Press Release

Interim Report

Of the statutory manager
on the period from
01/01/2020 to 31/03/2020

REGULATED INFORMATION
EMBARGO UNTIL 14/05/2020 – 7:30 am

www.montea.com

MONTEA
SPACE FOR GROWTH

Highlights Q1 2020:

- ✓ EPRA earnings of €12.5 million for Q1 2020 (+16% compared with Q1 2019)
- ✓ EPRA earnings per share of €0.79 (stable compared with 2019, due to a 16% increase in the weighted average number of shares) [1]
- ✓ With a debt ratio of 39%, Montea's consolidated balance sheet shows a high degree of solvency. Furthermore, the portfolio KPIs such as an occupancy rate of 99.3% and a remaining term of lease until first expiry of 7.8 years as well as a qualitative and diversified customer portfolio, constitute a valuable winning asset to tackle the current crisis. Montea reaffirms its proposal to pay out a gross dividend of €2.54 per share in the second quarter of 2020

Outlook and update on COVID-19:

- ✓ Montea reaffirms its aspiration to boost its property portfolio by ca. €300 million in 2020 and 2021, which will result in a total property portfolio of €1,450 million by the end of 2021 -> 65% of this growth (€194 million) has already been identified.
- ✓ The COVID-19 outbreak in early 2020 and (the results of) the measures taken to contain the virus could have an impact on Montea's financial performance in 2020. Based on the current knowledge and taking the consequences of the crisis into account, Montea expects for 2020:
  - growth in EPRA earnings per share to €3.44 (+5% compared with 2019)
  - an increase in the dividend per share in line with the growth in the EPRA earnings per share, i.e. by 5% compared with 2019 from €2.54 to € 2.67, based on a pay-out ratio of 80%

[1] The impact of the capital increase (2,847,708 new shares were created) in Q1 2019 on the weighted average number of shares was the lowest in the first quarter of 2019 and increased towards the end of the year. This degressive impact should also be taken into account when comparing the EPRA earnings per share in 2020 with those of 2019.

Summary

1. The EPRA earnings for the first 3 months of 2020 amount to €12.5 million, an increase of 16% compared with the same period of 2019 (€10.8 million). The EPRA earnings per share amount to €0.79 for Q1 2020 and remain stable compared with the same period last year thanks to an increase in the weighted average number of shares by 16%[2].

The net rental result increased by 8% (from €15.7 million for Q1 2019 to €16.9 million for Q1 2020). This increase was achieved through the acquisition of new premises/leased land and completed developments, which generate additional rental income.

2. The occupancy rate amounts to 99.3% as at 31/03/2020 and has remained stable compared with the end of 2019. The average remaining term of the leases until the first expiry date amounts to 7.8 years (exclusive of solar panels).

3. Montea has taken various measures to address the COVID-19 virus so as to ensure the continuity of its activities in the different countries in which it operates, whilst putting the health and well-being of all its stakeholders first. Employees were accordingly encouraged to switch to teleworking as much as possible for all tasks that do not require physical presence. Teleworking had been encouraged even before the crisis, so this measure did not pose any particular difficulties.

4. With a debt ratio of 39.1% on 31 March 2020 (compared with 39.4% at the end of 2019, Montea's consolidated balance sheet show a high degree of solvency. Furthermore, the portfolio KPIs constitute a valuable winning asset to tackle the current crisis. Montea reaffirms its proposal to pay out a gross dividend of €2.54 per share in the second quarter of 2020.

5. Montea foresees an increase of the property portfolio of ca. €300 million in 2020 and 2021, which will result in a total property portfolio of €1,450 million by the end of 2021. 65% of this growth (€194 million) has already been identified.

