021 in the event of sufficiently comparable Belgian REITs), Montea has, for the sake of prudence, taken into account in its 2021 forecasts the possibility that the FBI status could be refused for the period starting on 1 January 2021. A provision of € 2.9 million was consequently included in the outlook of 2021 via the income statement (the difference between the fiscally transparent FBI status and the regular taxed sphere).
Supported by European law, Montea's efforts remain focused nonetheless on being able to apply the FBI status in the Netherlands as of 2021. The 2021 tax return will therefore be filed as an FBI since Montea continues to believe that it fulfils all the conditions to qualify for FBI status.

[18] And its Dutch subsidiaries

1.2.9 Proposal to distribute a gross dividend of €2.83 per share

Based on the EPRA earnings of € 3.50, the board of directors of the sole director of Montea will propose a dividend of € 2.83 gross (€ 1.98 net) per share, based on a pay-out ratio of 80%. This means an 11% increase in the gross dividend per share compared with 2019 (€ 2.54 gross per share), despite the 5% increase in the weighted average number of shares as a result of the optional dividend (creation of 241,100 new shares).

KEY RATIO'S	31/12/2020	31/12/2019
Key ratio's (€)		
EPRA result per share (1)	3,50	3,28
Result on the portfolio per share (1)	6,74	4,68
Variations in the fair value of financial instruments per share (1)	-0,51	-0,84
Net result (IFRS) per share (1)	9,74	7,12
EPRA result per share (2)	3,48	3,17
Proposed distribution		
Gross dividend per share	2,83	2,54
Net dividend per share	1,98	1,78
Weighted average number of shares	15.916.319	15.229.606
Number of shares outstanding at period end	16.023.694	15.782.594

(1) Calculation based on the weighted average number of shares.
(2) Calculation based on the number of shares in circulation on the balance sheet date

1.3 Summary of the condensed consolidated financial statements for financial year 2020

1.3.1 Consolidated (analytical) income statement as at 31/12/2020

ABBREVIATED CONSOLIDATED PROFIT & LOSS ACCOUNT (K EUR) Analytical	31/12/2020 12 months	31/12/2019 12 months
CONSOLIDATED RESULTS		
NET RENTAL RESULT	**69.597**	**65.063**
PROPERTY RESULT	**74.374**	**68.135**
% compared to net rental result	**106,9%**	**104,7%**
TOTAL PROPERTY CHARGES	**-2.229**	**-2.047**
OPERATING PROPERTY RESULT	**72.145**	**66.089**
General corporate expenses	-4.378	-4.207
Other operating income and expenses	-133	-172
OPERATING RESULT BEFORE THE PORTFOLIO RESULT	**67.635**	**61.710**
% compared to net rental result	**97,2%**	**94,8%**
FINANCIAL RESULT excl. Variations in fair value of the hedging instruments	**-10.950**	**-11.356**
EPRA RESULT FOR TAXES	**56.684**	**50.354**
Taxes	**-906**	-357
EPRA Earnings	**55.778**	**49.997**
per share	**3,50**	**3,28**
Result on disposals of investment properties	0	434
Result on disposals of other non-financial assets	0	0
Changes in fair value of investment properties	107.308	70.773
Other portfolio result	0	0
PORTFOLIO RESULT	**107.308**	**71.207**
Changes in fair value of financial assets and liabilities	-8.077	-12.739
RESULT IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**-8.077**	**-12.739**
NET RESULT	**155.009**	**108.465**
per share	**9,74**	**7,12**

1.3.2 Notes on the condensed (analytical) financial income statement

- Summary:

The EPRA earnings increased by 12% from € 50 million in 2019 to € 55.8 million in 2020. The EPRA earnings per share amounted to € 3.50 for 2020, an increase of 7% compared with 2019 (€ 3.28).

The increase in the EPRA earnings was due mainly to the strong growth of the property portfolio in 2019 and 2020, whereby operational and financial costs are monitored closely and managed as such.

- The Operating result for the earnings on the property portfolio amounted to € 67.6 million, an increase of 10% compared with 2019.

  - The net rental result amounted to € 69.6 million, up by 7% (or € 4.5 million) compared with the same period in 2019 (€ 65.1 million). This increase is due mainly to the recent acquisitions of new properties, leased land and completed projects, which generate additional rental income. With an unchanged portfolio (and therefore excluding new acquisitions, sales and project developments between both comparative periods 2020 and 2019), the level of rental income rose by 1.2%, driven mainly by the indexing of leases.
  - The property earnings amounted to € 74.4 million and were up by € 6.2 million (or 9%) compared with the same period last year (€ 68.1 million) due mainly to the increase in net rental income (€ 4.5 million), an increase in solar panel income (€ 0,9 million) as well as an increase in project and property management fees (€ 0.5 million) and a decrease in non-rechargeable property costs as a result of the recovery of Belgian withholding tax paid for vacant warehouses that was paid in the past (€ 0.3 million).
  - The property costs and general overheads rose slightly by € 0.4 million for 2020 compared with 2019 as a result of the growth in the portfolio and the increase in the subscription tax following the strengthening of equity in 2019. Due to this increase, the operating result before the result on the portfolio were up by € 5.9 million or 10% compared with the same period last year (from € 61.7 million in 2019 to € 67.6 million in 2020).
  - The operating margin[19]* amounted to 90.9% for the entire year 2020, compared with 90.6% for 2019.

- The financial result excluding changes in the fair value of financial instruments amounted to € -11.0 million, an improvement of 3.5% compared with last year (€ -11.4 million)

  The higher amount of outstanding financial debts was offset by the positive effect of the elaboration of the hedging strategy.

  The total financial debt (inclusive of bond loans and leasing debts, including the recurring cost of land under concession) on 31 December 2020 is 85% hedged.

  The average financing cost[20]* calculated on the basis of the average financial debt burden amounted to 1.9% for financial year 2020 compared with 2.2% for financial year 2019.

- EPRA earnings of €3.50 per share, up by 7% compared with 2019.

  The EPRA earnings for 2020 amounted to € 55.8 million, up by 12% compared with the same period last year. The EPRA earnings per share increased by 7% to € 3.50 in 2020, whereby due account was taken of a 5% increase in the weighted average number of shares.

[19] *The operating margin is obtained by dividing the operating result by the result on the property portfolio.
[20] *This finance cost is an average over a full year and based on the total financial result compared to the average of the opening and closing balance of the financial debt without taking into account the valuation of hedging instruments and interest costs relating to lease obligations booked in accordance with IFRS 16.

- The result on the property portfolio[21] amounted to € 107.3 million.

