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REGULATED INFORMATION – STATUTORY MANAGER'S INTERIM STATEMENT
FOR THE PERIOD FROM 01/01/2018 TO 30/06/2018
EMBARGO UNTIL 21/08/2017 – 08:45 AM

# HALF-YEARLY FINANCIAL REPORT FROM 01/01/2018 TO 30/06/2018

➔ EPRA EARNINGS OF € 16.0 MILLION IN H1 2018

➔ EPRA EARNINGS PER SHARE OF € 1.35 IN H1 2018

➔ OPERATING MARGIN AMOUNTS TO 91.3% IN H1 2018

➔ OCCUPANCY RATE OF 96.6% AT THE END OF Q2 2018

➔ AVERAGE TERM OF LEASES ON FIRST EXPIRY DATE OF 7.4 YEARS

➔ INCREASE OF THE FAIR VALUE OF THE PROPERTY PORTFOLIO BY 10% TO € 793 MILLION COMPARED WITH € 719 MILLION AT THE END OF 2017 PRIMARILY BECAUSE OF THE DELIVERY OF THE DISTRIBUTION CENTRE IN BILZEN LET TO CARGLASS AND THE DELIVERY OF THE BUILT-TO-SUIT PROJECT IN CAMPHIN-EN-CAREMBAULT LET TO DSM, DANONE, GBS AND XPO

➔ DEBT RATIO OF 52.7% AT THE END OF Q2 2018 – AVERAGE TERM OF LOANS OF 4.9 YEARS – AVERAGE TERM OF INTEREST RATE HEDGING OF 7.6 YEARS

➔ PROSPECTS FOR 2018

- EPRA EARNINGS PER SHARE ARE TO GROW BY 5% / DIVIDEND PER SHARE GROWS BY 3%
- PROPERTY PORTFOLIO IS TO EXCEEDS € 800 MILLION
- OCCUPANCY RATE ABOVE 95% - TERM OF LEASE AMOUNTS TO MORE THAN 7 YEARS ON AVERAGE
- OPERATING MARGIN OF 92% ON AN ANNUAL BASIS

## Summary

- Montea's **EPRA earnings**[1] for the first 6 months of 2018 amount to € 16.0 million, up by 23% from the EPRA earnings for the same period in 2017 (€ 13.0 million), due mainly to the increase in the net income generated by the growth of the portfolio. If no account is taken of the one-off compensation received in the first half of 2017 (SAS Automotive compensation for termination of lease of € 1.3 million and compensation relating to the delivery of the premises let to DHL Aviation NV of € 0.9 million), the EPRA earnings rose by € 5.2 million in the first 6 months of 2018 compared to the same period in the previous year, from € 10.8 million in 2017 to € 16.0 million in 2018.

  The net rental income rose by € 3.1 million or 15% from € 20.0 million at the end of Q2 2017 to € 23.1 million at the end of Q2 2018. The net rental income of 2017 included a severance compensation (€ 1.3 million) received from SAS Automotive. This one-off compensation is more than offset (€ 3.1 million) by the rental income in 2018 generated from the recent acquisitions and developments. If no account is taken of this one-off compensation, the net rental income for the first 6 months of 2018 rose by € 4.4 million or 24%, from € 18.7 million in 2017 to € 23.1 million in 2018.
  The property portfolio rose by € 2.0 million or 9%, from € 22.0 million at the end of Q2 2017 to € 24.0 million at the end of Q2 2018, mainly as a result of an one-off compensation received in 2017 for the delivery of the premises let to DHL Aviation NV (€ 0.9 million).
  The property costs and overheads rose by € 0.1 million for the first 6 months of 2018 compared with the same period in the previous year, whereby the operating result before the result on the property portfolio rose by € 1.9 million, from € 19.2 million at the end of Q2 2017 to € 21.1 million at the end of Q2 2018 or 10%.
  The financial result, exclusive of changes in the fair value of the financial instruments, dropped by € 0.7 million, from € 5.4 million at the end of Q2 2017 to € 4.7 million at the end of Q2 2018, mainly due to the settlement of four Interest Rate Swap (IRS) hedges for a total nominal amount of € 60 million at the end of 2017, to conclude a new hedge for the same nominal amount at market terms. Less taxes were paid or foreseen in the first half of 2018 (€ 0.4 million) compared with the same period in 2017, primarily as a result of the exit tax paid in 2017 which amounted to more than initially foreseen. As a result, the EPRA earnings rose by € 3.0 million at the end of Q2 2018 compared with the end of Q2 2017.

- The **EPRA earnings per share** [2] rose by 3% to € 1.35 per share for H1 2018 compared to € 1.31 per share for H1 2017.

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

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

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

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

- The **fair value of the property portfolio** rose by € 74 million (10 %) to € 792.7 million at the end of Q2 2018 compared to € 718.7 million at the end of 2017. The fair value of the property portfolio in Belgium, France and the Netherlands amount to € 419.4 million, € 134.3 million and € 239.0 million respectively.

  The increase in the fair value of the property portfolio in Belgium is due chiefly to the launch and further developments of the sites in Bilzen (let to Carglass), Bornem (let to Pelsis), Liège (let to Malysse, ASFS and Easylog) and Brucargo (let to WFS) as well as to the further renovation works on the existing portfolio (project in Milmort). The project in Bilzen let to Carglass was delivered in Q2 2018 and mainly explains the positive change in the fair value of the property portfolio in Belgium. The fair value of the existing portfolio has remained stable.

  The increase in the fair value of the property portfolio in France is mainly due to the acquisitions of the sites in Mesnil-Amelot (let to GSF Aéro and BH Catering) and in Lesquin (let to DHL) as well as to the further development and delivery of the site in Camphin-en-Carembault (let to DSM, Danone, GBS and XPO). The fair value of the existing portfolio has gone up, driven by a yield reduction. The delivery of the project in Camphin-en-Carembault ensures also a positive change in the fair value of the property portfolio in France.

  The increase in the fair value of the property portfolio in the Netherlands is mainly due to the acquisition of the site in Hoofddorp (let to Idexx Europe) and the further development and delivery of the projects in Etten-Leur (let to BAS Logistics), in Schiphol (let to Thomsen Select & MileStone) and the expansion project in Waddinxveen (let to Delta Wines). The fair value of the existing portfolio has gone up, driven by a yield reduction.

- The **occupancy rate** has remained stable compared with the end of March 2018, and amounts to 96.6% at the end of Q2 2018. The average term of the leases on first expiry amounts to 7.4 years.

- The **operating margin** amounted to 91.3% for the first months of 2018 compared with 95.9% for the same period in the previous year. If no account is taken of the one-off compensation received for the delivery of the building in Brucargo let to DHL Aviation NV of € 0.9 million, the operating margin amounted to 90.9% at the end of Q2 2017.

- The debt ratio amounted to 52.2% at the end of the first quarter of 2018 compared with 51.9% at the end of 2017.

- Taking account of the earnings in the first half of 2018, Montea's prospects are as follows:

  1. EPRA earnings per share grow by 5% / Dividend per share grows by 3%
  2. Property portfolio exceeds € 800 million
  3. Occupancy rate above 95% - Average term of leases amounts to more than 7 years
  4. Operating margin of 92% on an annual basis

# Table of contents

# 1. Management report

## 1.1 Key figures

| | | BE | FR | NL | 30/06/2018<br>6 months | 31/12/2017<br>12 months | 30/06/2017<br>6 months |
|---|---|---|---|---|---|---|---|
| **Real estate portfolio** | | | | | | | |
| **Real estate portfolio - Buildings (1)** | | | | | | | |
| **Number of sites** | | **29** | **17** | **14** | **60** | **54** | **51** |
| **Surface of the real estate portfolio** | | | | | | | |
| Logistics and semi-industrial warehouses | sqm | 578.101 | 167.670 | 252.803 | 998.574 | 886.727 | 812.120 |
| Offices | sqm | 50.535 | 15.661 | 23.123 | 89.319 | 82.221 | 75.539 |
| **Total surface** | **sqm** | **628.636** | **183.331** | **275.926** | **1.087.893** | **968.948** | **887.659** |
| Development potential | sqm | 86.746 | 53.000 | 6.086 | 145.832 | 168.652 | 201.385 |
| **Value of the real estate portfolio** | | | | | | | |
| Fair value (2) | K€ | 384.883 | 134.309 | 238.930 | 758.122 | 657.518 | 597.994 |
| Investment value (3) | K€ | 394.505 | 142.221 | 255.184 | 791.910 | 687.567 | 625.950 |
| **Occupancy Rate (4)** | **%** | **94,7%** | **97,9%** | **100,0%** | **96,6%** | **96,3%** | **95,8%** |
| **Real estate portfolio - Solar panels** | | | | | | | |
| Fair value | K€ | 13.421 | 0 | 102 | 13.523 | 12.771 | 9.742 |
| **Real estate portfolio - Projects under construction** | | | | | | | |
| Fair value (2) | K€ | 21.048 | 0 | 0 | 21.048 | 48.439 | 9.488 |
| **Consolidated results** | | | | | | | |
| **Results** | | | | | | | |
| Net rental result | K€ | | | | 23.127 | 40.793 | 20.039 |
| Operating result before the porfolio result | K€ | | | | 21.115 | 38.830 | 19.224 |
| Operating margin (5)* | % | | | | 91,3% | 95,2% | 95,9% |
| Financial result (excl. Variations in fair value of the financial instruments) (6)* | K€ | | | | -4.751 | -11.107 | -5.441 |
| **EPRA result (7)*** | **K€** | | | | **16.040** | **26.785** | **13.000** |
| Weighted average number of shares | | | | | **11.879.727** | 10.392.676 | 9.951.884 |
| **EPRA result per share (8)*** | **€** | | | | **1,35** | **2,58** | **1,31** |
| Result on the portfolio (9) | K€ | | | | 16.089 | 3.972 | -3.167 |
| Variations in fair value of the financial instruments (10) | K€ | | | | -1.725 | 5.791 | 4.847 |
| **Net result (IFRS)** | **K€** | | | | **30.404** | **36.548** | **14.680** |
| **Net result per share** | **€** | | | | **2,56** | **3,52** | **1,48** |
| **Consolidated balance sheet** | | | | | | | |
| **IFRS NAV (excl. minority participations) (11)** | **K€** | | | | **359.794** | **332.911** | **247.314** |
| **EPRA NAV (12)*** | **K€** | | | | **373.129** | **344.521** | **267.271** |
| Debts and liabilities for calculation of debt ratio | K€ | | | | **434.049** | 388.148 | 368.349 |
| **Balance sheet total** | **K€** | | | | **823.193** | **748.426** | **647.170** |
| **Debt ratio (13)** | **%** | | | | **52,7%** | **51,9%** | **56,9%** |
| **IFRS NAV per share** | **€** | | | | **29,94** | **28,67** | **24,85** |
| **EPRA NAV per share (14)*** | **€** | | | | **31,05** | **29,67** | **26,86** |
| **EPRA NNAV per share (15)*** | **€** | | | | **30,33** | **29,14** | **25,46** |
| **Share price (16)** | **€** | | | | **45,50** | **42,95** | **48,90** |
| **Premium** | **%** | | | | **52,0%** | **49,8%** | **96,8%** |

(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 transfer costs.
(4) The occupancy rate is based on the number of m². In calculating this occupancy rate, the non-leasable m² intended for (re)development in the land bank have not been included in either the denominator or the numerator.
(5) *The operating margin is obtained by dividing the operating result before the earnings from the property portfolio by the net rental earnings. Cf. Section 5.
(6) * Financial result (exclusive of variations in the fair value of the financial instruments): this is the financial result according to the Royal Decree of 13 July 2014 on the regulated real estate companies exclusive of the variation in the fair value of the financial instruments, and reflects the actual financing cost of the company. Cf. Section 5.
(7) * EPRA earnings concern the underlying earnings from the core activities and indicate the degree to which the current dividend payments are supported by the profit. These earnings are calculated as the net earnings (IFRS) exclusive of the earnings from the portfolio and the variations in the fair value of financial instruments. Cf. www.epra.com and Section 4.
(8) *EPRA earnings per share concern the EPRA earnings on the basis of the weighted average number of shares. Cf. www.epra.com and Section 4.
The EPRA earnings per share concern the EPRA earnings on the basis of the weighted average number of shares, which does not correspond to the previous heading "Net current earnings per share," because Montea always uses the number of shares entitled to dividend as a basis. Accordingly, the EPRA earnings per share changed from € 1.38 to € 1.45 for 30/06/2016.
(9) *Result on the portfolio: this concerns the negative and/or positive variations in the fair value of the property portfolio, plus any capital gains or losses from the construction of real estate. Cf. Section 5.
(10) Variations in the fair value of hedging instruments: this concerns the negative and/or positive variations in the fair value of the interest hedging instruments according to IAS 39.
(11) IFRS NAV: Net Asset Value for profit distribution for the current financial year in accordance with the IFRS balance sheet. The IFRS NAV per share is calculated by dividing the equity capital by the number of shares entitled to dividends on the balance sheet date.
(12) *EPRA NAV: The EPRA NAV is the NAV that was adjusted so as to comprise also property and other investments and their fair value, which excludes certain items which are not expected to assume a fixed form in a business model with property investments in the long term. Cf. www.epra.com and Section 4.
(13) Debt ratio according to the Royal Decree of 13 July 2014 on regulated real estate companies.
(14) *EPRA NAV per share: The EPRA NAV per share concerns the EPRA NAV on the basis of the number of shares entitled to dividends on the balance sheet date. Cf. www.epra.com and Section 4.
(15) *EPRA NNNAV: This is the EPRA NAV that was adjusted so as to comprise also the fair value of financial instruments, debts and deferred taxes. The EPRA NNNAV per share concerns the EPRA NNNAV on the basis of the number of shares entitled to dividends on the balance sheet date. Cf. also www.epra.com and Section 4.
(16) Share price at the end of the period.

