Press Release

Interim Report

From the statutory manager
for the period from
01/01/2019 to 31/03/2019

REGULATED INFORMATION
EMBARGO UNTIL 21/05/2019 – 7:30 AM

www.montea.com

MONTEA
SPACE FOR GROWTH

- ✓ EPRA earnings of €10.8 million in Q1 2019 (+ 53% compared with Q1 2018)
- ✓ EPRA earnings per share of €0.79[1] (+ 30% compared with Q1 2018)
- ✓ Fair value of the property portfolio rose by €132.4 million or 15% compared with the end of 2018
- ✓ Strong portfolio fundamentals with an occupancy rate of 99.1% and average term of leases on first expiry date of 8.3 years (exclusive of term of solar panel certificates).
- ✓ Debt ratio of 39.7% at the end of Q1 2019
- ✓ EPRA NAV per share of €40.6 (+ 17% compared with Q4 2018)
- ✓ Gross dividend of €2.26 per share – Possibility of optional dividend
  - Issue price of €72.772 per new share (discount of 6.58% compared with the closing price of €77.90 on 17 May 2019)
  - 46 coupons no. 21 (detached on 21 February 2019) give entitlement to 1 new share

Outlook for 2019:

- ✓ Growth of the EPRA result per share by at least 5%
- ✓ Growth of dividend per share in line with the growth of EPRA earnings per share, i.e. at least 5%, based on a pay-out ratio of 80%
- ✓ Real estate portfolio grows towards € 1.1 billion
- ✓ Occupancy rate remains above 97.5%. Average term of leases on first expiry date of more than 7.5 years
- ✓ Further lowering of the average cost of debt to 2.4%, with a cover ratio of > 90%

[1] The impact of the capital increase (2,847,708 new shares were created) in Q1 2019 on the weighted average number of shares is the lowest in the first quarter and will increase towards the end of the year.

Summary

1. Montea's EPRA earnings amounted to €10.8 million for the first 3 months of 2019, up by 53% from the same period in 2017 (€7.1 million). The EPRA earnings per share in Q1 2019 amounted to €0.79, an increase of 30% from 2018 (€0.61), taking into account the increase in the weighted average number of shares of 17%[2].

The net rental income rose by 41% (from €11.1 million for Q1 2018 to €15.7 million for Q1 2019) mainly due to the recent acquisitions of new properties and the delivery of developments, which generate new rental income.

2. The net profit (IFRS) amounted to €25.7 million, driven partly by an increase in the fair value of the property portfolio of €22.2 million. The net profit (IFRS) per share amounted to €1.89 compared with €0.86 per share at the end of Q1 2018.

3. An additional portfolio volume of €132.4 million (incl. increase in the fair value of the existing portfolio of €22.2 million) was generated during the first 3 months of 2019, whereby the fair value of the property portfolio, including developments and solar panels, rose by 15% (€911.8 million at the end of 2018 -> €1.044 billion at the end of Q1 2019).

4. The occupancy rate amounted to 99.1% on 31 March 2019 and has remained stable compared with the end of 2018. The average remaining term of leases on first expiry date amounts to 8.3 years.

5. The debt ratio amounted to 39.7% at the end of the first quarter of 2019 compared with 51.3% at the end of 2018.

6. The EPRA NAV per share amounted to €40.6 on 31 March 2019 compared with €34.6 at the end of 2018. The IFRS NAV per share amounted to €39.4 on 31 March 2019 compared with €33.8 at the end of 2018.

7. Gross dividend of €2.26 per share for financial year 2018 – Possibility of optional dividend.

Subject to the condition precedent of a decision to pay out a gross dividend of €2.26 per share (coupon no. 21) by the annual general meeting of shareholders of Montea on 21 May 2019, the statutory manager decided to offer Montea shareholders, by way of optional dividend, the possibility to bring their debt claim from the dividend payment into the capital of Montea, against the issue of new shares. The new shares will share in the profit as of 1 January 2019 (with coupon no. 22 attached).

The issue price of the new shares amounts to € 72.772 per share, a discount of 4.11% compared with the 30-day average trading price of Montea prior to 20 May 2019. Based on the closing price of 17 May 2019 of € 77.90, the discount amounts to 6.58%.
46 coupons no. 21 (detached on 21 February 2019) give entitlement to 1 new share.

[2] The impact of the capital increase (2,847,708 new shares were created) in Q1 2019 on the weighted average number of shares is the lowest in the first quarter and will increase towards the end of the year.

8. Taking into account the results of the first quarter of 2019, the outlook for Montea is as follows:

- EPRA earnings per share are expected to grow by at least 5%
- Dividend per share is expected to grow in line with the growth of the EPRA earnings per share to €2.37/share, i.e. at least 5%, based on a pay-out ratio of 80%
- The property portfolio is expected to grow to €1.1 billion
- The occupancy rate remains above 97.5%. Average term of leases on first expiry date of more than 7.5 years
- Further lowering of average cost of the debt to 2.4%, with a cover ratio of > 90%.