  The result on the property portfolio for financial year 2020 amounted to € 107.3 million or € 6.74 per share.[22] The increase in value concerns the latent capital gain on the completed project developments and the long-term lease to DPD for the site in Vilvoorde (€ 14.5 million). The increase can moreover be explained by an increase in the fair value of the existing property portfolio, linked to developments on the market (€ 92.8 million). This gives the following results per country: Belgium + € 72.8 million, France + € 12.3 million and the Netherlands + € 22.2 million. For the Netherlands, the increase in registration duties (transfer tax) from 6% to 8% as of 1 January 2021 is included. The transfer tax is deducted for the calculation of the fair value of the portfolio.

  The result on the property portfolio is not a cash item and does not impact the EPRA earnings in any way.

- The negative change in the fair value of the financial instruments amounted to € -8.1 million.

  The negative change in the fair value of the financial instruments amounted to € -8.1 million or € -0.51 per share at the end of 2020. The negative impact arises from the change in the fair value of the concluded interest rate hedges as at 31 December 2020 due to the declining long-term interest rates in 2020.

  The changes in the fair value of financial instruments are not a cash item and do not have any impact on the EPRA earnings.

- Net result (IFRS)

  The net result consists of the EPRA earnings, the result on the portfolio and the changes in the fair value of the financial instruments. The net result for 2020 (€ 155.0 million) increased by € 46.5 million compared with last year as a result of an increase in the EPRA earnings (+ € 5.8 million), a positive change in the value of the property portfolio (+ € 36.1 million) and the negative change in the fair value of the hedging instruments (+ € 4.7 million) in 2020 compared with 2019.

  The net result (IFRS) per share[23] amounted to € 9.74 compared with € 7.12 in 2019.

[21] *Result on the property portfolio: this concerns the negative and/or positive changes in the fair value of the property portfolio + any capital losses or gains from the realization of real estate.
[22] Calculated as the result on the property portfolio based on the weighted average number of shares.
[23] Calculated on the basis of the weighted average number of shares.

1.3.3 Consolidated balance sheet as at 31/12/2020

	CONSOLIDATED BALANCE SHEET (EUR)	31/12/2020 Conso	31/12/2019 Conso
I.	NON-CURRENT ASSETS	1.360.538.550	1.161.380.537
II.	CURRENT ASSETS	38.382.025	32.317.252
	TOTAL ASSETS	1.398.920.575	1.193.697.790
	SHAREHOLDERS' EQUITY	815.310.611	680.029.177
I.	Shareholders' equity attributable to shareholders of the parent company	815.310.611	680.029.177
II.	Minority interests	0	0
	LIABILITIES	583.609.964	513.668.613
I.	Non-current liabilities	477.806.518	412.772.382
II.	Current liabilities	105.803.445	100.896.231
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1.398.920.575	1.193.697.790

1.3.4 Notes to the consolidated balance sheet as at 31/12/2020

On 31/12/2020 the total assets (€ 1,398.9 million) consisted mainly of investment properties (92% of the total) solar panels (2% of the total) and developments (4% of the total). The remaining amount of the assets (2% of the total) consisted of the other tangible and financial fixed assets including assets for own use and current assets comprising cash investments, trade and tax receivables.

1.3.4.1 Value and composition of the real estate portfolio on 31/12/2020

Montea's total property portfolio amounted to € 1,364.4 million, consisting of the valuation of the portfolio buildings including those held for sale (€ 1,280.1 million), the fair value of the current developments (€ 54.6 million) and the fair value of the solar panels (€ 29.8 million).

	Belgium	France	The Netherlands	Total 31/12/2020	Total 31/12/2019
Real estate portfolio - Buildings (0)					
Number of sites	34	18	22	74	69
Warehouse space (sqm)	645.450	202.702	313.965	1.162.118	1.073.248
Office space (sqm)	65.724	17.774	30.598	114.096	103.334
Land space - rent (sqm)	6.512	0	180.345	186.858	163.010
Total space (sqm)	**717.686**	**220.476**	**524.909**	**1.463.071**	**1.339.593**
Real estate portfolio - Land					
Development potential (sqm) - rent	32.562	0	840.216	872.778	753.542
Development potential (sqm) - portfolio	132.007	112.204	160.120	404.331	368.743
Development potential (sqm) - in research	0	70.000	0	70.000	0
Development potential (sqm) - in option	79.137	0	0	79.137	224.137
Total surface - development potential (sqm)	**243.706**	**182.204**	**1.000.336**	**1.426.246**	**1.346.422**
Fair value (K EUR)	607.984	198.833	473.291	1.280.108	1.083.085
Investment value (K EUR)	623.287	212.832	515.709	1.351.828	1.134.150
Annual contractual rents (K EUR)	**35.464**	**10.593**	**26.810**	**72.867**	**67.217**
Gross yield (%)	5,83%	5,33%	5,66%	5,69%	6,21%
Gross yield on 100% occupancy (%)	5,86%	5,61%	5,66%	5,75%	6,28%
Un-let property (m²) (1)	1.958	6.191	0	8.149	9.373
Rental value of un-let property (K EUR) (2)	177	557	0	734	850
Occupancy rate	99,7%	97,1%	100,0%	99,4%	99,3%
Real estate portfolio - Solar panels (3)					
Fair value (K EUR)	24.428	0	5.327	29.755	12.195
Real estate portfolio - Developments (4)					
Fair value (K EUR)	9.964	2.372	42.254	54.590	64.004

(0) including the buildings held for sale and the right of use, related to the land held in concession in accordance with IFRS 16.
(1) Surface area of the let plots of land is entered for 20% of the total surface area; the rental value of a plot of land amounts to ca. 20% of the rent value of a logistics property, for that matter.
(2) Excluding 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.

- The total area of the property portfolio amounted to 1,463,071 m², spread over 74 sites, including 34 in Belgium, 18 in France and 22 in the Netherlands.

- Montea also has a total land bank of 1,426,246 m² of development potential, of which 872,778 m² of leased land in portfolio, 404,331 m² of unleased land in portfolio, 70,000 m² of land in research phase and 79,137 m² in option. This land bank is expected to result in approximately 50% lettable area on average (approximately 710,000 m²).

- The gross property yield on the total of the investment properties amounted to 5.8% based on a fully let portfolio, compared with 6.3% as at 31/12/2019. The gross yield, taking into account the current vacancy rate, was 5.7%.

- The contractual annual rental income (excluding rental guarantees) amounted to € 72.9 million, up by 8.4% compared with 31/12/2019, attributable mainly to the growth of the property portfolio.

- The occupancy rate amounted to 99.4% as at 31/12/2020 compared with 99.3% as at the end of December 2019. The limited vacancy is located in Mesnil-Amelot (FR), previously let to Autoclick and UTC Aerospace.