## 1.2 Significant events and transactions during the first half of 2018 in Belgium, France and the Netherlands

### 1.2.1 EPRA earnings amounted to € 16.0 million, up by 23% compared with the EPRA earnings during the same period in the previous year, which amounted to € 13.0 million

- Montea's **EPRA earnings** for the first 6 months of 2018 amount to € 16.0 million, up by 23% from the EPRA income for the same period in 2017 (€ 13.0 million), due mainly to the increase in the net rental income generated by the growth of the portfolio. If no account is taken of the one-off compensation received in the first half of 2017 (SAS Automotive compensation for termination of lease of € 1.3 million and compensation relating to the delivery of the premises let to DHL Aviation NV of € 0.9 million), the EPRA earnings rose by € 5.2 million in the first 6 months of 2018 compared to the same period in the previous year, from € 10.8 million in 2017 to € 16.0 million in 2018.

The most important changes are:

- o An increase in the net rental income of € 3.1 million or 15%, from € 20.0 million at the end of Q2 2017 to € 23.1 million at the end of Q2 2018. The net rental income of 2017 included a severance compensation received from SAS Automotive. This one-off compensation is more than offset (€ 3.1 million) by the rental income in 2018 generated from the recent acquisitions and developments. If no account is taken of this one-off compensation, the net rental income for the first 6 months of 2018 rose by € 4.4 million or 24%, from € 18.7 million in 2017 to € 23.1 million in 2018.
- o The property portfolio rose by € 2.0 million or 9%, from € 22.0 million at the end of Q2 2017 to € 24.0 million at the end of Q2 2018, mainly as a result of an one-off compensation received in 2017 for the delivery of the premises let to DHL Aviation NV (€ 0.9 million).
- o The property costs and overheads rose by € 0.1 million for the first 6 months of 2018 compared with the same period in the previous year, whereby the operating result before the result on the property portfolio rose by € 1.9 million, from € 19.2 million at the end of Q2 2017 to € 21.1 million at the end of Q2 2018 or 10%.
- o The financial result, exclusive of changes in the fair value of the financial instruments dropped by €0.7 million, from € 5.4 million at the end of Q2 2017 to € 4.7 million at the end of Q2 2018, mainly due to the settlement of four Interest Rate Swap (IRS) hedges for a total nominal amount of € 60 million at the end of 2017, to conclude a new hedge for the same nominal amount at market terms. Less taxes were paid or foreseen in the first half of 2018 (€ 0.4 million) compared with the same period in 2017, primarily as a result of the exit tax paid in 2017 which amounted to more than initially foreseen. As a result, the EPRA earnings rose by € 3.0 million (from € 13.0 million at the end of Q2 2017 to € 16.0 million at the end of Q2 2018).

The **operating margin** amounted to 91.3% for the first months of 2018 compared with 95.9% for the same period in the previous year. If no account is taken of the one-off compensation received for the delivery of the building in Brucargo let to DHL Aviation NV of € 0.9 million, the operating margin amounted to 90.9% at the end of Q2 2017.

The **EPRA earnings per share** for the first half of 2018 (€ 1.35) rose by 3% compared to the EPRA earnings per share for the first half of 2017 (€ 1.31).

### 1.2.2 Investment activity during the first half of 2018

- **13/03/2018 – Montea acquires a 4,240 m² crossdock distribution centre in Lesquin (FR)**[3]

Montea has acquired a logistics distribution centre in Lesquin, in the Lille region, near Lille airport. The crossdock distribution centre consists of 3,764 m² storage space and 476 m² offices and is let entirely to DHL.

DHL signed a lease for 9 years, with a first termination option after 6 years. This lease agreement will generate annual rental income of € 270,000.

This transaction represents a total investment value of € 4.15 million (in line with the investment value determined by the real estate expert) and will generate an initial return of ca. 6.50%.

- **29/03/2018 – Montea acquires a logistics building in Hoofddorp (NL)**[4]

Montea Nederland N.V. has acquired a 6,290 m² logistics building with 108 parking places on "De President" industrial estate in Hoofddorp, Netherlands, from Kenick Capital B.V. in Moerdijk. "De President" is an industrial estate to the south of Hoofddorp of ca. 100 hectares.

The current tenant, Idexx Europe B.V., will continue to rent the building after the transfer under the current lease, with a fixed term until 30 June 2029, and gross rental income of € 650,000 per year. The transaction was concluded at an initial yield of 6.95%.

Montea Comm.VA financed this transaction by a contribution in kind of the claim of Kenick Capital BV on Montea Nederland BV to pay the purchase price in the capital of Montea Comm.VA within the limits of the authorized capital. This transaction let to a strengthening of the shareholders' equity of Montea Comm. VA with € 8,825,000, which corresponds to the investment value exclusive of transfer costs (€ 529,500).

The contribution in kind was remunerated by the issue of new Montea shares at an issue price per share equal to the weighted average closing price of the Montea share on Euronext Brussels during 30 calendar days before the date of the contribution, minus the gross dividend still due for the period from 1 October 2017 to 31 December 2017, payable for the period in May/June 2018 (coupon n° 19), i.e. a gross amount of € 0.54 per share (still to be approved by the Montea annual general meeting of shareholders of 15 May 2018).

3 Cf. press release of 13/03/2018 or www.montea.com for more information.
4 Cf. press release of 29/03/2018 or www.montea.com for more information.

- **12/04/2018 – Roissy Charles de Gaulle Airport – Acquisition of a 1,448 m² building in Mesnil-Amelot (FR)** [5]

Montea has acquired a building in Mesnil-Amelot, uniquely situated directly at Roissy Charles de Gaulle Airport. The 1,448 m² distribution centre is divided into 2 units and let to BH Catering (918 m²) and GSF Aéro (530 m²). The total investment value amounts to €1.8 million with a return of 6.8%. With this transaction, Montea has a portfolio exceeding 20,000 m² at this airport location.


### 1.2.3 Development activity during the first half of 2018

- **13/03/2018 – Montea is developing a new logistics building of 8,670 m² for WFS at Brucargo, Zaventem (BE)** [6]

Montea announced the development of a new project of ca. 7,230 m² warehouse and ca. 1,440 m² offices at Brucargo, on the cargo side of Brussels Airport. A 12-year lease was concluded with WFS. World Flight Services (WFS) is one of the biggest handling agents, active worldwide at more than 100 locations.

Construction works have started, and the new build-to-suit project is expected to be operational by the spring of 2019.

Montea had earlier concluded a long-term superficies agreement with the Brussels Airport Company. After deduction of the superficies compensation to BAC, the project will generate annual rental income of ca. € 540,000, for an initial yield of ca. 7.8%. With previous developments for St Jude Medical, DHL Global Forwarding, Geodis, Nippon Express, Saco Group Air and DHL Aviation Hub, this project is Montea's seventh investment at Brucargo over the last 4 years.

[5] Cf. press release of 12/04/2018 or www.montea.com for more information.
[6] Cf. press release of 13/03/2018 or www.montea.com for more information.

➢ **Launch and delivery of various built-to-suit project in the first half of 2018**

- Launch of the development of a logistics building of ca. 12,400 m² for Edialux (Pelsis Group) in Bornem (BE); cf. press release of 28 June 2016.
- Delivery of the complete site (building of ca. 24,400 m² and ca. 18,000 m²) in Camphin-en-Carembault (FR), let to DSM Food Specialties France SAS, Danone, GBS and XPO Logistics; cf. press release of 18 July 2017.
- Delivery of ca. 44,800 m² for Carglass® (Belron Group); cf. press release of 10 June 2016 and 31 May 2017.
- Delivery of bespoke development of ca. 10,800 m² for Bas Logistics in Etten-Leur (NL). This project is an expansion to the existing building of Bas Logistics that Montea acquired in 2017; cf. press release of 27 October 2017.
- Delivery of ca. 5,400 m² let to Thomsen Select (ca 2,800 m²) and MileStone (ca 2,600 m²); cf. press release of 8 November 2017.

### 1.2.4 Divestment activity during the first half of 2018

There were no divestments during the first quarter of 2018.

### 1.2.5 Rental activity during the first half of 2018

The following new lease agreements were signed in the first half of 2018.

➢ **13/03/2018 – Facil Europe BVBA becomes new quality tenant at the site in Ghent, Hulsdonk (BE)** [7]

Montea and Facil Europe BVBA (Volvo dealer) have signed an agreement for a 9-year term. Facil Europe will use ca. 4,200 m² for the storage of components and accessories of motor vehicles (www.facil.be). This lease will generate annual rent of €202,805. Talks are under way with potential tenants for the remaining available floor space.

➢ **12/04/2018 – Liege Airport (BE) - Montea has signed 2 new leases for the Flexport City site** [8]

As already announced in the press release of 8/11/2017, Montea has embarked at Liège Airport with the development of ca 20,000 m² in warehouse units and adjoining offices. Some 12,200 m² are being developed in phase 1 and 2 -- 5,200 m² of which are already let to Malysse-Sterima[9] (phase 1).

[7] Cf. press release of 13/03/2018 or www.montea.com for more information.
[8] Cf. press release of 12/04/2018 or www.montea.com for more information.
[9] Cf. press release of 08/11/2017 or www.montea.com for more information.

In the meantime, Montea las let the remaining premises (phase 2) to (i) Easylog Solutions BVBA, under a lease

for 3,728 m² for a 9-year term, which will generate rental income of €186,805 per year as of October 2018 and (ii) ASFS BVBA, under a lease for 3,714 m² for a 9-year term, which will generate rental income of €186,730 as of December 2018.
Both companies are active in air freight and are expanding their activities at Liège Airport because of the growing success of new business relating to e-commerce and the international players present.

The investment of phase 1 and 2 will amount to €9 million and generate a return of 7.2%.

- **14/05/2018 –Montea signs new lease agreement with XPO Logistics[10] for Camphin-en-Carembault (FR) - 100% occupancy rate**

Montea signed a lease agreement with XPO Logistics for ca. 6,170 m² concerning the last available unit on the Camphin-en-Carembault site (FR) for a 9-year term, effective as of September 2018.

### 1.2.6 Other events during the first half of 2018

- **15/01/2018 – Signing of cooperation agreement with J|MO, represented by Julien Mongoin – More clout in France[11]**

Montea's portfolio in France has registered strong growth since being listed on the stock exchange. With the signing of a partnership agreement with J|MO, Montea wants to bolster its presence in France further and to drive up the number of development projects in France. J|MO, represented by Julien Mongoin, has longstanding affinity with the logistics property market and the required experience to launch new developments for Montea in France.