6. The COVID-19 outbreak in early 2020 and (the results of) the measures taken to contain the virus could have an impact on Montea's financial performance in 2020. Based on the current knowledge and taking the consequences of this crisis into account, Montea expects for 2020:

- growth in EPRA earnings per share to €3.44 (+5% compared with 2019)
- an increase in the dividend per share in line with the growth in the EPRA earnings per share, i.e. by 5% compared with 2019 from €2.54 to € 2.67 in 2020, based on a pay-out ratio of 80%
- an occupancy rate above 97% to be maintained and an average remaining term of the leases to first expiry date above 7.5 years
- a debt ratio that will evolve towards 44% by the end of 2020

Pursuant to the guidelines issued by the European Securities and Markets Authority (ESMA), the Alternative Performance Measures (APM) used by Montea are marked with an asterisk (*) when first mentioned in this press release and then defined in a footnote to inform the reader that the definition is an APM. The performance indicators determined by IFRS rules or by law, as well as those not based on the items of the balance sheet or the income statement, are not considered as APMs. The detailed calculation of the EPRA performance indicators and other APMs used by Montea are presented in sections 2 and 3 of this press release.

[2] The impact of the capital increase (2,847,708 new shares were created) in Q1 2019 on the weighted average number of shares was the lowest in the first quarter of 2019 and increased towards the end of the year. This degressive impact should also be taken into account when comparing the EPRA earnings per share in 2020 with those of 2019.

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1 Management report

1.1 Key figures

		BE	FR	NL	31/03/2020 3 months	31/12/2019 12 months	31/03/2019 3 months
Real estate portfolio							
Real estate portfolio - Buildings (1)							
Number of sites		**33**	**16**	**20**	**69**	**69**	**64**
Surface of the real estate portfolio							
Logistics and semi-industrial warehouses	sqm	624.873	157.734	289.743	1.072.350	1.073.248	1.040.474
Offices	sqm	58.064	14.991	29.456	102.511	103.334	95.816
Land - rent	sqm	6.512	0	156.498	163.010	163.010	
Total surface	**sqm**	**689.449**	**172.725**	**475.697**	**1.337.872**	**1.339.593**	**1.299.301**
Development potential (sqm) - rent	sqm						
Development potential (sqm) - portfolio	sqm	191.907	112.204	64.632	368.743	368.743	
Development potential (sqm) - in due diligence	sqm	0	70.000	0	70.000	0	
Development potential (sqm) - in option	sqm	79.137	0	145.000	224.137	224.137	
Total surface - development potential (sqm)	**sqm**	**303.606**	**182.204**	**930.612**	**1.416.422**	**1.346.422**	**718.838**
Value of the real estate portfolio							
Fair value (2)	K€	521.446	149.978	410.970	1.082.394	1.083.085	994.760
Investment value (3)	K€	534.583	160.599	439.738	1.134.920	1.134.150	1.042.381
Occupancy Rate (4)	%	**99,8%**	**95,3%**	**100,0%**	**99,3%**	**99,3%**	**99,1%**
Real estate portfolio - Solar panels							
Fair value	K€	12.182	0	87	12.269	12.195	12.286
Real estate portfolio - Projects under construction							
Fair value (2)	K€	40.547	29.658	4.201	74.407	64.004	37.228
Consolidated results							
Results							
Net rental result	K€				16.949	65.063	15.653
Property result					17.663	68.135	15.797
Operating result before the porfolio result	K€				15.409	61.710	13.993
Operating margin (5)*	%				87,2%	90,6%	88,6%
Financial result (excl. Variations in fair value of the financial instruments) (6)*	K€				-2.702	-11.356	-2.918
EPRA result (7)*	**K€**				**12.489**	**49.997**	**10.772**
Weighted average number of shares					**15.782.594**	**15.229.606**	**13.637.364**
EPRA result per share (8)*	**€**				**0,79**	**3,28**	**0,79**
Result on the portfolio (9)	K€				-1.803	71.207	22.155
Variations in fair value of the financial instruments (10)	K€				-4.110	-12.739	-7.219
Net result (IFRS)	**K€**				**6.576**	**108.465**	**25.708**
Net result per share	**€**				**0,42**	**7,12**	**1,89**
Consolidated balance sheet							
IFRS NAV (excl. minority participations) (11)	**K€**				**686.632**	680.029	617.672
EPRA NAV (12)*	**K€**				**713.666**	702.953	635.076
Debts and liabilities for calculation of debt ratio	**K€**				**471.264**	470.104	434.768
Balance sheet total	**K€**				**1.206.756**	1.193.698	1.094.818
Debt ratio (13)	**%**				**39,1%**	39,4%	39,7%
IFRS NAV per share	**€**				**43,51**	43,09	39,44
EPRA NAV per share (14)*	**€**				**45,22**	44,54	40,55
EPRA NNAV per share (15)*	**€**				**43,67**	43,27	39,68
Share price (16)	**€**				**84,50**	81,00	73,60
Premium	**%**				**94,2%**	88,0%	86,6%