- The fair value of the ongoing developments amounts to €54.6 million and consists of:

  - the site in Lummen (BE)
  - the site in Bornem (BE)
  - the site in Senlis (FR)
  - the parking project at Schiphol Airport (NL)
  - the site in Etten-Leur
  - the site in Waddinxveen (NL)
  - solar panels under construction (BE + NL)

- The fair value of the solar panels of € 29.8 million concerns 32 solar panel projects spread across Belgium and the Netherlands.

1.3.4.2 Composition of equity and liabilities

- The total liabilities consist of equity of € 815.3 million and a total debt of € 583.6 million.

    - Equity (IFRS) amounted to € 815.3 million as at 31 December 2020 compared with € 680.0 million at the end of 2019.

    - The total liabilities (€ 583.6 million) consist of:
        - € 380.2 million of drawn credit lines with 8 financial institutions. Montea had € 486,7 million in contracted lines of credit as at 31 December 2020 and an undrawn capacity of € 106.5 million;
        - € 79.8 million in bond loans that Montea took out in 2014 and 2015;
        - a current lease liability of € 46.9 million, consisting mainly of the recognition of a lease liability for the concession land (entry into force of IFRS 16) and for the financing of the solar panels on our site in Aalst;
        - the negative value of current hedging instruments of € 31.1 million; and
        - other debts and accruals[24] amounting to € 45.6 million.

    The weighted average maturity of the financial debts (lines of credit, bond loans and leasing obligations) amounted to 3.9 years as at 31 December 2020. The average maturity of the interest rate hedges was 6.6 years at the end of 2020. The hedge ratio, which represents the percentage of financial liabilities with a fixed or a floating interest rate subsequently hedged by a hedging instrument amounted to 85.3%.

    The Interest Coverage Ratio was equal to 6.2x at the end of December 2020 compared with 5.5x at the end of 2019.

    The average financing cost of debt was 1.9% for 2020 (compared with 2.2% in the same period the previous year).

- Montea's debt ratio[25] was 38.0% at the end of 2020 (compared with 39.4% at the end of 2019). This gives Montea an investment potential of ca. € 770.3 million before a debt ratio of 60% is reached.

    Montea complies with all the covenants on debt ratio that it has concluded with its financial institutions, under the terms of which its debt ratio may not exceed 60%.

[24] The accrued charges and deferred income comprise largely rent already invoiced in advance for the next quarter.
[25] Calculated in accordance with the Royal Decree of 13 July 2014 on regulated real estate companies.

1.3.5 Valuation rules

The same accounting policies and calculation methods are used in these annual figures as those in the consolidated financial statements as at 31 December 2019.

- **New or amended standards and interpretations in force for the financial year beginning on 1 January 2020**

Unless stated otherwise, Montea has made no use thereof. These standards (amended by the IASB) and interpretations issued by the IFRIC have no significant impact on the presentation, notes or results of the company:

- Amendments to IAS 1 and IAS 8 Definition of material
- Amendments to IFRS 3 Business Combinations
- Amendment to the Conceptual Framework references in IFRS
- Amendment to IFRS 16 Leases in connection with the COVID-19 lease modification exemption (applicable as of June 2020);

- **New or amended standards and interpretations that have been published but are not yet in force for the financial year beginning 1 January 2020**

A number of new standards, amendments to standards and interpretations are not yet applicable in 2020, but may be applied earlier. Unless stated otherwise, Montea has made no use thereof. These standards (amended by the IASB) and interpretations issued by the IFRIC have no significant impact on the presentation, notes or results of the company.

- Amendment to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and the associate or joint venture (effective date postponed indefinitely, so approval in the European Union is also postponed)
- IFRS 14 Regulatory Deferred Accounts relating to Price Regulation (applicable for annual periods beginning on or after 1 January 2016, but not yet approved in the European Union)
- IFRS 17 Insurance Contracts (effective date was postponed to 2023, so approval in the EU is also postponed).
- Amendment to IAS 1 Presentation of Financial Statements in connection with the classification of liabilities (effective as of 1 January 2023)
- Amendment to IAS 16 Property, Plant and Equipment regarding the prohibition of deductions from cost (applicable as of 1 January 2022, but not yet approved in the European Union)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets in relation to Eligible Expenses (applicable on or after 1 January 2022, but not yet approved in the European Union).

1.4 Stock market performance of the Montea share

The closing price on 31/12/2020 (€93.1) is 14.9% higher than a year ago (€81.0).

STOCK MARKET PERFORMANCE	31/12/2020	31/12/2019
Share price (€)		
At closing	93,10	81,00
Highest	107,80	84,00
Lowest	53,00	55,73
Average	90,69	73,99
Net asset value per share (€)		
IFRS NAV	50,88	43,09
EPRA NRV	56,90	47,38
EPRA NTA	52,78	44,51
EPRA NDV	51,01	43,27
Premium (%)	**83,0%**	**88,0%**
Dividend return (%)	**3,0%**	**3,1%**
Dividend (€)		
Gross	**2,83**	2,54
Net	**1,98**	1,78
Volume (number of securities)		
Average daily volume	12.889	20.037
Volume of the period	3.312.481	5.109.550
Number of shares	**16.023.694**	**15.782.594**
Market capitalisation (K €)		
Market capitalisation at closing	1.491.806	1.278.390
Ratios (%)	**21%**	**32%**
Velocity		

Dividend yield (%): Gross dividend divided by the average share price.
"Velocity": Volume for the period divided by the number of shares.

Impact of COVID-19 on stock market performance

The current crisis is characterized by a significant drop in stock market prices in certain sectors. Logistics real estate, however, is the property class that is not expected to be affected by the crisis, or perhaps might even fare positively:

- Companies will want to limit their dependence on Asian countries and build up strategic stocks.
- Consumer expectations for shorter delivery times will increase, requiring several companies to build up more stock.
- Companies that have not provided online services yet will be forced to adapt and will continue to provide such online services after the crisis.
- Consumers who did not yet know the advantages of online services have been forced to learn to order on the Internet. This will bring about a change among those who were late to adopt.

The Montea share price has not been impacted by the COVID-19 pandemic (apart from a short drop in March, followed by a quick recovery).

1.5 Significant events after the balance sheet date

In 2017 Montea concluded an agreement with the owner of a site in Tilburg, with Montea having a pre-emption right on a possible sale of the plot with its buildings. In February 2021, a settlement agreement was concluded between the parties concerning the conditions under which Montea waives this pre-emption right, with Montea receiving a total of € 2.6 M (before tax). This remuneration largely compensates for the cautious approach that Montea has adopted since 01/01/2021 with regard to the FBI regime[26].

1.6 Transactions between affiliated parties

There were no transactions between affiliated parties in 2020, with the exception of those carried out under market conditions and as customary when carrying out Montea's activities.