[10] Cf. press release of 30/05/2017 or www.montea.com for more information.
[11] Cf. press release of 15/01/2018 or www.montea.com for more information.

- **05/04/2018 – Montea finalizes the (indirect) contribution in kind of a logistics building located in Hoofddorp (NL) and strengthens its equity with € 8,824,999.15**

Montea has realized the (indirect) contribution in kind of the logistics property located in the business park "De President" in Hoofddorp, the Netherlands[12]. The Statutory Manager approved the capital increase of € 8,824,999.15 in the framework of the authorized capital and the issuance of 203,107 new Montea shares.

**Issue price, listing and profit sharing of the new shares**

The consideration for the acquisition paid to the contributor consisted of 203,107 new Montea shares for a total amount of € 8,824,999.15. The issue price per new share applied in the context of this transaction is € 43.45. The 203,107 newly issued Montea shares are ordinary shares and have the same rights as the existing shares.

- **16/05/2018 – Belgium gets its first Airbnb for warehouses Stockspots provides the answer to growing demand for innovation in Belgium's logistics sector**[13]

Market-listed property business Montea has become the first company to offer an Airbnb facility for the logistics sector. Companies with surplus warehousing can now offer their available storage space to businesses that need it via the Stockspots online platform. And vice versa: anyone looking for additional warehouse space for a short period can now easily find it online. Montea, one of the market leaders in the logistics property sector, is investing in the promising Dutch start-up and has high expectations about the launch in Belgium and France.

Stockspots takes advantage of this by 'matching' both groups in a way very comparable with the Airbnb model. Only Stockspots takes things a step further than the classic Airbnb situation by dealing with billing internally, handling insurance, etc.

[12] See also the press releases of 29 March 2018 and 5 April 2018.
[13] Cf. press release of 16/05/2018 or www.montea.com for more information.

***Logistics in the cloud***

Through sharing logistics – in which different companies share a warehouse or storage space – the Belgian logistics sector is heading in the right direction. Which is why Montea is targeting companies of all sizes. In the Netherlands, for example, many small and medium-sized companies are working with Stockspots, although the platform is just as at home with the Port of Rotterdam.

*"The system of 'logistics in the cloud' means that companies can be more flexible. It also means that they have to build fewer warehouses and so are able to optimise their operations,"* concludes **Peter Demuynck, CCO Montea**. *"This is all the more important in times when no one is able to forecast accurately what the market trends will be for next year."*

- **07/06/2018 - Enactment of the implementation of the optional dividend** [14]

On the 7th June 2018, Montea enacted the implementation of the capital increase in the context of optional dividend offered to its shareholders. Montea's share capital was increased by € 4,154,232.73 (and the issue premium by € 4,572,072.05, make a total boost of the equity capital by € 8,726,304.78) through the issue of 203,838 new shares. Montea's share capital will henceforth be represented by 12,017,476 shares.

Those dividend rights not surrendered will be paid out in cash. The total net amount to be paid out is € 7,017,647.52 (inclusive of cash component for the shareholders who subscribed for new shares). The capital increase will be used to finance the further growth of Montea.

**Policy developments concerning Dutch REIT status**

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

The Company's Dutch subsidiary, Montea Nederland NV, has had no final decision from the Dutch tax authorities approving the FII status. In 2016, referring to certain case law of the Dutch Supreme Court, the Dutch tax authorities developed a new approach in their policy concerning compliance with the shareholding test. More specifically, as shareholder of its FII subsidiary, Montea Nederland NV, the company would have to show that it can qualify as an FII itself. Only then can the Company be considered as a qualifying shareholder under the FII status in the view of the Dutch tax authorities. In this connection, the Company and the Dutch tax authorities engaged in consultations to determine how to proceed in concrete terms.

[14] Cf. press release of 07/06/2018 or www.montea.com for more information.

The Company is of the opinion that as a regulated real estate company it operates within a system that is comparable to that of the FII and therefore meets the requirements. The Company therefore believes it is likely it will be able to make reasonable arrangements with the Dutch tax authorities, so that FII status will be granted to Montea Nederland NV. Furthermore, the Dutch Ministry of Finance and the Dutch tax authorities already indicated in the past that they will proceed under the general principles of good governance so as to obtain a level playing field (same treatment applied to equivalent cases). The aim is to ensure that Montea is not treated by the Dutch tax authorities worse than other compliant comparable Belgian regulated real estate companies with existing arrangements concerning the FII status.

Furthermore, in its coalition agreement of October 2017, the Dutch government indicated that it wanted to abolish the real estate FII as of 2020 under the envisioned general abolition of the dividend tax. Montea is looking into the possible impact thereof together with its tax advisors, and is monitoring the situation closely.

## 1.3 Value and composition of investment properties on 30/06/2018

- **The fair value of the total property assets amounted to € 792.7 million, made up of the value of the property portfolio – buildings (€ 758.1 million) and ongoing developments (€ 21.1 million), and by the value of the solar panels (€ 13.5 million)**

| MONTEA | Total 30/06/2018 | Belgium | France | The Netherlands | Total 31/12/2017 | Total 30/06/2017 |
|---|---|---|---|---|---|---|
| **Real estate portfolio - Buildings (0)** | | | | | | |
| Number of sites | **60** | 29 | 17 | 14 | **54** | **51** |
| Warehouse space (sqm) | **998.574** | 578.101 | 167.670 | 252.803 | **886.727** | **812.120** |
| Office space (sqm) | **89.319** | 50.535 | 15.661 | 23.123 | **82.221** | **75.539** |
| Total space (sqm) | **1.087.893** | 628.636 | 183.331 | 275.926 | **968.948** | **887.659** |
| Development potential (sqm) | **145.832** | 86.746 | 53.000 | 6.086 | **168.652** | **201.385** |
| Fair value (K EUR) | **758.122** | 384.883 | 134.309 | 238.930 | **657.518** | **597.994** |
| Investment value (K EUR) | **791.910** | 394.505 | 142.221 | 255.184 | **687.567** | **625.950** |
| Annual contractual rents (K EUR) | **53.875** | 28.948 | 9.251 | 15.675 | **47.315** | **42.827** |
| Gross yield (%) | **7,11%** | 7,52% | 6,89% | 6,56% | **7,20%** | **7,16%** |
| Gross yield on 100% occupancy (%) | **7,34%** | 7,92% | 7,07% | 6,56% | **7,43%** | **7,52%** |
| Un-let property (m²) (1) | **6.360** | 3.233 | 3.127 | 0 | **35.257** | **50.527** |
| Rental value of un-let property (K EUR) (2) | **1.791** | 1.545 | 246 | 0 | **1.525** | **2.172** |
| Occupancy rate | **96,6%** | 94,7% | 97,9% | 100,0% | **96,3%** | **95,8%** |
| **Real estate portfolio - Solar panels (3)** | | | | | | |
| Fair value (K EUR) | **13.523** | 13.421 | 0 | 102 | **12.771** | **9.742** |
| **Real estate portfolio - Developments (4)** | | | | | | |
| Fair value (K EUR) | **21.048** | 21.048 | 0 | 0 | **48.439** | **9.488** |

(0) Inclusive of the buildings held for sale.
(1) Inclusive of the estimated rental value of projects under renovation, exclusive of the estimated rental value of projects under construction.
(2) The fair value of the investment in solar panels is entered under heading "D" of the fixed assets in the balance sheet.
(3) The fair value of the project developments is entered in heading "C" of the fixed assets in the balance sheet.

The fair value of the total property portfolio (Buildings, solar panels and developments) increased by € 74.0 million (or 10%) to € 792.7 million at the end of Q2 2018 compared with € 718.7 million at the end of 2017. The fair value of the property portfolio in Belgium, France and the Netherlands amounted to € 419.4 million, € 134.3 million and € 239.0 million respectively.

The increase in the fair value of the property portfolio in Belgium is due chiefly to the launch and further developments of the sites in Bilzen (let to Carglass), Bornem (let to Pelsis), Liège (let to Malysse, ASFS and Easylog) and Brucargo (let to WFS) as well as to the further renovation works on the existing portfolio (project in Milmort). The project in Bilzen let to Carglass was delivered in Q2 2018 and mainly explains the positive change in the fair value of the property portfolio in Belgium. The fair value of the existing portfolio has remained stable.

The increase in the fair value of the property portfolio in France is mainly due to the acquisitions of the sites in Mesnil-Amelot (let to GSF Aéro and BH Catering) and in Lesquin (let to DHL) as well as to the further development and delivery of the site in Camphin-en-Carembault (let to DSM, Danone, GBS and XPO). The fair value of the existing portfolio has gone up, driven by a yield reduction. The delivery of the project in Camphin-en-Carembault ensures also a positive change in the fair value of the property portfolio in France.

The increase in the fair value of the property portfolio in the Netherlands is mainly due to the acquisition of the site in Hoofddorp (let to Idexx Europe) and the further development and delivery of the projects in Etten-Leur (let to BAS Logistics), in Schiphol (let to Thomsen Select & MileStone) and the expansion project in Waddixveen (let to Delta Wines). The fair value of the existing portfolio has gone up, driven by a yield reduction.

- ✓ The **total floor space** of the property investments in buildings amounted to 1,087,893 m², spread over 29 sites in Belgium, 17 sites in France and 14 sites in the Netherlands. The 12% increase (compared with 968,948 m² on 31 December 2017) is chiefly due to the delivery of the development projects in Bilzen (let to Carglass - Belgium), Camphin-en-Carembault (let to DSM, Danone, GBS & XPO - France), Schiphol (let to Thomsen Select and MileStone - Netherlands) and Etten-Leur (let to Logistics – Netherlands), the acquisition of a cross-dock distribution centre in Lesquin (let to DHL – France), the acquisition of the Mesnil-Amelot site (let to BH Catering and GSF Aéro - France) and the acquisition of a logistics property in Hoofddorp (let to Idexx Europe - Nederland).

- ✓ Montea also has a total land bank of 145,832 m² of **development potential** on existing sites.

- ✓ The **gross return on real state** on the total property investments in buildings amounts to 7.34% on the basis of a fully rented portfolio, compared to 7.43% on 31/12/2017.

- ✓ The **contractual annual rental income** (exclusive of rent guarantees) amounts to € 53.9 million, up 14% from 31/12/2017, mainly attributable to the rental of newly acquired and delivered sites.

- The **occupancy rate** amounts to 96.6% [15].The vacancy is located mainly in Belgium at the building in Willebroek for which severance compensation was received in 2016 from Neovia Logistics; 25% of said building has since been let to Nippon Express. In addition, part of the building in Milmort (formerly let to Vincent Logistics) is to let. 70% of the building that used to be let to SAS Automotive, and for which an one-off severance compensation was received in Q1 2017, is booked as vacant. After the year's end, 30% of this site was let to Facil Europe. In France, the building in Bandouffle (formerly let to Cybergun) is vacant.

