

Qualitative growth of the portfolio with signing of new agreement

Press release – From the sole director
Regulated information
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Together with its strategic partner, Group Cordeel, Montea has started the construction of a sustainable distribution centre of around 33,500 m² for BayWa r.e. Solar Systems in Tongeren.

In the Netherlands, the tax administration granted Montea access to the FBI regime for the period 2015 to 2019.

Tongeren

On the site in Tongeren, the construction of a ca. 33,500 m² sustainable distribution centre that will be used for the storage of solar panels will be started. The tenant, BayWA r.e. Solar System specialises in renewable energy projects. The company assists its clients with the development, planning and operation of wind and solar energy projects in more than 30 countries and signed a lease for a period of 9 years, with a first termination option at 6 years.

Sustainability is also central to this project. The new distribution centre is being developed without gas, and will therefore only be heated using heat pumps. Extra attention is also being paid to the airtightness of this building, with the ambition to reduce energy consumption to 25 kWh per m² per year. Some 6,000 planned solar panels on the roof are expected to provide around 3,000 MWh per year of electricity. The possibility of storing the energy generated by the solar panels in batteries is also being investigated in order to then make optimal use of this energy.

With this development, Cordeel and Montea are taking the next step in the long-term structural cooperation they concluded in 2021, with the aim of developing around 180,000 m² of new buildings in Tongeren. With this new step, 90,000 m² of logistics space has already been leased in the meantime to leading companies.



Image: ©Montea – Tongeren – 2023

The expected initial yield upon completion will be at least 6.0%. The total investment is approximately € 26.0 million. The lease was negotiated under the supervision of CBRE.

"Our clients continue to look for sites with better operational efficiency, and for this they also increasingly seek buildings that are progressive in terms of sustainability. This additional letting proves that both aspects are clearly reflected in our project in Tongeren," says **Montea Director Belgium, Xavier Van Reeth**.

Access FBI-regime

In order to implement its real estate investments in the Netherlands, Montea filed an application as early as 2013 to benefit from the fiscal regime of the 'Fiscale Beleggingsinstelling' (hereinafter FBI, as referred to in Article 28 of the Corporate Tax Act of 1969) in respect of Montea Nederland N.V. and its subsidiaries. Recently, the Dutch tax authorities have recognised for the financial years 2015 to 2019 that Montea meets the FBI requirements and therefore no corporate income tax was due for this period. Appeals and requests for the financial years after 2019 are still pending.

Impact 2015 to 2019

Since Montea kept its accounts for the years in question as if it had already obtained FBI status, there is no impact on the EPRA result. Montea did pay regular corporate income tax for that period, in accordance with the (provisional) assessments received, as a result of which € 8.1 million will be recovered.

Impact 2020 to 2022

Despite the absence of an agreement, Montea has also conducted its accounting as FBI for fiscal year 2020. As a result, there would also be no EPRA result impact in relation to 2020, should the objection for that period also be accepted.

As of 2021, Montea has, for the sake of caution, taken into account in her results the possibility that the FBI status could be refused, further to the withdrawal of the granted fiscal ruling as of 1 January 2021 of sufficiently similar Belgian REITs. By setting up an additional tax provision of € 4.0 million for 2021 and € 4.4 million for 2022, if the FBI status were granted for those periods, there would be a positive impact on the EPRA result for the corresponding amounts. A refusal to the status would have no EPRA result impact.

Expected financial impact Track'24 (2023 and 2024)

In the forecasts for 2023 and 2024, Montea also cautiously takes into account the possibility that the FBI status could be refused. In this sense, an additional tax provision of € 5.8 million for 2023 and € 6.1 million for 2024 was included in the estimated EPRA results for 2023 and 2024 respectively, being in each case the difference between the FBI tax status and the regularly taxed sphere.

In summary, with respect to the years 2023 and 2024, granting FBI status would have a positive impact on the EPRA result for the corresponding amounts. A refusal of admission to the status would have no impact on the estimated EPRA result for the 2023-2024 periods.

Montea's future approach to FBI

Supported by European law and the granting of the status for the years 2015 to 2019, Montea's commitment remains to be able to apply the FBI status in the Netherlands also from 2020. Tax returns will therefore be filed as FBI (at least until 2024) as Montea remains of the opinion that it still meets all conditions to claim FBI status.

Due to the announcement that a so-called real estate measure will be introduced in corporate income tax, FBIs will no longer be able to invest directly in real estate from 2025. Montea Nederland N.V. and its subsidiaries would therefore no longer be able to claim FBI status as of 2025. Real estate FBIs are expected to restructure before 2025. The cabinet response also indicated that flanking measures will be taken in 2024 to facilitate the restructuring of real estate FBI's.

ABOUT MONTEA "SPACE FOR GROWTH"

Montea NV is a public regulated real estate company (GVV/SIR) that specialises in logistical and semi-industrial property in Belgium, the Netherlands, France, and Germany. The company is a benchmark player in this market. Montea literally offers its customers the space they need to grow through versatile and innovative property solutions. In this way, Montea creates value for its shareholders. As of 31/12/2022 the property portfolio represented a total space of 1,890,029 m² spread across 92 locations. Montea NV has been listed on Euronext Brussels (MONT) and Euronext Paris (MONTP) since the end of 2006.

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MORE INFO

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