1.7 Main risks and uncertainties

The board of directors of Montea's sole director and the management are fully aware of the importance of developing and maintaining sound management and consequently preserving a quality portfolio. Montea applies clear and strict standards for (i) optimising and improving the existing buildings, (ii) the commercial management, (iii) the technical management of the buildings, and (iv) any investments in the existing buildings. The purpose of these criteria is to limit vacancies as well as to have the value of the property assets increase sustainably to the maximum.

The main risks and uncertainties with which the company may be confronted, the possible impact thereof, and the strategy to limit such impact are described in the Annual Financial Report 2019.

Impact COVID-19

The management of the global pandemic has led and could lead to the temporary discontinuance or limitation of certain activities in future, as well as (re)lockdown measures imposed by governments whose limitations are currently unprecedented with unprecedented restrictions. The current crisis could have the following consequences for Montea:

- Interruption or delay of development projects that would impact the company's revenues
- Financial problems for the hardest hit tenants with an impact on the company's income and cash flow
- Less easy access to financing and/or increase in credit margins by the banks and the financial markets are required with a possible impact on liquidity
- Liquidity risk

To date, none of these risks have occurred due to COVID-19.
Montea has a solid tenant base which minimizes the risk of non-payment. The majority of the tenants are large companies. The top 10 clients of Montea account for 33% of the rental income.
With a debt ratio of 38.0%, the consolidated balance sheet shows a strong solvent position. In addition, the portfolio KPIs such as an occupancy rate of 99.4% and a remaining term of lease to first expiry date of 7.7 years, as well as a qualitative and diversified client portfolio, are valuable assets to tackle the current crisis.

[26] A provision of € 2.9 million was consequently included in the outlook of 2021 via the income statement (the difference between the fiscally transparent FBI status and the regular taxed sphere). See 1.2.8. Policy developments concerning the Dutch REIT status

2 Statement pursuant to Article 13 of the Royal Decree of 14 November 2007

Pursuant to Article 13, paragraph 2 of the Royal Decree of 14 November 2007, Montea’s sole director, Montea Management NV, represented by its permanent representative, Jo De Wolf, declares that, to the best of its knowledge:

- The condensed financial statements, drawn up according to the applicable standards for annual accounts, provide a faithful picture of the assets, financial situation and results of Montea and the companies included in the consolidation;
- The interim report provides a faithful overview of the information required pursuant to Article 13, §5 and §6 of the Royal Decree of 14 November 2007 concerning the bonds by issuers of financial instruments authorised to trade on a regulated market.

3 EPRA Performance measures[27]

A) EPRA earnings – EPRA earnings per share

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.

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.

(in EUR X 1 000)	31/12/2020	31/12/2019
Net result (IFRS)	**155.009**	**108.465**
Changes for calculation of the EPRA earnings		
To exclude:		
Variations in fair value of the investment properties and properties for sale	-107.308	-70.773
Result on sale of investment properties	0	-434
Variations in fair value of the financial assets and liabilities	8.077	12.739
EPRA earnings	**55.778**	**49.997**
Weighted average number of shares	15.916.319	15.229.606
EPRA earnings per share (€/share)	**3,50**	**3,28**

B) EPRA NAVs – EPRA NAVs per share

In October 2019, the EPRA published its new Best Practice Recommendations which set out the financial indicators listed real estate companies should disclose so as to provide more transparency across the European listed sector. The EPRA NAV and EPRA NNNAV were consequently replaced by three new Net Asset Value indicators: Net Reinstatement Value (NRV), Net Tangible Assets (NTA) and Net Disposal Value (NDV).
The EPRA NAV indicators are obtained by adjusting the IFRS NAV in such a way that stakeholders get the most relevant information about the fair value of assets and liabilities. The three different EPRA NAV indicators are calculated on the basis of the following scenarios:

Net Reinstatement Value: based on the assumption that entities never sell assets and aims to reflect the value needed to build the entity anew. The purpose of this indicator is to reflect what would be required to reconstitute the company through the investment markets based on the current capital and financing structure, including Real Estate Transfer Taxes.
EPRA NRV per share refers to the EPRA NRV based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

Net Tangible Assets: assumes that entities buy and sell assets, thereby realising certain levels of deferred taxation. This pertains to the NAV adjusted to include property and other investments at fair value and to exclude certain items that are not expected to be firmly established in a business model with long-term investment properties.
EPRA NTA per share refers to the EPRA NTA based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

[27] The EPRA indicators were limited audited by the auditor.

Net Disposal Value: provides the reader with a scenario of the sale of the company's assets leading to the realization of deferred taxes, financial instruments and certain other adjustments. This NAV should not be considered a liquidation NAV as in many cases the fair value is not equal to the liquidation value.
The EPRA NDV per share refers to the EPRA NDV based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

	31/12/2020				
(in EUR X 1 000)	NRV	NTA	NDV	NAV	NNNAV
IFRS Equity attributable to shareholders	**815.311**	**815.311**	**815.311**	**815.311**	**815.311**
NAV per share (€/share)	**50,88**	**50,88**	**50,88**	**50,88**	**50,88**
I) Hybrid instruments					
Diluted NAV at fair value (after the exercise of options, convertibles and other equity interests)	**815.311**	**815.311**	**815.311**	**815.311**	**815.311**
Exclude:					
V. Deferred tax in relation to fair value gains of investment property					
VI. Fair value of financial instruments	31.001	31.001		31.001	
VIII.b) Intangibles as per the IFRS balance sheet		-589			
Include:					
IX. Fair value of fixed interest rate debt			2.046		2.046
XI. Real estate transfer tax	65.436				
NAV	**911.747**	**845.722**	**817.356**	**846.312**	**817.356**
Fully diluted number of shares	16.023.694	16.023.694	16.023.694	16.023.694	16.023.694
NAV per share (€/share)	**56,90**	**52,78**	**51,01**	**52,82**	**51,01**

	31/12/2019				
(in EUR X 1 000)	NRV	NTA	NDV	NAV	NNNAV
IFRS Equity attributable to shareholders	**680.029**	**680.029**	**680.029**	**680.029**	**680.029**
NAV per share (€/share)	**43,09**	**43,09**	**43,09**	**43,09**	**43,09**
I) Hybrid instruments					
Diluted NAV at fair value	**680.029**	**680.029**	**680.029**	**680.029**	**680.029**
Exclude:					
V. Deferred tax in relation to fair value gains of investment property					
VI. Fair value of financial instruments	22.924	22.924		22.924	
VIII.b) Intangibles as per the IFRS balance sheet		-419			
Include:					
IX. Fair value of fixed interest rate debt			2.878		2.878
XI. Real estate transfer tax	44.781				
NAV	**747.734**	**702.535**	**682.907**	**702.953**	**682.907**
Fully diluted number of shares	15.782.594	15.782.594	15.782.594	15.782.594	15.782.594
NAV per share (€/share)	**47,38**	**44,51**	**43,27**	**44,54**	**43,27**

C) EPRA rental vacancy rate

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.
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.