## 1.4 Summary of the condensed financial statements for the first half of the year closed on 30/06/2018[16]

### 1.4.1 Condensed consolidated (analytical) income statement for the period from 01/01/2017 to 30/06/2018

| ABBREVIATED CONSOLIDATED PROFIT & LOSS ACCOUNT (K EUR) Analytical | 30/06/2018 6 months | 31/12/2017 12 months | 30/06/2017 6 months |
|---|---|---|---|
| **CONSOLIDATED RESULTS** | | | |
| **NET RENTAL RESULT** | **23.127** | **40.793** | **20.039** |
| **PROPERTY RESULT** | **24.033** | **43.963** | **22.024** |
| **% compared to net rental result** | **103,9%** | **107,8%** | **109,9%** |
| **TOTAL PROPERTY CHARGES** | **-812** | **-1.246** | **-668** |
| **OPERATING PROPERTY RESULT** | **23.221** | **42.717** | **21.356** |
| General corporate expenses | -2.065 | -3.814 | -2.060 |
| Other operating income and expenses | -41 | -72 | -72 |
| **OPERATING RESULT BEFORE THE PORTFOLIO RESULT** | **21.115** | **38.830** | **19.224** |
| **% compared to net rental result** | **91,3%** | **95,2%** | **95,9%** |
| **FINANCIAL RESULT excl. Variations in fair value of the hedging instruments** | **-4.751** | **-11.107** | **-5.441** |
| **EPRA RESULT FOR TAXES** | **16.363** | **27.723** | **13.783** |
| Taxes | -323 | -938 | -783 |
| **EPRA Earnings** | **16.040** | **26.785** | **13.000** |
| ***per share (1)*** | **1,35** | **2,58** | **1,31** |
| Result on disposals of investment properties | 0 | 769 | 769 |
| Result on disposals of other non-financial assets | 0 | **0** | **0** |
| Changes in fair value of investment properties | 16.089 | 3.204 | -3.936 |
| Other portfolio result | 0 | **0** | **0** |
| **PORTFOLIO RESULT** | **16.089** | **3.972** | **-3.167** |
| Changes in fair value of financial assets and liabilities | -1.725 | 5.791 | 4.847 |
| **RESULT IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES** | **-1.725** | **5.791** | **4.847** |
| **NET RESULT** | **30.404** | **36.548** | **14.680** |
| ***per share*** | **2,56** | **3,52** | **1,48** |

(1) The EPRA earnings per share concern the EPRA earnings on the basis of the weighted average number of shares, which does not correspond to the previous heading "Net current earnings per share," because Montea always uses the number of shares entitled to dividend as a basis.

[15] The occupancy rate is based on the number of m². In calculating this occupancy rate, the non-leasable m² intended for (re)development in the land bank have not been included in either the denominator or the numerator.

[16] The condensed financial statements have been subjected to a limited review by the auditor.

### 1.4.2 Notes on the condensed consolidated income statement (analytical) for the first half of the year closed on 30/06/2018

- **The net rental income amounted to € 23.1 million, a 15% increase over the same period in the previous year. The operating result before the result on the property portfolio amounted to € 21.1 million, up 10% from the same period in the previous year.**

The **net rental income** amounted to € 23.1 million – an increase of € 3.1 million from the end of Q2 2017. The net rental income of 2017 included a severance compensation received from SAS Automotive. This one-off compensation is more than offset (€ 3.1 million) by the rental income in 2018 generated from the recent acquisitions and developments. If no account is taken of this one-off compensation, the net rental income for the first 6 months of 2018 rose by € 4.4 million or 24%, from € 18.7 million in 2017 to € 23.1 million in 2018.

The **property portfolio** rose by € 2.0 million or 9%, from € 22.0 million at the end of Q2 2017 to € 24.0 million at the end of Q2 2018, mainly as a result of an one-off compensation received in 2017 for the delivery of the premises let to DHL Aviation NV (€ 0.9 million).

The property costs and overheads rose by € 0.1 million for the first 6 months of 2018 compared with the same period in the previous year, **whereby the operating result before the result on the property portfolio** rose by € 1.9 million, from € 19.2 million at the end of Q2 2017 to € 21.1 million at the end of Q2 2018 or 10%.

- **The net negative financial result (exclusive of the valuation of the hedging instruments) amounted to € 4.7 million, a drop of € 0.7 million from the same period in the previous year.**

The **financial result** exclusive of changes in the fair value of the financial instruments dropped by € 0.7 million, from € 5.4 million at the end of Q2 2017 to € 4.7 million at the end of Q2 2018, mainly due to the settlement of four Interest Rate Swap (IRS) hedges for a total nominal amount of € 60 million at the end of 2017, to conclude a new hedge for the same nominal amount at market terms.

Less taxes were paid or foreseen in the first half of 2018 (€ 0.4 million) compared with the same period in 2017, primarily as a result of the exit tax paid in 2017 which amounted to more than initially foreseen.

The financing cost[17]* dropped to 2.8% for the first 6 months of 2018, compared with 3.5% for the first 6 months of 2017.

The **operating margin** amounted to 91.3% for the first 6 months of 2018, compared with 95.9% during the same period in the previous year. The exceptionally high operating margin of the previous year is mainly the result of the one-off compensation received for the delivery of the building in Brucargo developed for DHL Aviation. Without this one-off compensation, the operating margin for the first half year of 2017 would amount to 90.9%.

[17] *The average financing cost pertains to the weighted average interest rate on an annual basis for the reporting period, taking account of the average outstanding debts and hedge instruments during that period

- **EPRA earnings of € 16.0 million**

The **EPRA earnings** amounted to € 16.0 million for the first half of 2018 compared with € 13.0 million for the same period in the previous year, i.e. a 23% increase.

- **EPRA earnings of € 1.35 per share**

The **EPRA earnings per share** increased from € 1.31 per share for the first half of 2017 to € 1.35 per share for the first half of 2018 (+3%).

| KEY RATIO'S | 30/06/2018 6 months | 31/12/2017 12 months | 30/06/2017 6 months |
|---|---|---|---|
| **Key ratio's (€)** | | | |
| EPRA result per share (1) | 1,35 | 2,58 | 1,31 |
| Result on the portfolio per share (1) | 1,35 | 0,38 | -0,32 |
| Variations in the fair value of financial instruments per share (1) | -0,15 | 0,56 | 0,49 |
| Net result (IFRS) per share (1) | 2,56 | 3,52 | 1,48 |
| EPRA result per share (2) | 1,33 | 2,31 | 1,31 |
| **Proposed distribution** | | | |
| Payment percentage (compared with EPRA result) (3) | | 84% | |
| Gross dividend per share | | 2,17 | |
| Net dividend per share | | 1,52 | |
| Weighted average number of shares | 11.879.727 | 10.392.676 | 9.951.884 |
| Number of shares outstanding at period end | 12.017.476 | 11.610.531 | 9.951.884 |

1) Calculation on the basis of the weighted average number of shares.
2) Calculation on the basis of the number of shares in circulation on the balance sheet date.
3) The payout ratio is calculated in absolute figures on the basis of the consolidated result. The dividend is actually paid on the basis of the statutory result of Montea Comm. VA.

- **The negative change in the valuation of the hedging instruments of € 1.7 million and the positive change in the valuation of the property portfolio of € 16.1 million.**

The negative change in the hedging instruments of € 1.7 million is the result of the expected decline in the long-term interest rates compared with the end of Q1 2018.

The positive change in the fair value of the property portfolio of € 16.1 million is mainly the result of (i) for Belgium: the project in Bilzen let to Carglass, delivered in Q2 2018, the fair value of the existing portfolio having remained stable; (ii) for France: a general reduction in the yield from the various projects as well as the delivery of the project in Camphin-en-Carembault; and (iii) for the Netherlands: a general reduction in the yield from the different projects.

- **Net result amounted to € 30.4**

The **net result** for the first 6 months of 2018 amounted to € 30.4 million (€ 2.56 per share) compared with € 14.7 million (€ 1.48 per share) for the same period in 2017.

### 1.4.3 Condensed consolidated balance sheet on 30/06/2018

| | CONSOLIDATED BALANCE SHEET (EUR) | 30/06/2018 Conso | 31/12/2017 Conso | 30/06/2017 Conso |
|---|---|---|---|---|
| I. | **NON-CURRENT ASSETS** | **793.586.601** | **719.615.007** | **618.074.853** |
| II. | **CURRENT ASSETS** | **29.606.496** | **28.811.399** | **29.094.948** |
| | **TOTAL ASSETS** | **823.193.097** | **748.426.406** | **647.169.802** |
| | **SHAREHOLDERS' EQUITY** | **359.912.106** | **333.029.072** | **247.432.678** |
| I. | Shareholders' equity attributable to shareholders of the parent company | 359.793.622 | 332.910.588 | 247.314.194 |
| II. | Minority interests | 118.483 | 118.483 | 118.483 |
| | **LIABILITIES** | **463.280.992** | **415.397.334** | **399.737.124** |
| I. | Non-current liabilities | 406.098.626 | 386.250.635 | 360.705.179 |
| II. | Current liabilities | 57.182.365 | 29.146.699 | 39.031.945 |
| | **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **823.193.097** | **748.426.406** | **647.169.802** |

### 1.4.4 Notes on the consolidated balance sheet on 30/06/2018

- On 30/06/2018, the **total assets** (€ 823.2 million) consisted mainly of investment property, developments and solar panels (96% of the total). The remaining assets consisted of intangible, other tangible and financial fixed assets and current assets, including cash investments, trading and tax receivables.

- The **total liabilities** consisted of equity capital of € 359.9 million and total debt of € 463.3 million.

  Said total debt of € 463.3 million consists of:
  - Drawn down lines of credit: € 311.0 million;
  - Outstanding bond loan: € 109.2 million;
  - Outstanding leasing debt: € 1.1 million;
  - Accumulated negative value of the hedging instruments: € 13.3 million;
  - Trade debts, pledges received, other debts and accruals: € 28.7 million.

  Montea currently has contracted lines of credit with seven financial institutions for a total amount of € 318 million, of which € 311 million has been drawn down. A credit line amounting to € 10 million will become due in the third quarter of 2018.

- The **debt ratio**[18] amounted to 52.7%. The increase in the debt ratio compared with the end of last year (51.9%) is mainly attributable to further debt financing for the growth of the portfolio and to the dividend payment for 2017, partially offset by the result of 2018, the results of optional dividend for 2017, and the contribution of the amount receivable in connection with the acquisition of the project in Hoofddorp (let to Idexx Europe).

  ↳ Montea also complies with all covenants in terms of the debt ratio that it has agreed with its financial institutions and bond holders, pursuant to which Montea's debt ratio may not exceed 60%.

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

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

The consolidated debt ratio amounted to 52.7% on 30/06/2018. In historical terms, the debt ratio has been over 50% since 2008, reaching the highest level of 57.62% in mid-2010. An increase of capital was carried out on 2 July 2010 as a result of which the debt ratio dropped below 50%.

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

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

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

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

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

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

Montea proceeded to new acquisitions in 2017 which included the site in Willebroek, let to Metro Group in Q1/2017, the delivery of the site in Brucargo, let to DHL Aviation in Q2/2017, the delivery of the Crossdock Center project, MainFreight in Genk, in Q3/2017, the purchase of the site in Willebroek, let to Decathlon, the acquisition of the plot on the Tyraslaan in Vilvoorde, the acquisition of the site in Saintes let to Noukies, in Q4/2017, and the acquisition of the shares of Orka Aalst NV in Q4/2017. These were financed by the increase of capital which took place in September 2017, and by bank financing, whereby the debt ratio (51.9%) has remained stable compared with 2016 (51.6%).

The launch and further developments of the sites in Bilzen (let to Carglass – Belgium ), Bornem (let to Pelsis – Belgium), Liège (let to Malysse, ASFS and Easylog - Belgium) and Brucargo (let to WFS - Belgium), Camphin-en-Carembault (let to DSM, Danone, GBS and XPO – France), Etten-Leur (let to BAS Logistics – Netherlands), in Schiphol (let to Thomsen Select & MileStone -Netherlands) and the expansion project in Waddixveen (let to Delta Wines - Nederland) were financed with debt. Montea moreover proceeded to the acquisition of the sites in Mesnil-Amelot (let to GSF Aéro in BH Catering - France) and in Lesquin (let to DHL - France), financed with debt. These development projects and acquisitions have led to an increase in the debt ratio. The dividend payout on the profits of 2017 also led to an increase in the debt ratio, offset by the results of the optional dividend and the profit turned in the first 6 months of 2018. The acquisition of the site in Hoofddorp (let to Idexx Europe - Nederland) through contribution in kind leads to a reduction of the debt ratio.
The debt ratio accordingly rose from 51.9% at the end of 2017 to 52.7% at the end of Q2 2018.
The debt ratio has at no time reached alarming proportions, not even during the periods of financial crisis which emerged as of the end of 2008.

- **Future investment potential**

On the basis of this current debt ratio, the investment potential would amount to ca. € 288 million,[19] without exceeding the maximum debt ratio of 65%.

Montea has concluded covenants with a number of banking institutions under the terms of which the debt ratio may not exceed 60%. Consequently, on the basis of the same calculation, the investment potential amounts to more than ca. € 145 million.