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1 Management Report

1.1 Key figures

		BE	FR	NL	31/03/2019 3 months	31/12/2018 12 months	31/03/2018 3 months
Real estate portfolio							
Real estate portfolio - Buildings (1)							
Number of sites		**32**	**15**	**17**	**64**	**63**	**56**
Surface of the real estate portfolio							
Logistics and semi-industrial warehouses	sqm	617.478	155.990	267.006	1.040.474	1.028.383	892.460
Offices	sqm	54.970	14.084	26.763	95.816	95.548	82.096
Land - rent	sqm	6.512	0	156.498	163.010	96.168	
Total surface	**sqm**	**678.960**	**170.074**	**450.266**	**1.299.301**	**1.220.099**	**974.556**
Development potential (sqm) - portfolio	sqm	136.907	10.000	0	146.907	199.469	
Development potential (sqm) - in research	sqm	0	0	0	0	220.000	
Development potential (sqm) - in option	sqm	79.137	116.102	376.692	571.931	550.419	
Total surface - development potential (sqm)	**sqm**	**216.044**	**126.102**	**376.692**	**718.838**	**969.888**	**168.652**
Value of the real estate portfolio							
Fair value (2)	K€	493.369	138.241	363.150	994.760	870.423	667.635
Investment value (3)	K€	505.793	148.017	388.570	1.042.381	912.499	698.318
Occupancy Rate (4)	%	**98,8%**	**98,2%**	**100,0%**	**99,1%**	**99,1%**	**96,4%**
Real estate portfolio - Solar panels							
Fair value	K€	12.192	0	94	12.286	13.016	14.107
Real estate portfolio - Projects under construction							
Fair value (2)	K€	10.372	0	26.856	37.228	28.395	67.578
Consolidated results							
Results							
Net rental result	K€				15.653	49.883	11.133
Operating result before the porfolio result	K€				13.993	46.053	9.370
Operating margin (5)*	%				89,4%	92,3%	84,2%
Financial result (excl. Variations in fair value of the financial instruments) (6)*	K€				-2.918	-10.239	-2.152
EPRA result (7)*	**K€**				**10.772**	**35.724**	**7.059**
Weighted average number of shares					**13.637.364**	**12.100.327**	**11.610.531**
EPRA result per share (8)*	**€**				**0,79**	**2,95**	**0,61**
Result on the portfolio (9)	K€				22.155	31.978	1.619
Variations in fair value of the financial instruments (10)	K€				-7.219	-3.127	1.361
Net result (IFRS)	**K€**				**25.708**	**64.575**	**10.038**
Net result per share	**€**				**1,89**	**5,34**	**0,86**
Consolidated balance sheet							
IFRS NAV (excl. minority participations) (11)	**K€**				**617.672**	**433.550**	**344.302**
EPRA NAV (12)*	**K€**				**635.076**	**443.735**	**354.552**
Debts and liabilities for calculation of debt ratio	**K€**				**434.768**	486.902	405.903
Balance sheet total	**K€**				**1.094.818**	**949.477**	**778.324**
Debt ratio (13)	**%**				**39,7%**	**51,3%**	**52,2%**
IFRS NAV per share	**€**				**39,44**	**33,83**	**29,65**
EPRA NAV per share (14)*	**€**				**40,55**	**34,63**	**30,54**
EPRA NNAV per share (15)*	**€**				**39,68**	**34,16**	**30,09**
Share price (16)	**€**				**73,60**	**59,80**	**43,00**
Premium	**%**				**86,6%**	**76,8%**	**45,0%**

(1) Inclusive of real estate intended for sale.

(2) Accounting value according to the IAS/IFRS rules, exclusive of real estate intended for own use.

(3) Value of the portfolio without deduction of the transactions costs.

(4) The occupancy rate is based on m². For the calculation of this occupancy rate no account was taken, nor in the numerator, nor in the denominator, of the unoccupied m² intended for redevelopment and the land bank.

(5) *The operating margin is obtained by dividing the operating result before the result on the property portfolio by the net rental result. See section 3.

(6) *Financial result (exclusive of variations in the fair value of the financial instruments): this is the financial result in accordance with the Royal Decree of July 13, 2014 regarding regulated real estate companies excluding the variation in the fair value of the financial instruments, and reflects the actual funding cost of the company. See section 7.

(7) *EPRA earnings: this concerns the underlying earnings from the core activities and indicates the degree to which the current dividend payments are supported by the profit. These earnings are calculated as the net result (IFRS) exclusive of the result on the portfolio and the variations in the fair value of financial instruments. Cf. www.epra.comm and section 2.

(8) *EPRA earnings per share concerns the EPRA earnings on the basis of the weighted average number of shares. Cf. www.epra.com and section 2.

(9) *Result on the portfolio: this concerns the negative and/or positive variations in the fair value of the property portfolio, plus any capital gains or losses from the sale of real estate. See section 3.

(10) Variations in the fair value of financial hedging instruments: this concerns the negative and/or positive variations in the fair value of the interest hedging instruments according to IAS 39.

(11) IFRS NAV: Net Asset Value or intrinsic value before profit distribution for the current financial year in accordance with the IFRS balance sheet. The IFRS NAV per share is calculated by dividing the equity capital according to IFRS by the number of shares entitled to dividends on the balance sheet date.

(12) *EPRA NAV: The EPRA NAV is the NAV that was adjusted so as to comprise also property and other investments at their fair value, and 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 2.

(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 in circulation on the balance sheet date. Cf. www.epra.com and section 2.

(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 in circulation on the balance sheet date. Cf. also www.epra.com and section 2.

(16) Share price at the end of the period.

1.2 Significant events and transactions during Q1 2019

1.2.1 Rental activity

Occupancy rate of 99.1%

On 31/03/2019 the occupancy rate amounted to 99.1% -- stable compared with the end of 2018. Furthermore, ca. 70% of the leases with first expiry date in 2019 have been extended.

The vacant units are located in Milmort (BE) where 1 of 4 units is to let and Le Mesnil-Amelot (FR) previously let to Autoclick and Facilt'Air.

1.2.2 Investment activity

Investments totalled €47.3 in the first quarter of 2019 – all at an investment value in line with the value determined by the independent real estate expert. Montea obtained an initial net return of 5.7%, inclusive of the reserve of land. Exclusive of the land reserve, the net initial return on these investments amounted to 6.7%.

21/02/2019
Montea acquires a leased plot of land in Born (NL)[3]

The plot, with an area of 220,000 m², is let to the Koopman Logistics Group for a term of 12.5 years. The location is excellent, on the A2 motorway and the Juliana Canal. The plot moreover provides direct access to the Born Barge & Rail terminal for the distribution of containers to the ports of Antwerp and Rotterdam. This transaction has a future development potential of 120,000 m² of first rate logistics premises at a top location.

31/03/2019
Acquisition of a distribution centre in Oss (NL)[4]

Montea acquired a distribution centre in Oss, at a unique location with connection to the A50/A59 motorways. Delivered at the end of 2018, the distribution has an area of ca. 16,500 m². It is let to Expeditie & Transportbedrijf Dollevoet. The total investment value is in line with the investment value determined by the real estate expert.

3 See press release of 21/02/2019 or www.montea.com for more information.
4 See press release of 4/04/2019 or www.montea.com for more information.

1.2.3 Development activity

Montea expects to deliver ca. 75,000 m² in pre-let projects in the course of 2019 for a total investment of €59.3 million (not including the investments planned for solar panels) at a net initial return of 6.6%. The properties at issue are:

- Waddinxveen, Netherlands: let to Isero for a fixed term of 10 years
- Heerlen, Netherlands: let to Doc Morris for a fixed term of 15 years
- St-Laurent de Blangy, France: let to Unéal for a fixed term of 20 years

The following projects were launched in the first quarter of 2019:

21/02/2019
Start of development for Unéal in St Laurent de Blangy (FR) [5]

Following a tender in 2018, Montea was selected by Unéal to develop a state-of-the-art distribution centre of ca. 33,000 m² storage space and ca. 1,900 m² office space. The construction works for this project got under way in the first quarter of 2019 and delivery is expected at the end of 2019. Unéal signed a 20-year lease.