The calculation of the operating margin (see grey cells) was adjusted. The operating margin will from now on be calculated by dividing the operating result before the result on the property portfolio by the property result and no longer by the net rental result.

(1) Inclusive of real estate intended for sale.
(2) Accounting value according to the IAS/IFRS rules, exclusive of real estate intended for own use.
(3) Value of the portfolio without deduction of the transactions costs.
(4) The occupancy rate is calculated 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 RREC RD excluding the variation in the fair value of the financial instruments, and reflects the actual funding cost of the company.
(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 weightedaverage 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 2.
(10) Variations in the fair value of financial hedging instruments: this concerns the negative and/or positive variations in the fair value of the interest hedging instruments according to IFRS 9.
(11) IFRS NAV: Net Asset Value of intrinsic value before profit distribution for the current financial year in accordance with the IFRS balance sheet. The IFRS NAV per share is calculated by dividing the equity capital according to IFRS by the number of shares entitled to dividends on the balance sheet date.
(12) *EPRA 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 RREC RD of 13 July 2014.
(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.

EPRA - METRICS	Definition	Purpose	31/03/2020	31/03/2019
A) EPRA earnings	Recurring earnings from the core operational activities.	A key measure of a company's underlying operating results from its property rental business and an indicator of the extent to which current dividend payments are supported by earnings.	In € x 1000: 12.489 In € / share: 0,79	In € x 1000: 10.772 In € / share: 0,79
B) EPRA NAV	This is the NAV that has been adjusted to include real estate and other investments at their fair value and exclude certain items that are not expected to materialize in a business model with long-term property investments.	Adjusts the IFRS NAV so that the shareholders receive the most relevant information on the fair value of the assets and liabilities in a real company for property investments with a long-term investment strategy.	In € x 1000: 713.666 In € / share: 45,22	In € x 1000: 635.076 In € / share: 40,55
C) EPRA NNNAV	This is the EPRA NAV that was adjusted to include also the fair value of (i) financial instruments (ii) debts and (iii) deferred taxes.	Adjusts the EPRA NAV, so that the shareholders receive the most relevant information on the current fair value of all assets and liabilities in the property entity.	In € x 1000: 689.240 In € / share: 43,67	In € x 1000: 621.518 In € / share: 39,68

	Definition	Purpose	31/03/2020	31/12/2019
D) EPRA VACANCY RATE	Estimated rental value (ERV) of vacant space, divided by the ERV of the entire portfolio.	A pure, financial measurement of vacancy (in %).	1,3%	1,3%
E) EPRA Net Initial Yield	Annualized rental income based on the steady rent collected on the balance sheet date, minus the non-recoverable property operating costs, divided by the market value of the property, plus the (estimated) acquisition costs.	A comparable benchmark for portfolio valuations in Europe	6,1%	6,0%
F) EPRA "Topped-up" Net Initial Yield	This benchmark integrates an adjustment of the EPRA NIY before the expiry of rent-free periods (or other non-due rental incentives such as discounted and tiered rent).	A comparable measure around Europe for portfolio valuations.	6,1%	6,0%
G) EPRA cost ratio (incl. vacancy charges)	Administrative and operational charges (including vacancy charges), divided by rental income		11,8%	9,3%
H) EPRA cost ratio (excl. vacancy charges)	Administrative and operational charges (excluding vacancy charges), divided by rental income		11,0%	9,0%

The EPRA cost ratio is always higher in the first quarter because of IFRIC 21.

1.2 Significant and transactions in Q1 2020

1.2.1 Rental activity

Occupancy rate of 99.3%

On 31 March 2020 the occupancy rate amounted to 99.3% (stable compared with the end of 2019). 80% of the 7% leases which are due to expire in 2020 have already been renewed at this time.