The changes in the fair value of the property portfolio can also have a significant impact on the debt ratio. On the basis of the equity capital, the maximum admissible debt ratio of 65% would be exceeded only in the event of a negative change in the fair value of the property portfolio of more than ca. € 155 million. This corresponds to a drop of 20% in the existing portfolio.

On the basis of the current state and valuation of the portfolio by an independent expert, Montea sees no substantial possible negative variations in the fair value. Montea is therefore of opinion that the current debt ratio of 52.7% provides a sufficient buffer to deal with possible further negative changes in the existing portfolio.

- **Conclusion**

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

Montea's goal remains to continue its financing with a debt ratio of ca. 55% and will see to it that said ratio will never exceed 60%.

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

A debt ratio of 52.7% is perfectly justified given the nature of the real estate in which Montea invests, i.e. logistics and semi-industrial real estate, with an average net return of ca. 7%.

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

- The **EPRA NAV** per share at the end of Q2 2018 amounts to €31.05 compared to €29.67 per share on 31/12/2017.
  The **EPRA NNNAV** per share amounts to €30.33 on 30 June 2018 compared with €29.14 per share on 31 December 2017.

### 1.4.5 Valuation rules

The condensed consolidated half-yearly figures are drawn up on the basis of the financial reporting principles in accordance with IAS 34 "Interim Financial Reporting." The same financial reporting principles and calculation methods are used in these condensed half-yearly figures as for the consolidated annual financial statements on 31 December 2017.

**New or amended standards and interpretations in force for the financial year starting on 1 January 2018**

- **Published standards and interpretations applicable in 2018**

The following changes have no material impact on the presentation, notes or results of Montea.

IFRS 9 – Financial instruments

IFRS 9 was published by the IASB in July 2014 and adopted by the EU in November 2016. IFRS 9 comprises provisions concerning the classification and valuation of financial assets and liabilities, special impairments of financial assets and general hedge accounting provisions. IFRS replaces in large measure IAS 39 – *Financial instruments: Recognition and Measurements*.

Based on an analysis of Montea's situation as at 30 June 2018, IFRS 9 is expected to have no material impact on the consolidated annual financial statements.

IFRS 15 – Revenue from contracts with customers (applicable for annual periods as of 1 January 2018.

- **Published standards and interpretations not yet in force in 2018**

IFRS 16 - Leases

IFRS 16 provides a comprehensive model for the identification of lease agreements and their accounting in the annual financial statements of both the lessor and the lessee. Upon entry into force, this standard will replace IAS 17 – Leases and the interpretations related thereto. IFRS 16 has not been approved in the European Union yet.

IFRS 16 introduces important changes concerning the accounting of leases for lessors, where the distinction between operational and financial leases is obliterated and assets and liabilities are recognised for all leases (barring exceptions for short-term leases or assets with a low value). Unlike the processing of leases by the lessee, IFRS 16 retains nearly all the provisions from IAS 17 – Leases pertaining to the processing of leases by the lessor. This means that lessors must continue to classify leases as operational or financial leases.

Since Montea acts nearly exclusively as lessor, with the exception of concession agreements, and has not opted for a reassessment as to whether a contract is or contains a lease by comparison with IAS 17, IFRS 16 is expected to have no material impact on the consolidated annual financial statements. In the limited cases where Montea is the lessee in leases classified as operational leases under IAS 17 and these contracts do not belong to exceptions as provided under IFRS 16 (e.g. car rental, real estate used by the group and concession agreements), a right of use and related liability will have to be recognised in the consolidated annual financial statements.

## 1.5 Stock exchange performance of Montea share

The closing price on 30/06/2018 (€ 45.5) was 7% lower than the closing price a year earlier (€ 48.9).

| STOCK MARKET PERFORMANCE | 30/06/2018 | 31/12/2017 | 30/06/2017 |
|---|---|---|---|
| **Share price (€)** | | | |
| At closing | 45,50 | 42,95 | 48,90 |
| Highest | 46,00 | 50,22 | 50,85 |
| Lowest | 41,80 | 41,06 | 43,27 |
| Average | 44,12 | 45,82 | 46,68 |
| **Net asset value per share (€)** | | | |
| IFRS NAV | 29,94 | 28,67 | 24,85 |
| EPRA NNNAV | 30,33 | 29,14 | 25,46 |
| EPRA NAV | 31,05 | 29,67 | 26,86 |
| **Premium (%)** | **52,0%** | **49,8%** | **96,8%** |
| **Dividend return (%)** | **0,0%** | **5,1%** | |
| **Dividend (€)** | | | |
| Gross | | 2,17 | |
| Net | | 1,52 | |
| Pay out ratio | | 84% | |
| **Volume (number of securities)** | | | |
| Average daily volume | 5.460 | 5.941 | 3.806 |
| Volume of the period | 687.934 | 1.514.920 | 483.416 |
| **Number of shares** | **12.017.476** | **11.610.531** | **9.951.884** |
| **Market capitalisation (K €)** | | | |
| Market capitalisation at closing | 546.795 | 498.672 | 486.647 |
| **Ratios (%)** | | | |
| Velocity | 5,7% | 13,0% | 4,9% |

Dividend yield (%): Gross dividend divided by the average share price.
*Gross Return (%): Movement of the share since the beginning of Montea – dividends divided by the average share price.*
"Velocity": Volume of the period divided by the number of shares.

## 1.6 Important events after 30/06/2018

There were no important events after the first half of 2018.

## 1.7 Transactions with affiliated parties

There were no transactions between affiliated parties in the first half of 2018.

## 1.8 Principal risks and uncertainties

### 1.8.1. Principal risks and uncertainties[20]

The Board of Directors of the statutory business manager of Montea and management are fully aware of the interest of developing and maintaining sound governance and, as a result, of retaining a good-quality portfolio. Montea imposes strict and clear standards for (i) optimising and improving existing buildings, (ii) commercial management, (iii) the technical management of buildings, and (iv) any investments in the existing buildings. The aim of these criteria is to limit vacancies, as well as to increase the maximum sustainable value of the property portfolio.

The main risks and uncertainties which the company can face, the possible impact of this and the strategy used to limit this impact, are stipulated in the Annual Financial Report 2017.

## 1.9 Outlook

➢ **Economic climate**

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

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

➢ **Specific outlook for Montea**

- Investment pipeline

  In the current climate of yield compression, and taking account of the sound investment policy pursued by Montea, it is more difficult to acquire quality Class A buildings on the basis of reasonable returns. As a result, build-to-suit projects are acquiring increasing importance in our investment portfolio. We expect that the property portfolio will exceed €800 million in financial year 2018.

- Occupancy rate and term of leases

  On 30 June 2018, the occupancy rate amounted to 96.6%. Montea's goal is to maintain the occupancy ratio above 95%.

  The average term of the leases until the first termination is 7.4 years. Based on the already announced growth, Montea expects to maintain the average term of its contract above 7 years by the end of the financial year.

[20] For more information about the strategy implemented by Montea, please see the Annual Report of 2016. Where necessary, Montea's policy will be adjusted based on the risk factors described.

- Financing strategy

  Taking account of the 60% debt ratio restriction, Montea still has an investment capacity of € 145 million. Montea is striving for a diversified financing policy, where the aim is to bring the term of our loans (currently 4.9 years on average) in line with the term of our leases (currently 7.4 years on average). The hedge ratio amounted to 88.5% at the end of Q2 2018, and will be maintained above 80%.

- Operating margin

  On the basis of already announced growth, Montea expects to be able to maintain the operating margin of 92% on a recurrent annual basis.

- EPRA earnings per share/dividend per share

  On the basis of the EPRA earnings of € 16 million in the first half of 2018, the coming net income from acquired projects, and taking into account an estimated extension of certain contracts and the rental of existing vacant premises, Montea expects to register 5% growth in EPRA earnings per share in 2018. On the basis of this outlook, an increase in the dividend payment is proposed for 2018, amounting again to 3% compared with 2017, which will mean a gross dividend of € 2.24 per share for 2018.

### 1.10 Corporate social responsibility and sustainable business

Montea indicates that all developments, renovations and new projects are subject to a thorough study to help it keep the impact on the environment to a minimum.

### 1.11 Statement on meeting certain covenants concerning bond issues

Pursuant to Article 5.11 of the conditions of issue of bonds, issued on 28 June 2013 (for a total of €30 million), on 28 May 2014 (for a total of €30 million) and on 30 June 2015 (for a total of €50 million), Montea will provided a statement in its consolidated annual and semi-annual figures on compliance with certain covenants imposed in Article 5.10 of said conditions of issue.

Montea declares that:

- The consolidated debt ratio amounts to 52.7%, and as such is below the 65% mark, as required in Article 5.10 (d) of the information memoranda on the debenture loans issued in 2013 and 2014 and Article 5.10 (c) of the information memoranda on the debenture loans issued in 2015;
- The "Interest Cover"[21]* amounts to 4.48 and as such is higher than 1.5, as required in Article 5.10 (e) of the information memoranda on the debenture loans issued in 2013 and 2014 and Article 5.10 (d) of the information memoranda on the debenture loans in 2015.

[21] * The interest coverage ratio is calculated by dividing the sum of the operating result before the result of the portfolio and the financial income, by the net interest costs. Cf. Section 5.

## 2. Future statements

This press release contains a number of future-oriented statements. Such statements are subject to risks and uncertainties which may entail that the actual results may differ substantially from the results supposed by such future-oriented statements in this press release. Important factors that can influence such results include in particular changes in the economic situation, commercial and competition circumstances, as a result of future court decisions or changes in the legislation.

## 3. 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 statutory manager, 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 annual 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.

## 4. EPRA Performance Measures[22]

**EPRA earnings – EPRA earnings per share**

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

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

[22] No EPRA measure was audited by the auditor.

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

| | *(in EUR X 1 000)* | 30/06/2018 | 30/06/2017 |
|---|---|---|---|
| | **Net result (IFRS)** | **30.404** | **14.680** |
| | **Changes for calculation of the EPRA earnings** | | |
| | To exclude: | | |
| (i) | Variations in fair value of the investment properties and properties for sale | -16.089 | 3.936 |
| (ii) | Result on sale of investment properties | - | -769 |
| (vi) | Variations in fair value of the financial assets and liabilities | 1.725 | -4.847 |
| | **EPRA earnings** | **16.040** | **13.000** |
| | Weighted average number of shares | 11.879.727 | 9.951.884 |
| | **EPRA earnings per share (€/share)** | **1,35** | **1,31** |

**EPRA NAV – EPRA NAV per share**

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

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

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

| | *(in EUR X 1 000)* | 30/06/2018 | 31/12/2017 |
|---|---|---|---|
| | **IFRS NAV** | **359.794** | **332.911** |
| | **NAV per share (€/share)** | **29,94** | **28,67** |
| | Effect of exercise of options, convertible debt and other equity instruments | | |
| | **Diluted net asset value after effect of exercise of options, convertible debt and other equity instruments** | **359.794** | **332.911** |
| | To exclude | | |
| (iv) | IV. Fair value of financial instruments | 13.335 | 11.611 |
| | **EPRA NAV** | **373.129** | **344.522** |
| | Number of shares in circulation per end period | 12.017.476 | 11.610.531 |
| | **EPRA NAV per share (€/share)** | **31,05** | **29,67** |

**EPRA NNNAV – EPRA NNNAV per share**

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

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

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

| | *(in EUR X 1 000)* | 31/03/2017 | 31/03/2016 |
|---|---|---|---|
| | **EPRA NAV** | **373.129** | **344.522** |
| | Number of shares in curculation at the end of the period | 12.017.476 | 11.610.531 |
| | **EPRA NAV (€/share)** | **31,05** | **29,67** |
| | To add: | | |
| (i) | I. Fair value of financial instruments | -13.335 | -11.611 |
| (ii) | II. Revaluation of the fair value of financing at fixed interest rate | 4.756 | 5.397 |
| | **EPRA NNNAV** | **364.550** | **338.308** |
| | Nmber of shares in circultation at the end of the period | 12.017.476 | 11.610.531 |
| | **EPRA NNNAV (€/share)** | **30,33** | **29,14** |

**EPRA vacancy**

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

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

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

| *(in EUR X 1 000)* | **(A)** Estimated rental value (ERV) for vacancy | **(B)** Estimated rental value portfolio (ERV) | **(A/B)** ERPA Vacancy rate *(in %)* | **(A)** Estimated rental value (ERV) for vacancy | **(B)** Estimated rental value portfolio (ERV) | **(A/B)** ERPA Vacancy rate *(in %)* |
|---|---|---|---|---|---|---|
| | 30/06/2018 | 30/06/2018 | 30/06/2018 | 31/12/2017 | 31/12/2017 | 31/12/2017 |
| Belgium | 1.545 | 28.673 | 5,4% | 1.525 | 26.760 | 5,7% |
| France | 246 | 9.434 | 2,6% | - | 7.012 | 0,0% |
| The Netherlands | - | 15.234 | 0,0% | - | 13.974 | 0,0% |
| **Total** | **1.791** | **53.341** | **3,4%** | **1.525** | **47.746** | **3,2%** |

## 5. Detailed calculation of the APMs used by Montea[23]

**Result on the portfolio**

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

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

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

| RESULT ON PORTFOLIO (in EUR X 1 000) | 30/06/2018 | 30/06/2017 |
|---|---|---|
| Result on sale of property investments | - | 769 |
| Variations in the fair value of property investments | 16.089 | -3.936 |
| **RESULT ON PORTFOLIO** | **16.089** | **-3.167** |

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

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

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

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

| FINANCIAL RESULT excl. variations in fair value of financial instruments (in EUR X 1 000) | 30/06/2018 | 30/06/2017 |
|---|---|---|
| Financial result | -6.476 | -594 |
| To exclude: | | |
| Variations in fair value of financial assets & liabilities | 1.725 | -4.847 |
| **FINANCIAL RESULT excl. variation in fair value of financial instruments** | **-4.751** | **-5.441** |

[23] Exclusive of the EPRA indicators, some of which are considered as an APM and are calculated under Chapter 4 EPRA Performance measures.