21/02/2019
Quadruplication of the total area of solar panels (BE & NL) [6]

Montea continued its ambitious portfolio sustainability plans in 2019. €14.2 million will be invested in new solar projects in Belgium (under the customary conditions precedent). In addition, various solar projects will be started for the first time in the Netherlands for an investment value of ca. €9.6 million. With this new investment, the total surface in solar panels will more than quadruple and will generate energy for more than 10,000 households. The annual income from this investment amounts to ca. €3.2 million.

1.2.4 Divestment activity

March 2019
Divestment of building in Bondoufle (FR)

In line with the dynamic management of its property portfolio, Montea proceeded to sell a 3,908 m² building in Bondoufle. The transaction was carried out for an amount of ca. €3.0 million. The sale price amounted to €0.3 million more than the fair value of the site determined by the independent real estate expert on 31/12/2018.

[5] See press release of 21/02/2019 or www.montea.com for more information.
[6] See press release of 21/02/2019 or www.montea.com for more information.

1.2.5 Further strengthening of the financing structure

- Strengthening of equity capital

1/03/2019
Final results of the public offering to subscribe to the capital increase[7]

On 22 February 2019, Montea launched a public offering in Belgium to subscribe to 2,847,708 new shares under the capital increase in cash within the authorized capital with irreducible allocation rights for a maximum amount of €160,041,189.60.

The issue price was fixed at €56.20 per new share and 9 irreducible allocation rights give entitlement to subscribe to 2 new shares.

86.91% of the new shares (2,475,072 shares) were subscribed by exercising irreducible allocation rights and the remaining 372,636 new shares were subscribed by exercising scrips.

The net proceeds (after deduction of certain costs) for the holders of non-exercised irreducible allocation rights amounted to €0.48 per coupon no. 20.

The number of Montea shares in circulation rose from 12,814,692 to 15,662,400.

[7] See press release of 1/03/2019 or www.montea.com for more information.

1.2.6 Proposal to pay a gross dividend of €2.26 per share

On the basis of the EPRA earnings of €2.95, the board of directors of the Statutory Manager of Montea will propose paying out a gross dividend of € 2.26 per share (€ 1.582 net per share), based on a pay-out ratio[8] of 81% with regard to the EPRA earnings. This means an increase of the gross dividend per share of 4% compared with 2017 (€ 2.17 gross per share), in spite of the increase in the weighted average number of shares of 16% as a result of the contribution in kind of the leased site in Tiel (Netherlands) and the contribution in kind of a logistics property in Hoofddorp (Netherlands), let to Idexx Europe BV. In addition, on 7 June 2018, Montea offered existing shareholders the optional dividend, whereby 55% of the shareholders opted for the dividend to be paid out in shares instead of in cash.

KEY RATIO'S	31/03/2019	31/12/2018	31/03/2018
Key ratio's (€)			
EPRA result per share (1)	0,79	2,95	0,61
Result on the portfolio per share (1)	1,62	2,64	0,14
Variations in the fair value of financial instruments per share (1)	-0,53	-0,26	0,12
Net result (IFRS) per share (1)	1,89	5,34	0,86
EPRA result per share (2)	0,69	2,79	0,61
Proposed distribution			
Payment percentage (compared with EPRA result) (3)		81%	
Gross dividend per share		2,26	
Net dividend per share		1,58	
Weighted average number of shares	13.637.364	12.100.327	11.610.531
Number of shares outstanding at period end	15.662.400	12.814.692	11.610.531

(1) Calculation based on the weighted average number of shares.
(2) Calculation based on the number of shares in circulation on the balance sheet date.
(3) The payout ratio was calculated in absolute figures on the basis of the consolidated EPRA earnings. The actual dividend is paid out on the basis of the statutory earnings available for distribution of Montea Comm. VA.

[8] The payout percentage of 81% was calculated on the basis of the EPRA result and not on the basis of the result avaiable for payout.

1.2.7 Policy developments concerning Dutch REIT status

In its coalition agreement of the beginning of October 2017, the Dutch government had indicated that it wanted to abolish direct investments in Dutch real estate by the property FBIs as of 2020, on account of the targeted general repeal of the dividend tax. In the provisional result of the 'reconsiderations' published in October 2018, however, the Dutch government announced that the dividend tax would remain in place, and that the property FBIs can also continue to invest directly in real estate.

Up to now, the Company's Dutch subsidiary, Montea Nederland NV and its subsidiaries, still did not have a final decision from the Dutch tax authorities in which the FBI status was approved. In 2016, with reference to certain case law of the Dutch Supreme Court, the Dutch tax authorities had developed a view in their policy concerning what the shareholder test will entail. As shareholder of its FBI subsidiary Montea Nederland NV, the Company would more specifically have to show that it can itself be considered as an FBI. Only then can the Company be considered by the Dutch tax authorities as a qualified shareholder under the FBI system. Against this background, consultations were conducted by and between the Dutch tax authorities and the company to see how a concrete interpretation can be given here. The talks between the Dutch tax authorities and Montea Nederland NV were temporarily suspended in the light of the above coalition agreement. Montea hopes that talks can be resumed shortly.

The Company considers that as a regulated real estate company it operates within a system that is objectively comparable with that of the FBI and believes that it therefore meets the requirements. The Company consequently thinks that it will be able to reach reasonable agreements with the Dutch fiscal authorities, under the terms of which FBI status will be attributed to Montea Nederland NV and its subsidiaries. Furthermore, the Dutch Ministry of Finance and the Dutch tax authorities already indicated in the past that they want to proceed under the general principles of good governance with regard to creating a level playing field ('equivalent cases are to be treated equally'). The aim is that Montea will not be treated worse by the Dutch tax authorities than other sufficiently similar Belgian regulated real-estate companies with existing agreements concerning FBI status.

1.3 Value and composition of the property portfolio on 31/03/2019

The fair value of the total property assets of Montea pursuant to IAS 40 amounted to €1,044.3 million on 31 March 2019[9], consisting of the valuation of the property portfolio (buildings), inclusive of buildings held for sale (€994.8 million), the fair value of the ongoing developments (€37.2 million) and the fair value of the solar panels (€12.3 million).