(in EUR X 1 000)	(A) Estimated rental value (ERV) for vacancy 31/12/2020	(B) Estimated rental value portfolio (ERV) 31/12/2020	(A/B) ERPA Vacancy rate *(in %)* 31/12/2020	(A) Estimated rental value (ERV) for vacancy 31/12/2019	(B) Estimated rental value portfolio (ERV) 31/12/2019	(A/B) ERPA Vacancy rate *(in %)* 31/12/2019
Belgium	177	33.760	0,5%	112	32.480	0,3%
France	557	11.494	4,8%	738	9.327	7,9%
The Netherlands	-	26.132	0,0%	-	23.943	0,0%
Total	**734**	**71.386**	**1,0%**	**850**	**65.750**	**1,3%**

D) EPRA NIY & EPRA 'topped-up' NIY

The EPRA NIY is an annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchase costs.
It is therefore a comparable measure of portfolio valuations within Europe to make it easier for investors to assess how the valuation of portfolio X compares with portfolio Y.
The EPRA "topped-up" NIY is a measure that integrates an adjustment to the EPRA NIY for the expiration of rent-free periods (or other unexpired incentives such as a discounted rental period or tiered rents).

EPRA NIY *(in EUR x 1000)*		31/12/2020	31/12/2019
		TOTAL	TOTAL
Investment property – wholly owned		1.301.836	1.104.358
Investment property – share of JVs/Funds			
Assets for sale			
Minus developments		-54.590	-64.004
Completed property portfolio		**1.247.246**	**1.040.353**
Allowance for estimated purchasers' costs		70.154	49.694
Gross up completed property portfolio valuation	**B**	**1.317.400**	**1.090.047**
Annualised cash passing rental income		76.049	69.391
Property outgoings (incl. ground rents)		-3.718	-3.771
Annualised net rents	**A**	**72.331**	**65.620**
Rent free periods or other lease incentives		29	80
Topped-up net annualised rent	**C**	**72.360**	**65.699**
EPRA NIY	**A/B**	**5,5%**	**6,0%**
EPRA "topped-up" NIY	**C/B**	**5,5%**	**6,0%**

E) EPRA cost ratio

The EPRA Cost ratio are administrative and operational charges (including vacancy charges), divided by rental income. It is a measure to enable a meaningful measurement of the changes in the operating costs of a real estate company.

EPRA Cost Ratio (in EUR x 1000)		31/12/2020	31/12/2019
(i) Administrative/operating expense line per IFRS income statement		**6.557**	**6.656**
(iii) Management fees less actual/estimated profit element		-394	-365
EPRA Costs (including direct vacancy costs)	**A**	**6.163**	**6.290**
(ix) Direct vacancy costs		-156	-166
EPRA Costs (excluding direct vacancy costs)	**B**	**6.007**	**6.125**
(x) Gross Rental Income less ground rents – per IFRS		74.224	67.985
Gross Rental Income	**C**	**74.224**	**67.985**
EPRA Cost Ratio (including direct vacancy costs)	**A/C**	**8,3%**	**9,3%**
EPRA Cost Ratio (excluding direct vacancy costs)	**B/C**	**8,1%**	**9,0%**

4 Details on the calculation of APMs used by Montea [28]

Result on the portfolio

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.

RESULT ON PORTFOLIO *(in EUR X 1 000)*	**31/12/2020**	**31/12/2019**
Result on sale of property investments	0	434
Variations in the fair value of property investments	107.308	70.773
RESULT ON PORTFOLIO	**107.308**	**71.207**

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

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

FINANCIAL RESULT excl. variations in fair value of financial instruments *(in EUR X 1 000)*	**31/12/2020**	**31/12/2019**
Financial result	-19.027	-24.095
To exclude:		
Variations in fair value of financial assets & liabilities	8.077	12.739
FINANCIAL RESULT excl. variation in fair value of financial instruments	**-10.950**	**-11.356**

Operating margin

The operating margin is obtained by dividing the operating result before the result on the property portfolio by the property result. This APM measures the company's operating profitability as a percentage of the property result.

OPERATING MARGIN *(in EUR X 1 000)*	**31/12/2020**	**31/12/2019**
Net rental result	74.374	68.135
Operating result (before the result on the portfolio)	67.635	61.710
OPERATING MARGIN	**90,9%**	**90,6%**

[28] Exclusive of the EPRA indicators, some of which have been considered as an APM and are calculated under Chapter 2: EPRA Performance Measures. The APM indicators were limited audited by the auditor.

MONTEA SPACE FOR GROWTH

Average cost of debt

Average financial cost over the current year calculated on the basis of the total financial result compared to the average of the initial and an outstanding balance of the financial debt burden without taking into account the valuation of the hedging instruments and instrument costs related to lease obligations booked in accordance with IFRS 16.

AVERAGE COST OF DEBT (in EUR X 1 000)	**31/12/2020**	**31/12/2019**
Financial result	-19.027	-24.095
To exclude:		
Financial income	-94	-57
Variations in fair value of financial assets and liabilities	8.077	12.739
Interest cost related to leasing debts booked in accordance with IFRS 16	2.090	2.146
Activated interest charges	-926	-896
TOTAL FINANCIAL CHARGES (A)	-9.880	-10.164
AVERAGE FINANCIAL DEBTS (B)	511.633	463.437
AVERAGE COST OF DEBT (A/B) (*)	**1,9%**	**2,2%**

Interest Coverage Ratio

The interest coverage ratio is calculated by dividing the sum of the operating result before the result on the portfolio; together with the financial revenues, by the net interest costs.
This APM indicates the number of times required for the company to earn its interest charges.

INTEREST COVERAGE RATIO (in EUR X 1 000)	**31/12/2020**	**31/12/2019**
Operational result, before result on portfolio	67.635	61.710
Financial income (+)	94	57
TOTAL (A)	**67.729**	**61.767**
Financial charges (-)	10.938	11.309
TOTAL (B)	**10.938**	**11.309**
INTEREST COVERAGE RATIO (A/B)	**6,19**	**5,46**

Net debt/EBITDA

The Net Debt / EBITDA ratio is calculated by dividing the long-term and short-term financial liabilities (reduced with cash) by the operating result (before the result on portfolio). This APM indicates how many years the company needs to repay its financial debts, assuming that the financial debt and EBITDA remain constant.