**Operating margin**

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

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

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

| OPERATING MARGIN<br>(in EUR X 1 000) | 30/06/2018 | 30/06/2017 |
|---|---|---|
| Net rental result | 23.127 | 20.039 |
| Operating result (before the result on the portfolio) | 21.115 | 19.224 |
| **OPERATING MARGIN** | **91,3%** | **95,9%** |

**Average cost of debt**

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

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

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

| AVERAGE COST OF DEBT<br>(in EUR X 1 000) | 30/06/2018 | 30/06/2017 |
|---|---|---|
| Financial result | -6.476 | -594 |
| To exclude: | | |
| Financial income | -14 | -234 |
| Variations in fair value of financial assets and liabilities | 1.725 | -4.847 |
| Activated interest charges | -894 | -128 |
| TOTAL FINANCIAL CHARGES (A) | -5.659 | -5.804 |
| AVERAGE FINANCIAL DEBTS (B) | 402.452 | 334.589 |
| **AVERAGE COST OF DEBT (A/B) (*)** | **2,8%** | **3,3%** |

**Interest coverage ratio**

Definition: The interest coverage ratio is calculated by the sum of the operating result before the result on the portfolio, together with the financial income, divided by the net interest costs.

Purpose: This APM indicates how many times the company earns its interest charges.

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

| INTEREST COVERAGE RATIO (in EUR X 1 000) | 30/06/2018 | 31/12/2017 |
|---|---|---|
| Operational result, before result on portfolio | 21.115 | 38.830 |
| Financial income (+) | 14 | 240 |
| **TOTAL (A)** | **21.129** | **39.071** |
| Financial charges (-) | 4.717 | 11.245 |
| **TOTAL (B)** | **4.717** | **11.245** |
| **INTEREST COVERAGE RATIO (A/B)** | ***4,48*** | ***3,47*** |

## 6. Financial calendar

- 07/11/2018 Quarterly figures – results per 30/09/2018

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

**About MONTEA "SPACE FOR GROWTH"**

Montea Comm. VA is a public property investment company (PPIC – SIIC) under Belgian law specialising in logistical property in Belgium, France and the Netherlands, where the company is a benchmark player. Montea literally offers its customers room to grow by providing versatile, innovative property solutions. In this way, Montea creates value for its shareholders. Montea was the first Belgian property investor to be awarded the Lean & Green Star in recognition of effectively reducing CO2 emissions in the Belgian portfolio by 26%. On 30/06/2018 Montea's property portfolio represented total space of 1,087,893 m² across 60 locations. Montea Comm. VA has been listed on NYSE Euronext Brussels (MONT) and Paris (MONTP) since 2006.

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**FOR MORE INFORMATION**

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## Annex 1: Consolidated overview of the income statement on 30/06/2018[24]

| | CONSOLIDATED PROFIT & LOSS ACCOUNT (EUR x 1.000) | 30/06/2018 6 months | 31/12/2017 12 months | 30/06/2017 6 months |
|---|---|---|---|---|
| I. | Rental income | 24.505 | 43.234 | 21.108 |
| II. | Write-back of lease payments sold and discounted | 0 | 0 | 0 |
| III. | Rental-related expenses | -1.378 | -2.440 | -1.069 |
| | **NET RENTAL RESULT** | **23.127** | **40.793** | **20.039** |
| IV. | Recovery of property charges | 0 | **0** | **0** |
| V. | Recovery of charges and taxes normally payable by tenants on let properties | 3.133 | 5.168 | 2.988 |
| VI. | Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease | 0 | 0 | 0 |
| VII. | Charges and taxes normally payable by tenants on let properties | -3.613 | -5.895 | -3.441 |
| VIII. | Other rental-related income and expenses | 1.386 | 3.897 | 2.438 |
| | **PROPERTY RESULT** | **24.033** | **43.963** | **22.024** |
| IX. | Technical costs | -11 | -34 | -20 |
| X. | Commercial costs | 0 | -122 | -59 |
| XI. | Charges and taxes of un-let properties | 0 | 0 | -45 |
| XII. | Property management costs | -767 | -1.047 | -524 |
| XIII. | Other property charges | -34 | -44 | -20 |
| | **PROPERTY CHARGES** | **-812** | **-1.246** | **-668** |
| | **PROPERTY OPERATING RESULT** | **23.221** | **42.717** | **21.356** |
| XIV. | General corporate expenses | -2.065 | -3.814 | -2.060 |
| XV. | Other operating income and expenses | -41 | -72 | -72 |
| | **OPERATING RESULT BEFORE PORTFOLIO RESULT** | **21.115** | **38.830** | **19.224** |
| XVI. | Result on disposal of investment properties | 0 | 769 | 769 |
| XVII. | Result on disposal of other non-financial assets | 0 | 0 | 0 |
| XVIII. | Changes in fair value of investment properties | 16.089 | 3.204 | -3.936 |
| XIX. | Other portfolio result | 0 | 0 | 0 |
| | **OPERATING RESULT** | **37.203** | **42.803** | **16.057** |
| XX. | Financial income | 14 | 240 | 234 |
| XXI. | Net interest charges | -4.717 | -11.245 | -5.650 |
| XXII. | Other financial charges | -49 | -102 | -26 |
| XXIII. | Change in fair value of financial assets & liabilities | -1.725 | 5.791 | 4.847 |
| | **FINANCIAL RESULT** | **-6.476** | **-5.316** | **-594** |
| XXIV. | Share in the result of associates and joint ventures | 0 | 0 | 0 |
| | **PRE-TAX RESULT** | **30.727** | **37.486** | **15.463** |
| XXV. | Corporation tax | -323 | -938 | -783 |
| XXVI. | Exit tax | 0 | 0 | 0 |
| | **TAXES** | **-323** | **-938** | **-783** |
| | **NET RESULT** | **30.404** | **36.548** | **14.680** |
| | Attributable to: | | | |
| | Shareholders of the parent company | 30.404 | 36.548 | 14.680 |
| | Minority interests | 0 | 0 | 0 |
| | Number of shares in circulation at the end of the period | 12.017.476 | 11.610.531 | 9.951.884 |
| | Weighted average of number of shares of the period | 11.879.727 | 10.392.676 | 9.951.884 |
| | **NET RESULT per share (EUR)** | **2,56** | **3,52** | **1,48** |

[24] The condensed financial statements have been subjected to a limited review by the auditor.

## Annex 2: Consolidated overview of the balance sheet on 30/06/2018[25]

| | | CONSOLIDATED BALANCE SHEET (EUR x 1.000) | 30/06/2018 | 31/12/2017 | 31/12/2016 |
|---|---|---|---|---|---|
| I. | | **NON-CURRENT ASSETS** | **793.587** | **719.615** | **545.462** |
| | A. | Goodwill | 0 | 0 | 0 |
| | B. | Intangible assets | 295 | 168 | 189 |
| | C. | Investment properties | 779.623 | 706.431 | 535.136 |
| | D. | Other tangible assets | 13.640 | 12.877 | 10.098 |
| | G. | Trade receivables and other non-current assets | 29 | 42 | 39 |
| II. | | **CURRENT ASSETS** | **29.606** | **28.811** | **49.297** |
| | A. | Assets held for sale | 0 | 0 | 7.721 |
| | D. | Trade receivables | 11.853 | 14.364 | 10.499 |
| | E. | Tax receivables and other current assets | 9.303 | 8.748 | 6.607 |
| | F. | Cash and cash equivalents | 6.053 | 3.436 | 3.350 |
| | G. | Deferred charges and accrued income | 2.397 | 2.263 | 21.121 |
| | | **TOTAL ASSETS** | **823.193** | **748.426** | **594.759** |
| | | **TOTAL SHAREHOLDERS' EQUITY** | **359.912** | **333.029** | **251.965** |
| I. | | **Shareholders' equity attributable to shareholders of the parent company** | **359.794** | **332.911** | **251.846** |
| | A. | Share capital | 241.088 | 232.938 | 200.282 |
| | B. | Share premiums | 75.899 | 66.641 | 32.439 |
| | C. | Reserves | 12.403 | -3.216 | -13.079 |
| | D. | Net result of the financial year | 30.404 | 36.548 | 32.204 |
| II. | | **Minority interests** | **118** | **118** | **118** |
| | | **LIABILITIES** | **463.281** | **415.397** | **342.794** |
| I. | | **Non-current liabilities** | **406.099** | **386.251** | **310.381** |
| | B. | Non-current financial debts | 392.763 | 374.543 | 285.577 |
| | | a. Credit institutions | 282.226 | 264.072 | 175.132 |
| | | b. Financial leasings | 1.125 | 1.136 | 184 |
| | | c. Other | 109.412 | 109.335 | 110.261 |
| | C. | Other non-current financial liabilities | 13.335 | 11.707 | 24.804 |
| | E. | Other non-current liabilities | 0 | 0 | 0 |
| II. | | **Current liabilities** | **57.182** | **29.147** | **32.413** |
| | B. | Current financial debts | 30.089 | 2.273 | 10.590 |
| | | a. Credit institutions | 30.000 | 2.000 | 10.000 |
| | | b. Financial leasings | 89 | 273 | 590 |
| | | c. Other | 0 | 0 | 0 |
| | C. | Other current financial liabilities | 0 | 0 | 0 |
| | D. | Trade debts and other current debts | 11.132 | 10.894 | 10.848 |
| | | a. Exit taks | 2.662 | 4.346 | 2.014 |
| | | b. Other | 8.469 | 6.547 | 8.833 |
| | E. | Other current liabilities | 66 | 437 | 150 |
| | F. | Accrued charges and deferred income | 15.896 | 15.542 | 10.826 |
| | | **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **823.193** | **748.426** | **594.759** |

[25] The condensed financial statements have been subjected to a limited review by the auditor.