	Total 31/03/2019	Belgium	France	The Netherlands	Total 31/12/2018	Total 31/03/2018
Real estate portfolio - Buildings (0)						
Number of sites	64	32	15	17	63	56
Warehouse space (sqm)	1.040.474	617.478	155.990	267.006	1.028.383	892.460
Office space (sqm)	95.816	54.970	14.084	26.763	95.548	82.096
Land space - rent (sqm)	163.010	6.512	0	156.498	96.168	
Total space (sqm)	**1.299.301**	**678.960**	**170.074**	**450.266**	**1.220.099**	**974.556**
Development potential (sqm) - portfolio	146.907	136.907	10.000	0	199.469	168.652
Development potential (sqm) - in research	0	0	0	0	220.000	
Development potential (sqm) - in option	571.931	79.137	116.102	376.692	550.419	
Total surface - development potential (sqm) (1)	**718.838**	**216.044**	**126.102**	**376.692**	**969.888**	**168.652**
Fair value (K EUR)	994.760	493.369	138.241	363.150	870.423	667.635
Investment value (K EUR)	1.042.381	505.793	148.017	388.570	912.499	698.318
Annual contractual rents (K EUR)	**64.473**	**33.396**	**8.834**	**22.243**	**61.205**	**48.544**
Gross yield (%)	6,48%	6,77%	6,39%	6,12%	7,03%	7,27%
Gross yield on 100% occupancy (%)	6,55%	6,84%	6,59%	6,12%	7,13%	7,54%
Un-let property (m²) (2)	11.240	8.218	3.022	0	10.516	41.357
Rental value of un-let property (K EUR) (3)	635	363	272	0	876	1.791
Occupancy rate	99,1%	98,8%	98,2%	100,0%	99,1%	96,4%
Real estate portfolio - Solar panels (4)						
Fair value (K EUR)	12.286	12.192	0	94	13.016	14.107
Real estate portfolio - Developments						
Fair value (K EUR)	37.228	10.372	0	26.856	28.395	67.578

(0) Inclusive of the buildings held for sale and the right of use of €51.9 million relating to the plots of land held via a concession pursuant to IFRS 16.
(1) The area of the leased plots accounts for 20% of the total area; the rental value of the plots amounts to ca. 20% of the rental value of the logistics property.
(2) Although the leased buildings have potential for future development (240,000 m² on 31/03/2019), these were not included in the area with development potential.
(3) Exclusive of the estimated rental value of projects under construction and/or renovation.
(4) The fair value of the investment in solar panels was entered under heading "D" of the fixed assets in the balance sheet.

[9] As determined by the independent property expert JLL.

- The total area of the property portfolio buildings amounts to 1,299,301 m², spread over 64 sites: 32 in Belgium, 15 in France and 17 in the Netherlands.

- Montea has a land bank totalling 1,472,380 m², of which 753,542 m² of leased land in portfolio, 146,907 m² of unleased land in portfolio and 571,931 m² of land in option, giving a total potential for development of approximately 736,000 m², a growth compared to the current value of the portfolio of more than 50%.

- The gross property yield on the total property investments (buildings) amounted to 6.6% on the basis of a fully let portfolio, compared with 7.1% on 31/12/2018.[10] Taking into account the current vacancy, the gross yield amounts to 6.5%.

- The contractual annual rental income (exclusive of rent guarantees) amounted to €64.5 million – an increase of 33% compared with 31/03/2018, mainly due to the growth of the property portfolio.

- The occupancy rate amounted to 99.1% on 31/03/2019 and has remained stable compared with the end of December 2018. The vacant units are located in France, at the site in Le Mesnil-Amélot, previously let to Autoclick and Facilit'Air, and at the site in Milmort (Belgium) where one of the four lettable units is vacant.

- The fair value of the ongoing developments amounts to €37.2 million. These developments consist of:

  - The site situated in Tyraslaan, Vilvoorde (BE)
  - The start of the extension works for DocMorris of ca. 23,300 m² situated at the existing site in Heerlen (NL)
  - The start of the build-to-suit project of ca. 21,400 m² at LogistiekPark A12 in Waddinxveen (NL), where Isero Ijzerwaren BV will rent ca. 12,800 m² for a period of 15 years.

- The fair value of the solar panels of €12.3 million pertains to eleven solar panel projects: one in Brussels (Vorst), two in Wallonia (Heppignies and Milmort), seven in Flanders (Bornem, Aalst, Erembodegem (x2), Grimbergen, Bilzen and Ghent) and one in the Netherlands (Etten-Leur).

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10 On 31/12/2018, the right of use of the concession plots of land (IFRS 16) was taken into account in the fair value of the property portfolio, while the concession fees were included in the contractual annual rental income, which explains the drop in the gross yield.

1.4 Summary of the condensed financial statements closed on 31 March 2019

1.4.1 Condensed consolidated (analytical) income statement closed on 31 March 2019

CONDENSED CONSOLIDATED INCOME STATEMENT (K EUR) Analytical	31/03/2019 3 months	31/03/2018 3 months
CONSOLIDATED RESULTS		
NET RENTAL RESULT	**15.653**	**11.133**
PROPERTY RESULT	**15.797**	**11.078**
% compared to net rental result	**100,9%**	**99,5%**
TOTAL PROPERTY CHARGES	**-421**	**-425**
OPERATING PROPERTY RESULT	**15.376**	**10.653**
General corporate expenses	-1.367	-1.265
Other operating income and expenses	-16	-18
OPERATING RESULT BEFORE THE PORTFOLIO RESULT	**13.993**	**9.370**
% compared to net rental result	**89,4%**	**84,2%**
FINANCIAL RESULT excl. Variations in fair value of the hedging instruments	**-2.918**	**-2.152**
EPRA RESULT FOR TAXES	**11.075**	**7.218**
Taxes	**-303**	-160
EPRA Earnings	**10.772**	**7.059**
per share (1)	**0,79**	**0,61**
Result on disposals of investment properties	305	0
Result on disposals of other non-financial assets	0	0
Changes in fair value of investment properties	21.849	1.619
Other portfolio result	0	0
PORTFOLIO RESULT	**22.155**	**1.619**
Changes in fair value of financial assets and liabilities	-7.219	1.361
RESULT IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**-7.219**	**1.361**
NET RESULT	**25.708**	**10.038**
per share	**1,89**	**0,86**

1.4.2 Notes on the condensed consolidated (analytical) income statement

- Summary

The EPRA earnings rose by 53% from €7.1 million in Q1 2018 to €10.8 million in Q1 2019. The EPRA earnings per share amounted to €0.79 for the first 3 months of 2019, an increase of 30% compared with the same period in the previous year (€0.61), taking into account the increase in the weighted average number of shares of 17%[11].

The increase in the EPRA earnings is due primarily to the strong growth of the property portfolio in 2018 and 2019, whereby the operating and financial costs are monitored closely and are managed as such.

- The operating result before the result on the property portfolio amounted to €14.0 million in the first quarter of 2019, an increase of 49% compared with the same period in the previous year (€9.4 million).