The limited occupancy is in France, at the site in Le Mesnil-Amelot, previously let to Autoclick and Facilit'Air. The portfolio in Belgium and the Netherlands is fully let.

1.2.2 Development activity

1.2.2.1 Projects in progress, delivery in 2020

Montea expects to deliver projects totalling 48,800 m² in the course of 2020, all fully (100%) let. The total investment value amounts to ca. €60 million[3] and the net initial return amounts to 6.5% on average. The average term of these leases is 13.5 years.

The development of a distribution centre on the land acquired at Schiphol in the Netherlands was started in the first quarter of 2020 after being pre-let.

- **Schiphol Airport (NL)**
  - Acquisition of the plot of land (21,500 m²) in 2019
  - Start of development: Q1 2020
  - Expected delivery: Q4 2020
  - Surface area of distribution centre: ca. 9,000 m²
  - Office space: ca. 1,000 m²
  - Long-term lease
  - Investment value (land + development): ca. €17 million

In addition, Montea expects to deliver the following projects in 2020:

- **St-Laurent Blangy, France**[4]
  - Start of development: Q2 2019
  - Expected delivery: Q3 2020
  - Surface area: ca. 33,000 m² storage space and 1,900 m² office space
  - Leased for 20 years to Unéal – Advitam
  - Investment value: ca. € 19 million

- **Meyzieu, France** [5]
  - Start of development: Q3 2019
  - Expected delivery: Q3 2020
  - Surface area: ca. 10,000 m² storage space
  - Leased for nine years to Renault
  - Investment value: ca. € 12 million

- **Blue Gate circular and climate neutral industrial estate in Antwerp, Belgium** [6]
  - Start of development: Q4 2019
  - Expected delivery: Q4 2020
  - Surface area: ca. 4,250 m² distribution centre (urban distribution with electric cargocycle vehicles)
  - Leased for 15 years to DHL Express
  - Investment value: ca. € 10 million

The afore-indicated expected delivery dates take into account a delay due to the COVID-19 crisis. Only two projects in France had come temporarily to a standstill at this time as a result of measures taken by the competent authorities to contain the spread of the coronavirus. Works have been resumed in the meantime.

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[3] Of which €37.8 million already invested on 31/03/2020
[4] See press release of 04/04/2019 or www.montea.com for more information.
[5] See press release of 19/09/2019 or www.montea.com for more information.
[6] See press release of 19/12/2019 or www.montea.com for more information.

The expected delivery dates are an estimate of the date of completion taking due account of the current situation.

1.2.2.2 Future projects in progress, delivery expected after 2020

In addition, Montea expects to deliver a surface area of ca. 155,000 m² after 2020. This concerns mainly plots of land under Montea's control (either through purchase or option) which, owing to the unique location and the current rental market, are expected to find a tenant in the short term and then start the construction works. The total investment budget is ca. €162 million.[7]

In the first quarter of 2020 Montea was able to capitalize on the following development potential by signing a purchase pledge:

- **St-Priest industrial estate (FR)**
    - Acquisition of land (70,000 m²) in 2021
    - Investment budget for land: ca. € 7 million

In addition, Montea expects to be able to start the following projects in the short term:

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

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

- **Logistiek Park A12, Waddinxveen (NL)**
    - Plot of land (remaining balance: 120,000 m²) under option [8]
    - Acquisition of plot of land: Q2 2020
    - Start of development: after commercialisation (< Q4 2021)
    - Maximum warehouse space: ca. 100,000 m²
    - Estimated investment budget for land + development: ca. €80 million

- **Redevelopment of existing sites at Forest and Aalst (BE)**
    - Sites will be available in Q1 2021 and Q3 2021 respectively
    - Start of development: at the end of the current lease
    - Estimated investment budget: ca. €29 million
    - A temporary loss of income has already been taken into account in the projected EPRA earnings per share for 2021

[7] Of which € 12.8 million already invested on 31/03/2020
[8] See press release of 13/03/2017 or www.montea.com for more information.