NET DEBT / EBITDA (in EUR X 1 000)		**31/12/2020**	**31/12/2019**
Non-current and current financial debt (IFRS)		508.535	451.082
- Cash and cash equivalents (IFRS)		-5.057	-7.690
Net debt (IFRS)	**A**	503.478	443.392
Operatin result (before the result on the portfolio) (IFRS)	**B**	67.635	61.710
+ Depreciation		278	256
EBITDA (IFRS)	**C**	67.913	61.966
Net debt / EBITDA	**A/C**	**7,4**	**7,2**

5 Update COVID-19 and outlook 2021

5.1 COVID -19

In 2021, Montea will continue to guarantee the various measures taken to ensure the continuity of its activities in the various countries in which it operates, putting the health and well-being of all its stakeholders first. Teleworking is the norm for all tasks that do not require physical presence. Montea has a digital environment and modern communication tools, so this measure does not present any particular difficulties. The continuity of service to the tenants is guaranteed by the operational teams that are in close contact with the tenants.

The risk of default is minimized thanks to the company's qualitative and diversified client portfolio (at country, sector and site level). The warehouses are operational and, in some instances, even have enhanced activity. Montea is well aware of the challenges some customers are confronted with. Requests from tenants to stagger rents due over time are being considered on a case-by-case basis in order to find a balanced solution. Montea has not granted any rent reductions or waivers. The arrears due to the agreements concluded on December 31, 2020 amount to approximately € 0.5 million. For the total of these spread rents, a provision was made in the 2020 income statement for reasons of prudence. Montea collected 99% of the rent invoices payable in 2020. Today, the same percentage (99%) of the expired rental invoices of January 2021 (monthly rentals) and the first quarter of 2021 (quarterly rentals) have been received.

Montea has also continued to work on strengthening its financial structure, such as a debt ratio of 38.0% and an Interest Coverage Ratio of 6.2x. All other things being equal, Montea has covered its financing needs (obligations including expected expenditure for projects not yet committed in accordance with the prospect of portfolio growth) up to August 2021. Montea currently has an undrawn capacity of credit lines of € 106.5 million.
Montea is always considering all possible forms of financing. Access to the debt market was not restricted for Montea as a result of COVID-19 thanks to its track record, its low debt ratio and the property class (logistics) in which it operates. Taking into account the uncertainties caused by COVID-19, Montea has decided to increase the available debt capacity, which will involve additional financial costs in the form of a reservation fee for the future.
The average cost of debt decreased from 2.2% in 2019 to 1.9% in 2020.

Logistics is the property class that is not expected to be affected by the crisis, or perhaps even positively:

- Companies will want to limit their dependence on Asian countries and to build up strategic stockpiles;
- Consumer expectations in terms of delivery times will become more demanding and will lead various companies to want to build up their stocks;
- Companies that have not provided online services yet are being forced to adapt and will continue to provide such services after the crisis also;
- Consumers who were not yet familiar with the benefits of online services have been forced to learn to work with orders through the internet, which will bring a change in behaviour among late adopters.

5.2 Specific outlook for Montea

Various trends in the logistics sector have been accelerated by the coronavirus pandemic. For instance, e-commerce has grown even faster and the importance of certain market trends such as omnichannel, nearshoring, sustainable e-commerce, use of data analytics and robotisation is constantly increasing. Thanks to the increasing importance of these trends, the in-house expertise (track record as a developing end investor), the well filled development pipeline and the numerous land positions, Montea is reaffirming the further growth of its property portfolio to at least € 1,450 million by the end of 2021. 77% of the targeted growth of € 300 million were already been identified by the end of 2020.

The establishment of various partnerships, including the cooperation with Germany's IMPEC Group, will enable Montea to continue its solid growth story in the coming years.
This growth will be achieved in particular through

- A combination of acquiring land positions with a view to developing pre-let build-to-suit projects;
- Sale-and-lease back transactions;
- Investments within the expanded REIT legislation;
- Investments in renewable sources.

Based on current knowledge and assessment of the coronavirus crisis, leaving aside severe negative consequences of a possible new wave or lockdown, Montea expects in 2021:

- ✓ the EPRA earnings per share to grow to €3.68
  (+ 12% compared with 2019 or + 5% compared with 2020)
- ✓ the dividend per share to grow to €2.96
  (+ 17% compared with 2019 or + 5% compared with 2020)

In 2021 Montea will continue its strategy of subjecting its portfolio to continuous arbitrage. This strategy results in exceptional property-related performance indicators such as the occupancy rate (99.4% at the end of 2020), average duration of leases until first termination option (7.7 years at the end of 2020) and average age of buildings (7.9 years at the end of 2020). Thanks to its focus on the type of clients and their activity (sectors such as healthcare, recycling, etc.) as well as on strategic locations with high added value (such as airports, waterfront locations, etc.), Montea has succeeded in expanding its real estate portfolio in optimal fashion. Montea therefore expects to maintain an occupancy rate at least above 97%.

Montea aspires to make its own operations CO2-neutral by the end of the year by reducing CO2 emissions (stimulating the use of public transport, electric cars, etc.), improving energy efficiency (energy monitoring, etc.) and using renewable energy sources (such as solar panels and heat pump applications). A cooperation arrangement has been made with Co2logic to guide and certify the process. Montea has joined the Science Based Targets initiative to underline its ambition and commitment in the fight against climate change.

In 2021, Montea intends to develop and implement a Green Finance Framework.

6 Declaration regarding compliance with certain covenants relating to the bond issue

In compliance with article 5.11 of the issue terms for the bonds issued 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 article 5.10 of these issue terms.

Montea declares that:

- The consolidated debt ratio is 38.0%, thereby making it below the 65% mark required in Article 5.10 point (d) of the information memorandum of the debenture loans issued in 2014 and Article 5.10 point (c) of the information memorandum of the debenture loans issued in 2015;
- The “Interest Cover” is 6.2, 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 2014 and Article 5.10 point (d) of the information memorandum of the debenture loans issued in 2015.

7 Forward looking statements

This press release contains, inter alia, forecasts, opinions and estimates made by Montea with regard to the future performance of Montea and of the market in which Montea operates ('outlook').

Although prepared with the utmost care, such an outlook is based on Montea's estimates and forecasts and is by nature subject to unknown risks, uncertain elements and other factors. These could lead to results, financial conditions, performance and final achievements that differ from those expressed or implied in these projections. Some events are difficult to predict and may depend on factors beyond Montea's control. In view of such uncertainties, Montea cannot given any guarantees on these forecasts.

Statements in this press release that pertain to past activities, achievements, performance or trends should not be considered as a statement or guarantee that they will continue in the future.

Furthermore, the outlook is only valid as of the date of this press release.

Unless it is legally required to do so, Montea in no way undertakes to update or change these forecasts, even if there are changes in the expectations, events, conditions, assumptions or circumstances on which such forecasts are based. Nor does Montea, any of its managers, directors, members of its management or advisors guarantee that the assumptions on which the outlook is based are free from error, and none of them can state, guarantee or predict that the results expected by such outlook will actually be achieved.