  - The net rental income amounted to €15.7 million in the first quarter of 2019, up by 41% (or €4.5 million) compared with the same period in 2018 (€11.1 million). This increase is primarily due to the recent acquisitions of new properties, let plots of land and delivered projects, which generate additional rental income. In the hypothesis of an unchanged portfolio (and therefore excluding new acquisitions, sales and project developments between the two comparative periods), rental income increased by 5.2%, mainly due to the indexing of the leases (1.9%) and the success in letting vacant units (3.3%).
  - The earnings from real estate amounted to €15.8 million and rose by €4.7 million (or 43%) compared with the same period the previous year, mainly due to the increase in the net rental income (€4.5 million) and the provision in 2018 for the vacancy tax relating to Bornem Vastgoed, a subsidiary of Montea Comm V.A., which has been appealed. This development project (let to Edialux) has been delivered, and Bornem Vastgoed has been relieved from the vacancy list as a result.
  - The real estate costs and overheads remained stable in the first 3 months of 2019 compared with the same period in 2018, despite the growth of the portfolio. The operating result before the result on the portfolio amounted to €14.0 million for the first 3 months of 2019, compared with €9.4 million during the same period in the previous year.
  - The operating margin[12]* amounted to 89.4% for the first 3 months of 2019, compared with 84.9% for the same period in the previous year.

- The financial result exclusive of changes in the fair value of the financial instruments amounted to €2.9 million in the first quarter of 2019 compared with €2.2 million in the first quarter of 2018.

The net negative financial result on 31 March 2019 amounted to €2.9 million, up by €0.7 million compared with the same period in the previous year, mainly due to a higher amount in outstanding financial debts and the impact of the included leasing obligation for the concession plots of land (€0.5 million) which, pursuant to IFRS16, are as of 1 January 2019 processed through the financial result instead of through the net rental income.

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[11] The impact of the capital increase (2,847,708 new shares were created in Q1 2019) in Q1 2019 on the weighted average number of shares is the lowest in the first quarter and will increase towards the end of the year.

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

The average financing cost[13]* calculated on the average financial debt burden amounts to 2.3% for 2019 compared with 2.8% for the same period in 2018. The drop in the average financing cost is due to the further elaboration of the restructuring programme for the interest rate hedging.

- EPRA earnings of €0.79 per share, an increase of 30% compared with Q1 2018.

  The EPRA earnings in the first 3 months of 2019 amounted to €10.8 million – an increase of 53% compared with the same period the previous year. The EPRA earnings per share rose by 30% to €0.79 in Q1 2019, whereby an increase in the weighted average number of shares of 17% is taken duly into account.[14]

- The result on the property portfolio[15] amounted to €22.2 million for Q1 2019

  The result on the property portfolio on the first 3 months of 2019 amounted to €22.2 million or €1.62 per share.[16] This result breaks down as follows per country: + €12.4 million in Belgium, + €2.2 million in France (inclusive of the result from the sale of investment properties) and + €7.6 million in the Netherlands. The increase in value (2.1% of the current property portfolio) is chiefly the consequence of a further yield reduction due to the persistent interest of investors in logistics real estate.

  The result on the property portfolio is a non cash item and has no impact at all on the EPRA earnings.

- The negative change in the fair value of the financial instruments amounted to €7.2 million.

  The negative change in the fair value of the financial instruments amounted to €7.2 million or €0.53 per share at the end of Q1 2019. The negative impact arose from the change in the fair value of the interest rate hedging at the end of March 2019 as a result of declining long-term interest rate expectations in 2019.

  The changes in the fair value of financial instruments constitute a non-cash item and have no impact at all on the EPRA earnings.

- Net result (IFRS) amounted to €25.7 million – an increase of €15.7 million compared with Q1 2018.

  The net result consists of the EPRA earnings, the result on the portfolio and the changes in the real value of financial instruments. The net result in the first quarter of 2019 (€25.7 million) rose by €15.7 million compared with the same period last year thanks to an increase in the EPRA earnings, as well as the positive change in the fair value of property investments, partially offset by the negative change in the fair value of the financial instruments.
  The net result (IFRS) per share[17] amounted to €1.89 (€0.86 at the end of Q1 2018).

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13 *This financial cost is a prorated average and is calculated on the basis of the total financial cost over the period, compared with the average financial burden over the last 12 months, without taking into account the valuation of the hedging instruments which do not constitute a real financing cost for the company.

14 The impact of the capital increase in Q1 2019 at the weighted average number of shares is the lowest in the first quarter and will increase towards the end of the year.

15 *Result on the property portfolio: this concerns the negative and/or positive changes in the fair value of the property portfolio, plus any losses or gains resulting from the realization of property.

16 Calculated as the result on the property portfolio on the basis of the weighted average number of shares.

17 Calculated on the basis of the weighted average number of shares.

1.4.3 Condensed consolidated balance sheet for Q1 2019

	CONSOLIDATED BALANCE SHEET (EUR)	31/03/2019 Conso	31/12/2018 Conso	31/03/2018 Conso
I.	NON-CURRENT ASSETS	1.045.307.234	910.425.883	750.778.069
II.	CURRENT ASSETS	49.510.443	39.050.817	27.545.601
	TOTAL ASSETS	1.094.817.677	949.476.700	778.323.670
	SHAREHOLDERS' EQUITY	617.690.835	433.568.523	344.420.610
I.	Shareholders' equity attributable to shareholders of the parent company	617.672.261	433.549.949	344.302.127
II.	Minority interests	18.574	18.574	118.483
	LIABILITIES	477.126.842	515.908.177	433.903.060
I.	Non-current liabilities	408.124.199	427.154.510	397.416.500
II.	Current liabilities	69.002.643	88.753.667	36.486.560
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1.094.817.677	949.476.700	778.323.670

1.4.4 Condensed consolidated balance sheet for Q1 2019

- On 31/03/2019 the total assets (€1,094.8 million) consisted mainly of property investments (91% of the total), solar panels (1% of the total), and developments (3% of the total). The remaining amount of the assets (5% of the total) consists of intangible, other tangible and financial fixed assets, included assets held for own use and current assets, which in turn include cash investments, trade and tax receivables.

- The total liabilities consist of equity capital of €617.7 million and a total debt of €477.1 million.

  This total debt (€477.1 million) consists of:

  - €247.1 million in lines of credit with 7 financial institutions. Montea has €338.3 million of contracted lines of credit on 31 March 2019 and a non-drawn capacity of €91.2 million;
  - €109.5 million in debenture loans that Montea took out in 2013, 2014 and 2015.
  - A current leasing debt of €48.8 million, consisting mainly of a leasing obligation for concession plots of land (entry into force of IFRS 16) and for the financing of the solar panels at the site in Aalst;
  - The negative value of the current hedge instruments of €17.4 million; and
  - Other debts and deferred and accrued charges[18] for an amount of €54.3 million.