1.2.2.3 Developments in the photovoltaic portfolio

Montea has installed photovoltaic systems in about 70% of all roofs of the warehouses in Belgium and aspires to increase this percentage to 90% -- the maximum technical capacity of the current portfolio. An investment budget of ca. €5 million has been allocated for that purpose.

Meanwhile, 38% of the warehouse portfolio in the Netherlands has been fitted with solar panels. The number of Montea sites with photovoltaic installation will double in 2020. An investment budget of ca. €5 million has been allocated for that purpose.

The total programme planned in 2019 amounted to €24.0 million of which €14.0 million had already been invested as at 31 March 2020.

1.2.3 Developments in policy on the Dutch REIT status

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

In 2016, with reference to certain case law of the Dutch Supreme Court, the Dutch tax authorities 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.

In this context, consultations are held between the Dutch tax authorities, the Dutch Ministry of Finance and the Company to see how this can be put into practice in concrete terms. The Ministry stated that this interpretation cannot be given concrete form at this time, partly because of the dependence on the outcome of current appeal cases between the Dutch tax authorities and foreign investment funds regarding the refund of dividend tax, which the Ministry does not wish to anticipate. At the result of the Judgment of the European Court of Justice of 30 January 2020 (Köln-Aktienfonds Deka) is concluded that a foreign entity that wishes to use the Dutch FBI regime must meet similar requirements. This is explained to the (underlying) purpose of the relevant FBI requirements. On the basis of this Judgment, it would not be necessary for the foreign entity to meet exactly equal requirements. However, the Supreme Court has not yet provided any further explanation regarding this Judgment.
A judgment of the European Court of Justice and the subsequent judgment of the Supreme Court are expected to provide clarity whereupon Montea's question can be taken up again. The Dutch government is examining in addition whether a targeted adjustment of the FBI regime is necessary, possible and feasible in the long term with possibly a changed policy from 2021.

Despite the fact that Montea does not yet have the approval of the Dutch tax administration for FBI status, it does keep its accounts as if it already has such status. After all, the Ministry has already indicated in the past that it will act within the framework of the general principles of good administration in order to obtain a 'level playing field' ('equal cases will be treated equally'). This is intended to ensure that Montea will not be treated worse by the Dutch tax authorities than other sufficiently comparable Belgian RRECs with regard to the FBI status.
Montea Nederland NV has taken the position in its corporate tax returns for 2015, 2016, 2017 and 2018 that it qualifies for the FBI status, which means that it owes zero corporate tax. However, the Dutch tax inspector has imposed a provisional assessment for 2015, 2016, 2017 and 2018 taking into account the regular corporate tax rate. In view of the applicable tax rate (8%), Montea has opted to pay these provisional assessments (i.e. a total amount of €5.3 million for these 4 years). For 2015, however, Montea received a final corporate tax assessment (the response period for Dutch tax administration would expire before this period) that is €0.1 million higher than the provisional tax return. Montea filed an objection to the final assessment for 2015. Requests for ex officio reduction were submitted against the payments in 2016, 2017 and 2018. Montea also entered the same total amount (€5.4 million) as a receivable in its accounts. If FBI status is granted, this full amount will be reimbursed. If FBI status is refused, the assessment has been correctly paid and the receivable must be written off, with a material negative impact on Montea's profitability. Each year, Montea Nederland has complied with the obligation to pay out a dividend under the FBI regime and has thus paid €1.0 million in dividend tax for the period 2015 to 2018. The dividend tax can perhaps be recovered if the FBI status is refused. The total impact for the years 2015 up to and including 2018 would therefore amount to €4.4 million or €0.29 per share (8.8% of the EPRA result 2019).

Unless events occur that show that something else should be done, Montea intends to use the same method for 2019. An amount of approximately €2.6 million will be paid in relation to the provisional assessment 2019. The figures for 2019 include a debt of €2.6 million and a receivable of €2.6 million for this purpose. An amount of approximately €0.5 million will be paid in respect of the dividend tax due once the distribution obligation has been fulfilled. The impact of not obtaining FBI status for 2019 would therefore be €2.1 million or €0.13 per share (3.9% of the EPRA earnings 2019), i.e. the amount of the provisional assessment less the amount of dividend tax.