## Annex 3: Consolidated overview of changes to shareholders' equity[26]

| STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (EUR x 1.000) | Share capital | Share premiums | Reserves | Result | Deduction of transfer rights and costs | Minority interests | Shareholders' equity |
|---|---|---|---|---|---|---|---|
| **ON 31/12/2016** | **200.282** | **32.438** | **-13.079** | **32.204** | **0** | **118** | **225.424** |
| **Elements directly recognized as equity** | **32.656** | **34.201** | **-1.342** | **0** | **0** | **0** | **65.515** |
| Capital increase | 32.656 | 34.201 | 0 | 0 | 0 | 0 | 66.857 |
| Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties | 0 | 0 | -1.840 | 0 | 0 | 0 | -1.840 |
| Positive change in value of solar panels (IAS 16) | 0 | 0 | 484 | 0 | 0 | 0 | 484 |
| Own shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Own shares held for employee option plan | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minority interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Corrections | 0 | 0 | 14 | 0 | 0 | 0 | 14 |
| **Subtotal** | **232.938** | **66.641** | **-14.421** | **32.204** | **0** | **118** | **317.479** |
| Dividends | 0 | 0 | -20.999 | 0 | 0 | 0 | -20.999 |
| Result carried forward | 0 | 0 | 32.204 | -32.204 | 0 | 0 | 0 |
| Result for the financial year | 0 | 0 | 0 | 36.548 | 0 | 0 | 36.548 |
| **ON 31/12/2017** | **232.938** | **66.641** | **-3.217** | **36.548** | **0** | **118** | **333.028** |
| **Elements directly recognized as equity** | **8.150** | **9.258** | **448** | **0** | **0** | **0** | **17.855** |
| Capital increase | 8.150 | 9.258 | 0 | 0 | 0 | 0 | 17.408 |
| 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 | 392 | 0 | 0 | 0 | 392 |
| 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 | 56 | 0 | 0 | 0 | 56 |
| **Subtotal** | **241.088** | **75.899** | **-2.769** | **36.548** | **0** | **118** | **350.883** |
| Dividends | 0 | 0 | -21.375 | 0 | 0 | 0 | -21.375 |
| Result carried forward | 0 | 0 | 36.548 | -36.548 | 0 | 0 | 0 |
| Result for the financial year | 0 | 0 | 0 | 30.404 | 0 | 0 | 30.404 |
| **ON 30/06/2018** | **241.088** | **75.899** | **12.404** | **30.404** | **0** | **118** | **359.912** |

26 The condensed financial statements have been subjected to a limited review by the auditor.

## Annex 4: Overview of the consolidated comprehensive income[27]

| ABBREVIATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR x 1.000) | 30/06/2018 6 months | 31/12/2017 12 months | 31/12/2016 12 months |
|---|---|---|---|
| **Net result** | **30.404** | **36.548** | **32.204** |
| **Other items of the comprehensive income** | **392** | **484** | **-720** |
| **Items taken in the result** | **0** | 0 | 0 |
| Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investments properties | 0 | 0 | 0 |
| Changes in the effective part of the fair value of authorized cash flow hedges | 0 | 0 | 0 |
| **Items not taken in the result** | **392** | **484** | **-720** |
| Impact of changes in fair value of solar panels | 392 | 484 | -720 |
| **Comprehensive income** | **30.796** | **37.032** | **31.484** |
| Attributable to: | | | |
| Shareholders of the parent company | 30.796 | 37.032 | 31.484 |
| Minority interests | 0 | 0 | 0 |

[27] The condensed financial statements have been subjected to a limited review by the auditor.

## Annex 5: Consolidated overview of the cash flow summary [28]

| CONSOLIDATED CASH FLOW STATEMENT (EUR x 1.000) | 30/06/2018 6 months | 31/12/2017 12 months |
|---|---|---|
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR (A)** | **3.436** | **3.350** |
| **Net result** | **30.404** | **36.548** |
| **Financial cash elements (not dedectable of the net profit) to become the operating result** | **4.751** | **11.107** |
| Received interests | -14 | -240 |
| Payed interests on finances | 4.765 | 11.347 |
| Received dividends | 0 | 0 |
| **Taxes (dedected from the net result) to become the operating result** | **323** | **938** |
| **Non-cash elements to be added to / deducted from the result** | **-14.582** | **-10.415** |
| **Depreciations and write-downs** | **105** | **286** |
| Depreciations/write-downs (or write-back) on intangible and tangible assets (+/-) | 91 | 205 |
| Write-downs on current assets (+) | 3 | 90 |
| Write-back of write-downs on current assets (-) | 11 | -9 |
| **Other non-cash elements** | **-14.687** | **-10.701** |
| Changes in fair value of investment properties (+/-) | -16.089 | -3.204 |
| IAS 39 impact (+/-) | 1.725 | -5.791 |
| Other elements | 0 | 0 |
| Realized gain on disposal of investment properties | 0 | -769 |
| Provisions | 0 | 0 |
| Taxes | -323 | -938 |
| **NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS (B)** | **20.897** | **38.178** |
| **Change in working capital requirements (C)** | **2.055** | **25.620** |
| **Movements in asset items** | **1.835** | **20.570** |
| Trade receivables | 13 | -3 |
| Other long-term non-current assets | 2.511 | -3.865 |
| Other current assets | -555 | 5.580 |
| Deferred charges and accrued income | -134 | 18.858 |
| **Movements in liability items** | **220** | **5.050** |
| Trade debts | 514 | -543 |
| Taxes, social charges and salary debts | -277 | 589 |
| Other current liabilities | -372 | 287 |
| Accrued charges and deferred income | 354 | 4.717 |
| **NET CASH FLOW FROM OPERATING ACTIVITIES (A)+(B)+(C) = (A1)** | **26.387** | **67.148** |
| **Investment activities** | **-58.053** | **-166.546** |
| Acquisition of intangible assets | -171 | -79 |
| Investment properties and development projects | -57.737 | -164.934 |
| Other tangible assets | -37 | -51 |
| Solar panels | -108 | -2.250 |
| Disposal of investment properties | 0 | 769 |
| Disposal of superficy | 0 | 0 |
| **NET CASH FLOW FROM INVESTMENT ACTIVITIES (B1)** | **-58.053** | **-166.546** |
| **FREE CASH FLOW (A1+B1)** | **-31.666** | **-99.398** |
| **Change in financial liabilities and financial debts** | **46.046** | **67.599** |
| Increase (+)/Decrease (-) in financial debts | 46.035 | 1.511 |
| Increase (+)/Decrease (-) in other financial liabilities | 1.628 | 1.211 |
| Increase (+)/Decrease (-) in trade debts and other non-current liabilities | -238 | 0 |
| **Change in other liabilities** | **0** | **0** |
| Increase (+)/Decrease (-) in other liabilities | 0 | 0 |
| Increase (+)/Decrease (-) in other debts | 0 | 0 |
| **Change in shareholders' equity** | **-3.576** | **46.342** |
| Increase (+)/Decrease (-) in share capital | 8.150 | 32.656 |
| Increase (+)/Decrease (-) in share premium | 9.258 | 34.201 |
| Increase (+)/Decrease (-) in consolidation differences | 0 | 0 |
| Increase (+)/Decrease (-) in minority interests | 0 | 0 |
| Dividends paid | -21.375 | -20.999 |
| Increase (+)/Decrease (-) in reserves | 392 | 484 |
| Increase (+)/Decrease (-) in changes in fair value of financial assets/liabilities | 0 | 0 |
| Disposal of treasury shares | 0 | 0 |
| **Dividend paid (+ profit-sharing scheme)** | **0** | **0** |
| Interim dividends paid (-) | 0 | 0 |
| **Financial cash elements** | **-4.751** | **-11.107** |
| **NET FINANCIAL CASH FLOW (C1)** | **37.719** | **102.834** |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (A1+B1+C1)** | **6.053** | **3.436** |

[28] The condensed financial statements have been subjected to a limited review by the auditor.

## Annex 6: Fair value hierarchy[29]

| | | Fair value hierarchy (EUR x 1.000) | 30/06/2018 Booking value | 30/06/2018 Level 1 (1) | 30/06/2018 Level 2 (2) | 30/06/2018 Level 3 (3) |
|---|---|---|---|---|---|---|
| **I.** | | **NON-CURRENT ASSETS** | **793.587** | **0** | **323** | **793.263** |
| | A. | Goodwill | 0 | 0 | 0 | 0 |
| | B. | Intangible assets | 295 | 0 | 295 | 0 |
| | C. | Investment properties | 779.623 | 0 | 0 | 779.623 |
| | D. | Other tangible assets | 13.640 | 0 | 0 | 13.640 |
| | E. | Non-current financial assets | 0 | 0 | 0 | 0 |
| | F. | Finance lease receivables | 0 | 0 | 0 | 0 |
| | G. | Trade receivables and other non-current assets | 29 | 0 | 29 | 0 |
| | H. | Deferred taxes (assets) | 0 | 0 | 0 | 0 |
| | I. | Participations in associates and joint ventures according to the equity | 0 | 0 | 0 | 0 |
| **II.** | | **CURRENT ASSETS** | **29.606** | **6.053** | **23.553** | **0** |
| | A. | Assets held for sale | 0 | 0 | 0 | 0 |
| | B. | Current financial assets | 0 | 0 | 0 | 0 |
| | C. | Finance lease receivables | 0 | 0 | 0 | 0 |
| | D. | Trade receivables | 11.853 | 0 | 11.853 | 0 |
| | E. | Tax receivables and other current assets | 9.303 | 0 | 9.303 | 0 |
| | F. | Cash and cash equivalents | 6.053 | 6.053 | 0 | 0 |
| | G. | Deferred charges and accrued income | 2.397 | 0 | 2.397 | 0 |
| | | **TOTAL ASSETS** | **823.193** | **6.053** | **23.877** | **793.263** |
| | | **LIABILITIES** | **463.281** | **0** | **468.037** | **0** |
| **I.** | | **Non-current liabilities** | **406.099** | **0** | **410.855** | **0** |
| | A. | Provisions | 0 | 0 | 0 | 0 |
| | B. | Non-current financial debts | 392.763 | 0 | 397.519 | 0 |
| | | 1. Bancaire schulden | 231.304 | 0 | 231.304 | 0 |
| | | 2. Obligatieleningen | 109.260 | 0 | 115.291 | 0 |
| | | 3. Diverse langlopende financiële schulden (borgtochten, waarborgen,...) | 184 | 0 | 184 | 0 |
| | C. | Other non-current financial liabilities | 13.335 | 0 | 13.335 | 0 |
| | D. | Trade debts and other non-current debts | 0 | 0 | 0 | 0 |
| | E. | Other non-current liabilities | 0 | 0 | 0 | 0 |
| | F. | Deferred taxes - liabilities | 0 | 0 | 0 | 0 |
| **II.** | | **Current liabilities** | **57.182** | **0** | **57.182** | **0** |
| | A. | Provisions | 0 | 0 | 0 | 0 |
| | B. | Current financial debts | 30.089 | 0 | 30.089 | 0 |
| | | 1. Bank debt | 231.304 | 0 | 231.304 | 0 |
| | | 2. Leasing | 109.260 | 0 | 115.291 | 0 |
| | C. | Other current financial liabilities | 0 | 0 | 0 | 0 |
| | D. | Trade debts and other current debts | 11.132 | 0 | 11.132 | 0 |
| | E. | Other current liabilities | 66 | 0 | 66 | 0 |
| | F. | Accrued charges and deferred income | 15.896 | 0 | 15.896 | 0 |
| | | **TOTAL LIABILITIES** | **463.281** | **0** | **468.037** | **0** |

[29] The condensed financial statements have been subjected to a limited review by the auditor.