  The weighted average term of the financial debts (lines of credit, debenture loans and leasing obligations) amounted to 4.8 years on 31 March 2019. The average term of the interest rate hedging amounted to 7.5 years at the end of March 2019.

  The average financing cost of the debts amounted to 2.3% in the first 3 months of 2019 (2.8% in the same period in the previous year). The decline in the average financing costs is due to the further elaboration of the restructuring programme for the interest rate hedging.

[18] The deferred and accured charges comprise large the rent for subsequent quarter already invoiced.

- The debt ratio[19] of Montea amounted to 39.7% at the end of Q1 2019 (compared with 51.3% at the end of 2018).

  The impact of the investments financed with borrowed capital in 2019 and the impact of the entry into force of IFRS 16 on 1 January 2019 were more than offset by the result and by the strengthening of the equity capital (see 1.2.5).

  Montea honours all the covenants concerning the debt which it has concluded with its financial institutions, on the basis of which Montea's debt ratio may not exceed 60%.

- The EPRA NAV[20]* per share on 31/03/2019 amounted to €40.55 (€34.63 per share on 31/12/2018). The increase is due chiefly to the EPRA earnings, the impact of the capital increase and the revaluation of the portfolio in 2019. The EPRA NNNAV per share amounted to €39.68 on 31 March 2019 (€34.16 per share on 31/12/2018).

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

[20] *EPRA NAV: The EPRA NAV is the NAV applied so that it comprises also the property and other investments at their fair value and excludes certain items which are not expected to acquire a permanent form in a business model with property investments in the long term. See also: www.epra.com. EPRA NAV per share: The EPRA NAV per share concerns the EPRA NAV on the basis of the number of shares in issue on the balance sheet date. See also: www.epra.com.

1.5 Significant events after the balance sheet date

1/04/2019

Acquisition of a plot of land for development at Schiphol Airport (NL)[21]

Montea concluded a purchase agreement for a plot of land of ca. 21,500 m² near the A5 and A9 at Schiphol Logistics Park (50 hectares in all). A new distribution centre of ca. 10,000 m² can be built here. The commercial talks with potential tenants are in full swing. Construction will start as soon as a lease agreement is signed. Schiphol Logistics Park is a development by regional developer SADC, Schiphol Real Estate and KLM.

17/04/2019

Montea acquires a plot for development in Meyzieu (FR)[22]

The plot of ca. 28,200 m² is superbly situated to the east of Lyon on the A42 motorway. A logistics building of ca. 10,000 m² can be developed on the plot. Talks with potential tenants are in full swing. Montea expects to develop this plot within 2 years.

20/05/2019

Conditions concerning the optional dividend – €2.26 per share for 1/1/2018 – 31/12/2018

On 20 May 2019, subject to the condition precedent of the decision to pay out the gross dividend by the general meeting of shareholders of Montea on 21 May 2019, the statutory manager of Montea decided to offer Montea shareholders, by way of optional dividend, the possibility to bring their debt claim from the dividend payment into the capital of Montea, against the issue of new shares. This will be carried out by the issue of new shares (in addition to the option to receive the dividend in cash or the possibility of a combination of both the foregoing options). The new shares will share in the profit as of 1 January 2019 (with coupon no. 22 attached). he gross dividend of €2.26 per share is represented by Coupon no. 21 to which 12,814,692[23] shares are entitled.

On 14 May 2019, the FSMA approved the alteration of the articles of association in conjunction with this capital increase.

The contribution in kind of the debt claims against Montea in connection with the optional dividend, and the related capital increase, improve Montea's equity capital and therefore its debt ratio (which is limited by law).

The improvement of the equity capital and debt ratio enable Montea to carry out transactions financed with debts if so required in future and thus to pursue its growth targets. The optional dividend moreover entails a retention of resources in the Company (at the rate of the contribution of dividend entitlements to Montea's capital) thereby strengthening the company's equity position.

[21] See press release of 4/04/2019 or www.montea.com for more information.
[22] See press release of 21/02/2019 or www.montea.com for more information.
[23] These are the 12,814,692 shares of the Company which existed on 31 December 2018, whereby the dividend rights to the 15,349 own shares which the Company holds on the date of this press release were suspended by decision of the board of directors. The 2,847,708 new shares that Montea issued on 5 March 2019 do not share in the profit of financial year 2018.

Furthermore, the ties with the shareholders are bolstered.

The shareholders thus have a choice between:

- **The contribution of the net dividend claim to the capital of Montea in exchange for new shares:**

  One new share can be subscribed by contributing 46 coupons no. 21 (each for the amount of the net dividend of €1.582) which represent shares of the same form.

  This comes broadly to an issue price of € 72.772 per new share (46 coupons nr. 21 x €1.582).

  The issue price of the new shares was calculated as the 30-day average trading price of the Company prior to 20 May 2019, minus a discount of 4.11%. The gross dividend for the 2018 financial year, represented by coupon no. 21, was not deducted from the applied 30-day average price since it was already detached on February 21, 2019. The 30-day average price is that prior to 20 May 2019, the date of the decision by the statutory manager on the issue price of the shares for the contribution in kind, which amounts to € 75.89.

  This issue price of € 72.772 entails a discount of € 5.128 (or 6.58%) compared with the trading price of the share on 17 May 2019.

  The proposed gross dividend for 2018 which is to be set at the general meeting of 20 May 2019, amounts to €2.26 per share, represented by coupon no. 21 to which 12,814,692[24] shares are entitled.

- **Payment of the dividend in cash:**

  Coupon no. 21 gives entitlement to a dividend of €2.26 gross, which comes to €1.582 net per share, after the deduction of 30% withholding tax.[25]

- **A combination of both options:**

  A mix between a contribution in kind of the dividend rights against the issue of new shares and the payment of a dividend in cash.

  The shareholders who wish to contribute their dividend rights (fully or partially) to the capital of the company in exchange for new shares, must contact during the option period (from 29 May to 12 June 2019):

  - The Company as regards registered shares; and
  - The financial institution with which they have their securities accounts as regards dematerialized shares.

  Shareholders who have not indicated their choice at the end of the option period, will automatically get their dividend paid out in cash. All further information is contained in the information memorandum which will be available on the Montea website (under: Investor relations) as of 28 May 2019 (after the close of trading).

[24] These are the 12,814,692 shares of the Company which existed on 31 December 2018, whereby the dividend rights to the 15,349 own shares which the Company holds on the date of this press release were suspended by decision of the board of directors. The 2,847,708 new shares that Montea issued on 5 March 2019 do not share in the profit of financial year 2018.