1.3 Summary of the consolidated financial statements as at 31 March 2020

1.3.1 Condensed consolidated (analytical) income statement as at 31 March 2020

ABBREVIATED CONSOLIDATED PROFIT & LOSS ACCOUNT (K EUR) Analytical	31/03/2020 3 months	31/03/2019 3 months
CONSOLIDATED RESULTS		
NET RENTAL RESULT	**16.949**	**15.653**
PROPERTY RESULT	**17.663**	**15.797**
% compared to net rental result	**104,2%**	**100,9%**
TOTAL PROPERTY CHARGES	**-594**	**-421**
OPERATING PROPERTY RESULT	**17.069**	**15.376**
General corporate expenses	-1.644	-1.367
Other operating income and expenses	-15	-16
OPERATING RESULT BEFORE THE PORTFOLIO RESULT	**15.409**	**13.993**
% compared to net rental result	**90,9%**	**89,4%**
FINANCIAL RESULT excl. Variations in fair value of the hedging instruments	**-2.702**	**-2.918**
EPRA RESULT FOR TAXES	**12.708**	**11.075**
Taxes	**-219**	-303
EPRA Earnings	**12.489**	**10.772**
per share (1)	**0,79**	**0,79**
Result on disposals of investment properties	0	305
Result on disposals of other non-financial assets	0	0
Changes in fair value of investment properties	-1.803	21.849
Other portfolio result	0	0
PORTFOLIO RESULT	**-1.803**	**22.155**
Changes in fair value of financial assets and liabilities	-4.110	-7.219
RESULT IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**-4.110**	**-7.219**
NET RESULT	**6.576**	**25.708**
per share	**0,42**	**1,89**

1.3.2 Notes on the condensed consolidated (analytical) income statement

- Summary

  The EPRA earnings increased by 16% from €10.08 million in Q1 2019 to €12.5 million in Q1 2020. The EPRA earnings per share amounted to €0.79 for the first 3 months of 2020, and remain stable compared with the same period the previous year owing to the increase in the weighted average number of shares of 16%.[9]

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

- The operating result before the result on the property portfolio amounts to €15.4 million in the first quarter of 2020, an increase of 10% compared with the same period last year (€14.0 million).

  - The net rental result amounts to €16.9 million in the first quarter of 2020, an increase of 8% (or €1.3 million) compared with the same period in 2019 (€15.7 million). This increase is due mainly to the acquisition of new premises and completed projects, which generate additional rental income. With an unchanged portfolio (and therefore excluding new purchases, sales and project developments between the two compared periods, the level of rental income increased by 2.5%, driven mainly by the indexing of leases (+2.9%), the renegotiation of a lease in the Netherlands (+0.1%) and the drop in the occupancy rate in France, partially offset with the increase in the occupancy rate in Belgium to 100% (-0.6%).
  - The property result amounts to € 17.7 million, up by €1.9 million (or 12%) compared with the same period last year, primarily as a result of the increase in the net rental result and an increase in solar panel income.
  - The property costs and overheads rose in the first 3 months of 2020 compared with the same period in 2019 (€0.5 million) mainly as a result of a higher subscription tax resulting due to the strengthening of equity capital in 2019, leading to increase in the operating property result before the result on the portfolio of €1.4 million of 10% compared with the same period last year (from €13.9 million in Q1 2019 to €15.4 million in Q1 2020).
  - The operating margin[10]* amounts to 87.2% for the first 3 months of 2020, compared with 88.6% for the same period last year, mainly due to the increase in the subscription tax paid. The operating margin in the first quarter is still somewhat lower on account of the application of IFRIC 21.

- The financial result excluding changes in the fair value of the financial instruments amounted to €2.7 million for the first quarter of 2020 compared with €2.9 million for the first quarter of 2019.

  The net negative financial result on 31 March 2020 amounted to €2.7 million, down by €0.2 million compared with the same period last year.

[9] The impact of the capital increase (2,847,708 new shares were created) in Q1 2019 on the weighted average number of shares was the lowest in the first quarter of 2019 and increased towards the end of the year. This degressive impact should also be taken into account when comparing the EPRA earnings per share in 2020 with those of 2019.