8 Financial calendar

12/05/2021	Interim results 31/03/2021 (before trading opens)
18/05/2021	General meeting of shareholders
19/08/2021	Half-yearly results 30/06/2021 (after trading opens)
29/10/2021	Interim results 30/09/2021 (before trading opens)

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

ABOUT MONTEA "SPACE FOR GROWTH"

Montea NV is a public regulated real estate company (RREC) under Belgian law (SIR – SIIC), specialising in the development and the management of logistics property in Belgium, France and the Netherlands. The company is a leading player in this market. Montea literally provides its clients with the space to grow, through flexible and innovative property solutions. In this way, Montea creates value for its shareholders. On 31 December 2020 the property portfolio represented a surface of 1,463,071 m² across 74 sites. Montea NV has been listed on Euronext Brussels (MONT) and Paris (MONTP) since late 2006.

PRESS OFFICER

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

FOR MORE INFORMATION

www.montea.com

Annex 1
Consolidated income statement as at 31/12/2020

	CONSOLIDATED PROFIT & LOSS ACCOUNT (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months
I.	Rental income	70.061	65.063
II.	Write-back of lease payments sold and discounted	0	0
III.	Rental-related expenses	-465	1
	NET RENTAL RESULT	**69.597**	**65.063**
IV.	Recovery of property charges	0	0
V.	Recovery of charges and taxes normally payable by tenants on let properties	7.466	6.986
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	-7.762	-7.371
VIII.	Other rental-related income and expenses	5.074	3.457
	PROPERTY RESULT	**74.374**	**68.135**
IX.	Technical costs	-17	-22
X.	Commercial costs	-95	-58
XI.	Charges and taxes of un-let properties	-156	-166
XII.	Property management costs	-1.913	-1.794
XIII.	Other property charges	-48	-8
	PROPERTY CHARGES	**-2.229**	**-2.047**
	PROPERTY OPERATING RESULT	**72.145**	**66.089**
XIV.	General corporate expenses	-4.378	-4.207
XV.	Other operating income and expenses	-133	-172
	OPERATING RESULT BEFORE PORTFOLIO RESULT	**67.635**	**61.710**
XVI.	Result on disposal of investment properties	0	434
XVII.	Result on disposal of other non-financial assets	0	0
XVIII.	Changes in fair value of investment properties	107.308	70.773
XIX.	Other portfolio result	0	0
	OPERATING RESULT	**174.943**	**132.917**
XX.	Financial income	94	57
XXI.	Net interest charges	-10.938	-11.309
XXII.	Other financial charges	-107	-105
XXIII.	Change in fair value of financial assets & liabilities	-8.077	-12.739
	FINANCIAL RESULT	**-19.027**	**-24.095**
XXIV.	Share in the result of associates and joint ventures	0	0
	PRE-TAX RESULT	**155.915**	**108.822**
XXV.	Corporation tax	-906	-357
XXVI.	Exit tax	0	0
	TAXES	**-906**	**-357**
	NET RESULT	**155.009**	**108.465**
	Attributable to:		
	Shareholders of the parent company	155.009	108.465
	Minority interests	0	0
	Number of shares in circulation at the end of the period	16.023.694	15.782.594
	Weighted average of number of shares of the period	15.916.319	15.229.606
	NET RESULT per share (EUR)	**9,74**	**7,12**

MONTEA
SPACE FOR GROWTH

ANNEX 2
Consolidated balance sheet as 31/12/2020

		CONSOLIDATED	31/12/2020	31/12/2019
I.		**NON-CURRENT ASSETS**	**1.360.539**	**1.161.381**
	A.	Goodwill	-	-
	B.	Intangible assets	589	419
	C.	Investment properties	1.328.823	1.147.476
	D.	Other tangible assets	30.842	13.344
	E.	Non-current financial assets	64	107
	F.	Finance lease receivables	-	-
	G.	Trade receivables and other non-current assets	221	35
	H.	Deferred taxes (assets)	-	-
	I.	Participations in associates and joint ventures according to the equity method	-	-
II.		**CURRENT ASSETS**	**38.382**	**32.317**
	A.	Assets held for sale	6.221	-
	B.	Current financial assets	-	-
	C.	Finance lease receivables	-	-
	D.	Trade receivables	13.374	13.405
	E.	Tax receivables and other current assets	9.646	9.186
	F.	Cash and cash equivalents	5.057	7.690
	G.	Deferred charges and accrued income	4.085	2.037
		TOTAL ASSETS	**1.398.921**	**1.193.698**
		TOTAL SHAREHOLDERS' EQUITY	**815.311**	**680.029**
I.		**Shareholders' equity attributable to shareholders of the parent company**	**815.311**	**680.029**
	A.	Share capital	319.812	314.983
	B.	Share premiums	222.274	209.184
	C.	Reserves	118.216	47.397
	D.	Net result of the financial year	155.009	108.465
II.		**Minority interests**	**-**	**-**
		LIABILITIES	**583.610**	**513.669**
I.		**Non-current liabilities**	**477.807**	**412.772**
	A.	Provisions	-	-
	B.	Non-current financial debts	446.742	389.741
		a. Credit institutions	351.874	263.308
		b. Financial leasings	833	943
		c. Other	94.035	125.491
	C.	Other non-current financial liabilities	31.065	23.031
	D.	Trade debts and other non-current debts	10.186	10.186
	E.	Other non-current liabilities	-	-
	F.	Deferred taxes - liabilities	-	-
II.		**Current liabilities**	**105.803**	**100.896**
	A.	Provisions	-	-
	B.	Current financial debts	61.794	61.340
		a. Credit institutions	30.000	29.600
		b. Financial leasings	98	92
		c. Other	31.696	31.648
	C.	Other current financial liabilities	-	-
	D.	Trade debts and other current debts	17.966	14.214
		a. Exit taks	147	274
		b. Other	17.819	13.940
	E.	Other current liabilities	4.778	4.809
	F.	Accrued charges and deferred income	21.266	20.534
		TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1.398.921**	**1.193.698**

ANNEX 3

Consolidated statement of changes in 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
Explanation	29	29	30	31	30	32	
ON 31/12/2019	**314.983**	**209.183**	**47.397**	**108.465**	**0**	**0**	**680.029**
Elements directly recognized as equity	**4.829**	**13.091**	**2.402**	**0**	**0**	**0**	**20.322**
Capital increase	4.829	13.091	0	0	0	0	17.919
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	0	0	0	0	0	0	0
Positive change in value of solar panels (IAS 16)	0	0	2.402	0	0	0	2.402
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	0	0	0	0	0
Subtotal	**319.812**	**222.274**	**49.799**	**108.465**	**0**	**0**	**700.351**
Dividends	0	0	-40.049	0	0	0	-40.049
Result carried forward	0	0	108.465	-108.465	0	0	0
Result for the financial year	0	0	0	155.009	0	0	155.009
ON 31/12/2020	**319.812**	**222.274**	**118.215**	**155.009**	**0**	**0**	**815.311**