[25] See the information memorandum which provides some elucidation on the tax treatment of the Company's dividends.

The dividend will be paid out on 14 June 2019, according to the shareholders' choice, in the form of (i) the issue of new shares in exchange for the contribution of net dividend rights, (ii) the payment of the dividend in cash, or (iii) a combination of both options. Montea will send a request to Euronext Brussels and Euronext Paris for the additional listing of the new shares and aims to be able to trade the new shares, with coupon no. 22 attached, as promptly as possible on Euronext Brussels and Euronext Paris as of the date of issue (13 June 2019).

The financial service is provided by Euroclear Belgium.

The agenda of the optional dividend is as follows:

Friday 22/02/2019	Ex-date dividend 2018
Monday 25/02/2019	Record date dividend 2018
Monday 20/05/2019	Board of Directors of Montea Management NV, statutory management of the Company
Tuesday 21/05/2019	Publication of Q1 2019 results
Tuesday 21/05/2019	Ordinary general meeting of shareholders
Tuesday 28/05/2019 (after trading)	Publication of Information Memorandum on optional dividend
Wednesday 29/05/2019 to Wednesday 12/06/2019	Optional period for shareholders
Thursday 13/06/2019 (before trading)	Calculation of the results of the optional dividend
Thursday 13/06/2019	(Expected) trading of new shares on Euronext Brussels and Euronext Paris
Friday 14/06/2019	Validation of optional dividend

STATEMENT PURSUANT TO ARTICLE 37 OF THE RREC ACT

Pursuant to Article 37 of the RREC Act, the transactions planned by the Company must be reported to the FSMA and the relevant data must also be disclosed if certain persons, as described in Article 37, §1 of the RREC Act, are directly or indirectly involved as a counter party in the transactions or obtain any material gain.

Pursuant to Article 37, §1 of the RREC Act, it is hereby reported that the following persons, as referred to by the aforementioned Article 37, §1, act as a counter party in the planned transaction or obtain any material gain:

- Montea Management NV, having its registered office at 27 Industrielaan, 9320 Erembodegem, company number 0882.872.026 (GHENT Legal Persons' Entity, Dendermonde section), as statutory manager of the Company;
- Mr Dirk De Pauw, as director of the statutory manager;
- Mr Jo De Wolf, as director of the statutory manager;
- Mr Peter Snoeck, as director of the statutory manager;
- The reference shareholder: the De Pauw family.

The planned transaction is important for the Company and falls in line with the normal course of the Company's corporate strategy.

The issue price of the new shares was calculated as the 30-day average trading price of the Company. A discount is then applied and the outcome of this amount is rounded off to the second decimal point. In other words, the planned transaction will be carried out under normal market conditions as required by Article 37, § 3 of the RREC Act.

1.6 Transactions between affiliated parties

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

2 EPRA Performance measures

	Definition	Purpose	31/12/2017	31/03/2017
A) EPRA earnings	Recurring earnings from the core operational activities.	A key measure of a company's underlying operating results from its property rental business and an indicator of the extent to which current dividend payments are supported by earnings.	In € x 1000: **10.772** In € / share: **0,79**	In € x 1000: **7.059** In € / share: **0,61**
B) EPRA NAV	NAV adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystalise in a long-term investment property business model.	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the current fair value of the assets and liabilities within a true real estate investment company with a longterm investment strategy.	In € x 1000: **635.076** In € / share: **40,55**	In € x 1000: **354.552** In € / share: **30,54**
C) EPRA NNNAV	EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred taxes.	Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all assets and liabilities within a real estate entity.	In € x 1000: **621.518** In € / share: **39,68**	In € x 1000: **349.385** In € / share: **30,09**
E) EPRA VACANCY RATE	Estimated Market Rental Value (ERV) of vacant spaces, divided by ERV of the whole portfolio.	A pure (in %) measure of investment property space that is vacant, based on ERV.	**1,0%**	**3,7%**

EPRA earnings – EPRA earnings per share

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

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

Calculation:

	(in EUR X 1 000)	**31/03/2019**	**31/03/2018**
	Net result (IFRS)	**25.708**	**10.038**
	Changes for calculation of the EPRA earnings		
	To exclude:		
(i)	Variations in fair value of the investment properties and properties for sale	-21.849	-1.619
(ii)	Result on sale of investment properties	-305	-
(vi)	Variations in fair value of the financial assets and liabilities	7.219	-1.361
	EPRA earnings	**10.772**	**7.059**
	Weighted average number of shares	13.637.364	11.610.531
	EPRA earnings per share (€/share)	**0,79**	**0,61**

EPRA NAV – EPRA NAV per share

Definition: The EPRA NAV is the NAV applied so as to comprise also real estate and other investments at their fair value, and excludes certain items which are not expected to assume any fixed shape in a business model with investment properties 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. See also www.epra.com.

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

Calculation:

	(in EUR X 1 000)	31/03/2019	31/03/2018
	IFRS NAV	**617.672**	**344.302**
	NAV per share (€/share)	**39,44**	**29,65**
	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	**617.672**	**344.302**
	To exclude	-	-
(iv)	IV. Fair value of financial instruments	- 17.404	- 10.250
	EPRA NAV	**635.076**	**354.552**
	Number of shares in circulation per end period	15.662.400	11.610.531
	EPRA NAV per share (€/share)	**40,55**	**30,54**

EPRA NNNAV – EPRA NNNAV per share

Definition: The EPRA NNNAV is the EPRA NAV that was applied 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 in circulation on the balance sheet date. See also www.epra.com.

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

Calculation:

	(in EUR X 1 000)	31/03/2019	31/03/2018
	EPRA NAV	**635.076**	**354.552**
	Number of shares in curculation at the end of the period	15.662.400	11.610.531
	EPRA NAV (€/share)	**40,55**	**30,54**
	To add:	0 €	0 €
(i)	I. Fair value of financial instruments	-17.404	-10.250
(ii)	II. Revaluation of the fair value of financing at fixed interest rate	3.846	5.083
	EPRA NNNAV	**621.518**	**349.385**
	Nmber of shares in circultation at the end of the period	15.662.400	11.610.531
	EPRA NNNAV (€/share)	**39,68**	**30,09**

EPRA vacancy

Definition: The EPRA vacancy is the complement of the "Occupancy rate," with the difference that the occupancy rate used by Montea is calculated on the basis of square metres, while 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 rental value without taking into account the non-rentable m², intended for redevelopment and with the land bank.