## Annex 7: Segment reporting: Consolidated overview of the income statement as at 30/06/2018 per geographic region[30]

| | (EUR x 1.000) | 30/06/2018 BE | 30/06/2018 FR | 30/06/2018 NL | 30/06/2018 Elim. | 30/06/2018 12 maanden |
|---|---|---|---|---|---|---|
| I. | Rental income | 13.159 | 4.168 | 7.178 | 0 | 24.505 |
| II. | Write-back of lease payments sold and discounted | 0 | 0 | 0 | 0 | 0 |
| III. | Rental-related charges | -1.389 | 11 | 0 | 0 | -1.378 |
| | **NET RENTAL INCOME** | **11.770** | **4.178** | **7.178** | **0** | **23.127** |
| IV. | Recovery of property charges | 0 | 0 | 0 | 0 | 0 |
| V. | Recovery of charges and taxes normally borne by tenants on let properties | 1.338 | 1.399 | 396 | 0 | 3.133 |
| VI. | Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease | 0 | 0 | 0 | 0 | 0 |
| VII. | Charges and taxes normally borne by tenants on let properties | -1.519 | -1.509 | -585 | 0 | -3.613 |
| VIII. | Other rental-related income and expenses | 1.249 | 131 | 7 | 0 | 1.386 |
| | **PROPERTY RESULT** | **12.838** | **4.199** | **6.996** | **0** | **24.033** |
| IX. | Technical costs | -3 | -9 | 0 | 0 | -11 |
| X. | Commercial costs | 0 | 0 | 0 | 0 | 0 |
| XI. | Charges and taxes of un-let properties | 0 | 0 | 0 | 0 | 0 |
| XII. | Property management costs | -512 | -254 | 0 | 0 | -767 |
| XIII. | Other property charges | -24 | -9 | 0 | 0 | -34 |
| | **PROPERTY CHARGES** | **-540** | **-272** | **0** | **0** | **-812** |
| | **PROPERTY OPERATING RESULT** | **12.298** | **3.927** | **6.996** | **0** | **23.221** |
| XIV. | General costs of the company | -1.624 | -284 | -157 | 0 | -2.065 |
| XV. | Other operating income and expenses | -4 | -37 | 0 | 0 | -41 |
| | **OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO** | **10.670** | **3.605** | **6.839** | **0** | **21.115** |
| XVI. | Result on disposal of investment properties | 0 | 0 | 0 | 0 | 0 |
| XVII. | Result on disposal of other non-financial assets | 0 | 0 | 0 | 0 | 0 |
| XVIII. | Changes in fair value of investment properties | 4.036 | 4.546 | 7.507 | 0 | 16.089 |
| XIX. | Other portfolio result | 0 | 0 | 0 | 0 | 0 |
| | **OPERATING RESULT** | **14.706** | **8.151** | **14.346** | **0** | **37.203** |
| XX. | Financial income | 1.884 | 1 | 2 | -1.873 | 14 |
| XXI. | Net interest charges | -4.939 | -225 | -1.426 | 1.873 | -4.717 |
| XXII. | Other financial charges | -29 | -17 | -2 | 0 | -49 |
| XXIII. | Changes in fair value of financial assets and liabilites | -1.725 | 0 | 0 | 0 | -1.725 |
| | **FINANCIAL RESULT** | **-4.809** | **-240** | **-1.426** | **0** | **-6.476** |
| XXIV. | Share in the result of associates and joint ventures | 0 | 0 | 0 | 0 | 0 |
| | **PRE-TAX RESULT** | **9.897** | **7.911** | **12.920** | **0** | **30.727** |
| XXV. | Corporate taxes | -139 | -43 | -141 | 0 | -323 |
| XXVI. | Exit tax | 0 | 0 | 0 | 0 | 0 |
| | **TAXES** | **-139** | **-43** | **-141** | **0** | **-323** |
| | **NET RESULT** | **9.758** | **7.868** | **12.778** | **0** | **30.404** |
| | **EPRA RESULT** | **7.447** | **3.322** | **5.271** | **0** | **16.040** |
| | Weighted average number of shares | 11.880 | 11.880 | 11.880 | 0 | 11.880 |
| | **NET RESULT PER SHARE** | **0,82** | **0,66** | **1,08** | **0,00** | **2,56** |
| | **EPRA RESULT PER SHARE** | **0,63** | **0,28** | **0,44** | **0,00** | **1,35** |

30 The condensed financial statements have been subjected to a limited review by the auditor.

## Annex 8: Segment reporting: Consolidated overview of the balance sheet as at 30/06/2018 per geographic region[31]

| | | (EUR x 1.000) | 30/06/2018 BE | 30/06/2018 FR | 30/06/2018 NL | 30/06/2018 Elim. | 30/06/2018 Conso |
|---|---|---|---|---|---|---|---|
| I. | | **NON-CURRENT ASSETS** | **529.061** | **134.369** | **223.688** | **-93.532** | **793.587** |
| | A. | Goodwill | 0 | 0 | 0 | 0 | 0 |
| | B. | Intangible assets | 295 | 0 | 0 | 0 | 295 |
| | C. | Investment properties | 421.722 | 134.323 | 223.578 | 0 | 779.623 |
| | D. | Other tangible assets | 13.510 | 20 | 110 | 0 | 13.640 |
| | E. | Non-current financial assets | 93.532 | 0 | 0 | -93.532 | 0 |
| | F. | Finance lease receivables | 0 | 0 | 0 | 0 | 0 |
| | G. | Trade receivables and other non-current assets | 3 | 26 | 0 | 0 | 29 |
| | H. | Deffered taxes (assets) | 0 | 0 | 0 | 0 | 0 |
| | I. | Participations in associates and joint ventures according to the equity method | 0 | 0 | 0 | 0 | 0 |
| II. | | **CURRENT ASSETS** | **185.821** | **5.854** | **8.410** | **-170.479** | **29.606** |
| | A. | Assets held for sale | 0 | 0 | 0 | 0 | 0 |
| | B. | Current financial assets | 0 | 0 | 0 | 0 | 0 |
| | C. | Finance lease receivables | 0 | 0 | 0 | 0 | 0 |
| | D. | Trade receivables | 7.785 | 3.776 | 2.380 | -2.088 | 11.853 |
| | E. | Tax receivables and other current assets | 173.120 | 382 | 4.192 | -168.390 | 9.303 |
| | F. | Cash and cash equivalents | 3.121 | 1.487 | 1.446 | 0 | 6.053 |
| | G. | Deffered charges and accrued income | 1.796 | 209 | 392 | 0 | 2.397 |
| | | **TOTAL ASSETS** | **714.883** | **140.223** | **232.098** | **-264.010** | **823.193** |
| | | **TOTAL SHAREHOLDERS' EQUITY** | **262.293** | **79.928** | **131.241** | **-113.549** | **359.912** |
| I. | | **Shareholders' equity attributable to the shareholders of the parent company** | **262.274** | **79.828** | **131.241** | **-113.549** | **359.794** |
| | A. | Share capital | 241.089 | 0 | 30.189 | -30.189 | 241.088 |
| | B. | Share premiums | 75.899 | 0 | 0 | 0 | 75.899 |
| | C. | Reserves | -64.471 | 71.959 | 88.274 | -83.359 | 12.403 |
| | D. | Net result of the financial year | 9.758 | 7.868 | 12.778 | 0 | 30.404 |
| II. | | **Minority interests** | **19** | **100** | **0** | **0** | 118 |
| | | **LIABILITIES** | **452.590** | **60.295** | **100.858** | **-150.462** | **463.281** |
| I. | | **Non-current liabilities** | **404.900** | **1.199** | **0** | **0** | **406.099** |
| | A. | Provisions | 0 | 0 | 0 | 0 | 0 |
| | B. | Non-current financial debts | 391.564 | 1.199 | 0 | 0 | 392.763 |
| | C. | Other non-current financial liabilities | 13.335 | 0 | 0 | 0 | 13.335 |
| | D. | Trade debts and other non-current debts | 0 | 0 | 0 | 0 | 0 |
| | E. | Other non-current liabilities | 0 | 0 | 0 | 0 | 0 |
| | F. | Deferred taxes - liabilities | 0 | 0 | 0 | 0 | 0 |
| II. | | **Current liabilities** | **47.690** | **59.096** | **100.858** | **-150.462** | **57.182** |
| | A. | Provisions | 0 | 0 | 0 | 0 | 0 |
| | B. | Current financial debts | 30.089 | 0 | 0 | 0 | 30.089 |
| | C. | Other current financial liabilities | 0 | 0 | 0 | 0 | 0 |
| | D. | Trade debts and other current debts | 7.490 | 3.949 | 1.781 | -2.088 | 11.132 |
| | E. | Other current liabilities | 44 | 52.310 | 95.988 | -148.276 | 66 |
| | F. | Accrued charges and deferred income | 10.068 | 2.837 | 3.088 | -97 | 15.896 |
| | | **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **714.883** | **140.223** | **232.098** | **-264.010** | **823.193** |

[31] The condensed financial statements have been subjected to a limited review by the auditor.

## Annex 9: Independent expert's report on 30/06/2018

| | |
|---|---|
| Valuation | The valuation of the various investment objects in the portfolio was supported by the following methods: the rental value capitalisation method and the income approach according to a Discounted Cash Flow (DCF) model, with a verification of the unit prices obtained. |
| Evolution of value | The Fair Value of the projects (exclusive of developments and solar panels) pursuant to IAS 40 has gone from € 658 million on 31/12/2017 to € 758 million on 30/06/2018. This Fair Value of € 758 million corresponds to an investment value of € 792 million (deed in hand).<br>The initial yield (the rental income considered in respect of the investment value) of the full portfolio amounts to 6.8%. |
| Assets | The assets at this time amount to ± 999,231 m² of storage space and ± 88,662 m² of office floor space, for a total floor space of ± 1,087,893 m².<br><br>Except for the 17 sites in France and 14 sites in the Netherlands, the current properties are situated mainly in the Flemish rhombus. |
| Rental income | The actual rental income is calculated after deducting the advance levy on income derived from real estate when the latter is payable by the owner, and in certain rare cases, as an average rental income until the next due date, if there are rent reduction or the rent is not contractually constant.<br><br>This annual income amounted to € 53.8 million per year on 30/06/2018.<br><br>The aforementioned rental amounts are the net rental income minus additional payments for municipal charges and any insurance premiums. |

The occupancy rate for the entire portfolio, calculated on the basis of the floor space, amounts to 96.6%.

# 3 Opinion of value and signature

### 3.1 Properties held as an investment

On the basis of the above we are of the opinion that the aggregate Fair Value of the property listed above (investment properties) as at the 30th June 2018 is:

For Belgium

€385.647.600

Three hundred and eighty five million six hundred and forty seven thousand and six hundred Euro

For The Netherlands

€238.930.000

Two hundred and thirty eight million nine hundred thirty thousand Euro

For France

€134.308.600

One hundred thirty four million three hundred and eight thousand and six hundred Euro

This is our opinion of the fair value on the basis that, as considered local market practice in Belgium, the gross (or "investment") value has been reduced by 2.5% as an estimate of the typical trading costs of such a property in the Belgian market. For The Netherlands and France, the fair value is the investment value reduced by the transfer costs, conform local practice.

### 3.2 Properties under development

On the basis of the above we are of the opinion that the aggregate Fair Value of the properties listed above (under development) as at the 30th June 2018 is:

€21.048.000

Twenty one million and forty eight thousand Euro

### 3.3 Solar Panels

On the basis of the above we are of the opinion that the aggregate Fair Value of the solar panels as at the 30th June 2018 is:

€13.522.900

Thirteen million five hundred twenty two thousand and nine hundred Euro

This is our opinion of the fair value on the basis that, as considered local market practice in Belgium, the gross (or "investment") value has been reduced by 2.5% as an estimate of the typical trading costs of such a property in the Belgian market. For The Netherlands and France, the fair value is the investment value reduced by the transfer costs, conform local practice.

We hope we have provided the advice you required and would of course be delighted to respond should you have any questions.

Yours sincerely,

Rod Scrivener FRICS
National Director

## Annex 10: Auditor's report

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Building a better working world

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### Report of the statutory auditor to the shareholders of Montea Comm VA on the review of the interim condensed consolidated financial statements as of 30 June 2018 and for the six-month period then ended

#### Introduction

We have reviewed the accompanying interim consolidated balance sheet of Montea Comm VA (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2018 and the related interim consolidated profit & loss accounts, the abbreviated consolidated statement of comprehensive income, the statement of changes in shareholder's equity and the consolidated cash flow statement for the six-month period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These statements show a consolidated statement of financial position total of € 823.193 thousand and a consolidated profit for the six-month period of € 30.404 thousand. Management is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard *IAS 34 Interim Financial Reporting* ("IAS 34") as adopted for use in the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

#### Scope of Review

We conducted our review in accordance the International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" applicable to review engagements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements do not give a true and fair view of the financial position of the Group as at 30 June 2018, and of its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34, as adopted for use in the European Union.

Brussels, 20 August 2018

Ernst & Young Réviseurs d'Entreprises SCCRL
Statutory auditor
represented by

Joeri Klaykens*
Partner
* Acting on behalf of a BVBA/SPRL

19JK0017