ANNEX 4

Statement of consolidated global result

ABBREVIATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months
Net result	**155.009**	**108.465**
Other items of the comprehensive income	**2.402**	**-242**
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	2.402	-242
Impact of changes in fair value of solar panels	**2.402**	**-242**
Comprehensive income	**157.411**	108.223
Attributable to:		
Shareholders of the parent company	**157.411**	**108.223**
Minority interests	0	0

ANNEX 5
Statement of consolidated cash flow (€ '000)

CONSOLIDATED CASH FLOW STATEMENT (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR (A)	7.690	4.634
Net result	**155.009**	**108.465**
Financial cash elements (not deductible of the net profit) to become the operating result	**10.950**	**11.356**
Received interests	-94	-57
Payed interests on finances	11.045	11.413
Received dividends	0	0
Taxes (deducted from the net result) to become the operating result	**906**	**357**
Non-cash elements to be added to / deducted from the result	**-99.395**	**-58.570**
Depreciations and write-downs	**743**	**255**
Depreciations/write-downs (or write-back) on intangible and tangible assets (+/-)	278	256
Write-downs on current assets (+)	465	-1
Write-back of write-downs on current assets (-)	0	0
Other non-cash elements	**-100.138**	**-58.825**
Changes in fair value of investment properties (+/-)	-107.308	-70.773
IFRS 9 impact (+/-)	8.077	12.739
Other elements	0	0
Realized gain on disposal of investment properties	0	-434
Provisions	-1	0
Taxes	-906	-357
NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS (B)	**67.470**	**61.608**
Change in working capital requirements (C)	**1.791**	**3.294**
Movements in asset items	**-2.663**	**7.406**
Trade receivables	-186	-7
Other long-term non-current assets	31	2.194
Other current assets	-460	4.681
Deferred charges and accrued income	-2.048	537
Movements in liability items	**4.454**	**-4.112**
Trade debts	3.079	-4.302
Taxes, social charges and salary debts	673	-1.626
Other current liabilities	-30	101
Accrued charges and deferred income	732	1.714
NET CASH FLOW FROM OPERATING ACTIVITIES (A)+(B)+(C) = (A1)	*76.951*	*69.536*
Investment activities	**-98.695**	**-136.504**
Acquisition of intangible assets	-327	-168
Investment properties and development projects	-82.611	-136.027
Other tangible assets	-29	-195
Solar panels	-15.728	-548
Disposal of investment properties	0	434
Disposal of superficy	0	0
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B1)	-98.695	-136.504
FREE CASH FLOW (A1+B1)	**-21.744**	**-66.968**
Change in financial liabilities and financial debts	**57.479**	**-51.704**
Change in other liabilities	**0**	**0**
Change in shareholders' equity	**-19.727**	**137.717**
Dividend paid (+ profit-sharing scheme)	**0**	**0**
Financial cash elements	**-10.950**	**-11.356**
NET FINANCIAL CASH FLOW (C1)	26.801	74.658
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (A1+B1+C1)	5.057	7.690

ANNEX 6
Independent real estate expert's report as at 31/12/2020[29]

JLL

stadim

To the company administrators
Montea NV
Industriezone III Zuid
Industrielaan 27 bus 6
9320 Erembodegem
Belgium

Brussels, 29th January 2021

Dear Sir, Dear Madam,

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

Our mission has been realized in complete independence.

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

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

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

Montea NV – 31 12 2020 Page 1

[29] This Annual Report does not include the real estate expert's full report as at 31/12/2020 (which contained confidential information), but only his conclusions.

The experts have adopted different methods.

JLL have adopted two different methods: the « Term and Reversion » method and the « Hardcore » method. Besides, they also did a control in terms of price per m².

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

The method used by Stadim is based on Discounted Cash Flow (DCF), in combination with the capitalisation method when desired. The Stadim approach is characterized by reference prices on the one hand and the factoring in of future earnings on the other.

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

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

The sale of a property is in theory subjected to transaction costs. This amount depends among others on the method of transfer, the type of buyer and the geographic location of the property. This amount is known once the sale is closed. In Belgium, as independent real estate experts we can admit that based on a representative sample of transactions in the market between 2002 and 2005 (and recently revised for the period 2013-2016), the weighted average of the costs (average of the transaction costs) was 2,5% (for goods with a net value superior to 2.500.000 EUR). The Belgian properties are considered as a portfolio. The transaction costs for buildings located is France is 1,8% when the building is less than 5 years old and between 6,9% and 7,5%, depending on the department, in all other cases and the transaction costs used by Stadim in The Netherlands is 8% whereas the transaction costs used by JLL in The Netherlands is 9%.

Based on the remarks in previous paragraphs, we confirm that the **investment value** of the real estate portfolio of Montea NV on December 31st, 2020 amounts to:

1.438.408.600 EUR
(One billion four hundred thirty-eight million four hundred and eight thousand and six hundred euro)

This amount takes into account the value attributed to the buildings valuated by the companies, Jones Lang LaSalle and Stadim in the 3 countries where Montea NV is present.

After deduction of respectively 2,5% for buildings located in Belgium (average rate of transaction costs defined by the experts of the BE-REITS), 1,8% / 6,9%-7,5% for buildings located in France and 8%-9% for buildings located in The Netherlands, as transaction cost on the investment value, we obtain a Fair Value of Montea NV real estate assets as of December 31st, 2020 at :

1.365.289.300 EUR

(One billion three hundred sixty-five million two hundred and eighty-nine thousand and three hundred euro)

This amount takes into account the value attributed to the buildings valuated by the companies Jones Lang LaSalle and Stadim in the 3 countries where Montea NV is present.

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

Greet Hex MRICS
Director
JLL Belgium

Justin Stortelers RT
Director
JLL The Netherlands

Christophe Adam MRICS
Director
JLL Expertises

Nicolas Janssens
Partner
Stadim

Opinion of Jones Lang LaSalle

Jones Lang LaSalle estimates, for its part of Montea's NV real estate portfolio valued at 31st December 2020, the investment value at EUR 1.408.620.400 and the fair value (transaction costs deducted) at EUR 1.337.707.600.

Greet Hex MRICS
Director
JLL Belgium

Justin Stortelers RT
Director
JLL The Netherlands

Christophe Adam MRICS
Director
JLL Expertises

Opinion of Stadim

Stadim estimates, for its part of Montea NV's real estate portfolio valued at 31st December 2020, the investment value at EUR 29.788.200 and the fair value (transaction costs deducted) at EUR 27.581.700.

Nicolas Janssens
Partner
Stadim

ANNEX 7

Auditor's statement

The statutory auditor, EY Bedrijfsrevisoren BV, represented by Mr 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 largely 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.