Calculation:

(in EUR X 1 000)	(A) Estimated rental value (ERV) for vacancy 31/03/2019	(B) Estimated rental value portfolio (ERV) 31/03/2019	(A/B) ERPA Vacancy rate *(in %)* 31/03/2019	(A) Estimated rental value (ERV) for vacancy 31/12/2018	(B) Estimated rental value portfolio (ERV) 31/12/2018	(A/B) ERPA Vacancy rate *(in %)* 31/12/2018
Belgium	363	31.582	1,2%	202	31.157	0,6%
France	272	9.047	3,0%	674	9.226	7,3%
The Netherlands	-	22.174	0,0%	-	19.210	0,0%
Total	**635**	**62.804**	**1,0%**	**876**	**59.593**	**1,5%**

3 Detailed calculation of the APMs used by Montea[26]

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:

RESULT ON PORTFOLIO *(in EUR X 1 000)*	**31/03/2019**	**31/03/2018**
Result on sale of property investments	305	-
Variations in the fair value of property investments	21.849	1.619
RESULT ON PORTFOLIO	**22.155**	**1.619**

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:

FINANCIAL RESULT excl. variations in fair value of financial instruments *(in EUR X 1 000)*	**31/03/2019**	**31/03/2018**
Financial result	-10.137	-791
To exclude:		
Variations in fair value of financial assets & liabilities	7.219	-1.361
FINANCIAL RESULT excl. variation in fair value of financial instruments	**-2.918**	**-2.152**

26 Exclusive of the EPRA indicators some of which are considered as an APM and are calculated under the Chapter 2: 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:

OPERATING MARGIN *(in EUR X 1 000)*	31/03/2019	31/03/2018
Net rental result	15.653	11.133
Operating result (before the result on the portfolio)	13.993	9.370
OPERATING MARGIN	**89,4%**	**84,2%**

Average cost of debt

Definition: Average financial cost over the entire year calculated on the basis of the total financial result with regard to the average of the initial and end outstanding balance of the financial debt burden for 2017 without taking into account the valuation of the hedging instruments. The financial earnings and activated interim interest are taken out of the financial result for the calculation.

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:

AVERAGE COST OF DEBT (in EUR X 1 000)	31/03/2019	31/03/2018
Financial result	-10.137	-791
To exclude:		
Financial income	-36	-15
Variations in fair value of financial assets and liabilities	7.219	-1.361
Activated interest charges	-192	-554
TOTAL FINANCIAL CHARGES (A)	-2.608	-2.721
AVERAGE FINANCIAL DEBTS (B)	456.439	386.027
AVERAGE COST OF DEBT (A/B) (*)	**2,3%**	**2,8%**

Interest coverage ratio

Definition: The interest coverage ratio is calculated by dividing the sum of the operating result before the result on the portfolio and the financial revenues by the net interest costs.

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

Calculation:

INTEREST COVERAGE RATIO (en EUR X 1 000)	**31/03/2019**	**31/03/2018**
Operational result, before result on portfolio	13.993	9.370
Financial income (+)	36	15
TOTAL (A)	**14.029**	**9.385**
Net financial chargesn (-)	2.916	2.133
TOTAL (B)	**2.916**	**2.133**
INTEREST COVERAGE RATIO (A/B)	**4,81**	**4,40**

4 Outlook

4.1 Economic climate

Montea is aware that its activities can be influenced in part by the general economic situation. Lower economic growth can actually have an impact on the occupancy rate and the rental income. Montea anticipates an ongoing revaluation of its portfolio, whereby non-strategic properties will be divested regularly. In addition, in its investments, Montea focuses on multi-modal top locations, with a preference for harbour and airport sites in Belgium, France and the Netherlands. For new developments, Montea also tries to enter into long-term leases with companies in sectors with high added value. Finally, Montea is constantly endeavouring for the sustainability of its portfolio, e.g. by installing solar panels on its roofs. The aforementioned focus on quality leads to a portfolio with strong fundamentals, including a high occupancy rate (99.1%), and a long term of leases on the first due date (8.3 years).

Thanks to its current position (as developer and end investor) Montea can cater to the growing appetite for logistics real estate in its 3 home markets. Through its broad network, Montea is ideally positioned to meet economic trends such as e-commerce and the increasing demand for sustainability.

4.2 Specific outlook for Montea

- Investment pipeline

  With the expansion of the teams in the three countries in 2018 and the set-up of different partnerships, Montea will stay on course for the strong growth embarked on in recent years.
  This growth will be generated in the current geographic home markets in particular through:
  - a combination of acquired land positions with a view to developing pre-let build-to-suit projects;
  - sale-and-lease back transactions;
  - investments within the extended RREC legislation;
  - investments in renewable energy sources.

  Montea expects its portfolio to grow in 2019 by €177.5 million (75% or €132.4 million of which already identified) to €1.09 billion.

- Occupancy rate and term of the lease contracts

  The portfolio growth is accompanied by continuous arbitrage which results in exceptional property related performance indicators such as occupancy rate (99.1% at the end of March 2019), average term of leases to the first termination option (8.3 years at the end of March 2019) and the average age of the buildings (< 7 years at the end of March 2019). Thanks to its focus on the type of customer and their activity (such as e.g. the health care sector, recycling sector, etc.), as well as strategic locations with high added value (such as e.g. airports, locations adjacent to water, etc.), Montea manages to expand its property portfolio in optimal fashion.

  Montea expects to maintain the occupancy rate at least above 97.5% and the average term of its leases on the first termination option above 7.5 years in 2019.

- Financing strategy

  Montea's set goal is to conduct a diversified financing policy, endeavouring to bring its financing in line with the term of its leases. It will always take account of a targeted debt ratio of ca. 55% when investing.

  Montea expects to reduce the average cost of the debts further in 2019 to 2.4% based on a cover ratio of > 90%

- EPRA earnings per share/dividend per share

  Montea expects to generate 5% growth in the EPRA earnings per share in 2019.

  Montea expects the dividend per share to grow in line with the EPRA earnings per share in 2019, i.e. 5%, on the basis of a pay-out ratio of 80%. This will lead to a gross dividend of €2.37 per share in 2019.

5 Financial calendar

21/05/2019	General meeting of shareholders
08/08/2019	Half-yearly results on 30/06/2019 (before market opening)
06/11/2019	Interim results on 30/09/2019 (before market opening)

This information is available also 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. On 31/03/2019 Montea's property portfolio represented total space of 1,299,301 m² across 64 locations. Montea Comm. VA has been listed on Euronext Brussels (MONT) and Paris (MONTP) since 2006. Montea obtained the EPRA BPR Gold Award on 5/09/2018.

PRESS CONTACT

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

FOR MORE INFORMATION

www.montea.com