[10] * 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[11]* calculated on the average financial debt amounts to 2.1% for 2020 compared with 2.3% for the same period in 2019. The drop in the average financing cost is due mainly to the further elaboration of the interest rate hedging restructuring programme.

- EPRA earnings

The EPRA earnings for the first 3 months of 2020 amount to €12.5 million, an increase of 16% compared with the same period last year. The EPRA earnings per share amount to €0.79 for Q1 2020 and remain stable compared with the same period last year thanks to an increase in the weighted average number of shares by 16%.[12]

- Result on the property portfolio[13]

The result on the property portfolio for the first 3 months of 2020 amounted to -€1.8 million. This drop in value is primarily due to a provision included for the redevelopments of the sites (cf. 1.2.2.2) in Forest and Aalst. The returns and thus the valuations for the existing portfolio remained stable in the first quarter of 2020.

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

- Change in the fair value of financial instruments

The negative change in the fair value of financial instruments amounted to - €4.1 million or - €0.26 per share at the end of Q1 2020. The negative impact arises out of the change in the fair value of the interest rate hedges taken out at as at the end of March 2020 as a result of the declining long-term interest rate expectations in the course of 2020.

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

- Net result (IFRS)

The net result consists of the EPRA earnings, the result on the portfolio and the changes in the fair value of financial instruments. The net result for the first quarter of 2020 (€6.6 million) rises has dropped by €19.1 million compared with the previous year primarily due to the result booked on the investment portfolio in 2019 compared with 2020.
The net result (IFRS) per share[14] amounts to € 0.42 (€ 1.89 at the end of Q1 2019).

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11 * This financial cost is an average over the year, including the lease debts and is calculated on the basis of the total financial cost compared with the average of the opening balance and closing balance of the financial debt burden, without taking into account the valuation of the hedging instruments and interest costs relating to leasing obligations booked pursuant to IFRS 16.

12 The impact of the capital increase (2,847,708 new shares were created) in Q1 2019 on the weighted average number of shares was the lowest in the first quarter of 2019 and increased towards the end of the year. This degressive impact should also be taken into account when comparing the EPRA earnings per share in 2020 with those of 2019.

13 * 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.

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

1.3.3 Condensed consolidated balance sheet for Q1 2020

	CONSOLIDATED BALANCE SHEET (EUR)	31/03/2020 Conso	31/12/2019 Conso	31/03/2019 Conso
I.	**NON-CURRENT ASSETS**	**1.171.195.886**	**1.161.380.537**	**1.045.307.234**
II.	**CURRENT ASSETS**	**35.559.759**	**32.317.252**	**49.510.443**
	TOTAL ASSETS	**1.206.755.645**	**1.193.697.790**	**1.094.817.677**
	SHAREHOLDERS' EQUITY	**686.631.866**	**680.029.177**	**617.690.835**
I.	Shareholders' equity attributable to shareholders of the parent company	686.631.866	680.029.177	617.672.261
II.	Minority interests	0	0	18.574
	LIABILITIES	**520.123.780**	**513.668.613**	**477.126.842**
I.	Non-current liabilities	416.730.708	412.772.382	408.124.199
II.	Current liabilities	103.393.072	100.896.231	69.002.643
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1.206.755.645**	**1.193.697.790**	**1.094.817.677**

1.3.4 Notes on the consolidated balance sheet for Q1 2020

- On 31/03/2020, the total assets (€1,206.8 million) consisted mainly of investment properties (90% of the total), solar panels (1% of the total), and developments (6% of the total). The remaining amount of the assets (3% of the total) consisted of the other tangible and financial fixed assets, including assets intended for own use and current assets including cash investments, trade and tax receivables.

The fair value of Montea's total property portfolio amounted to €1,169.1 million on 31 March 2020[15], consisting of the valuation of the property portfolio (buildings), including the buildings held for sale (€ 1,082.4 million), the fair value of the current developments (€ 74.4 million) and the fair value of the solar panels (€12.3 million).

	Total 31/03/2020	Belgium	France	The Netherlands	Total 31/12/2019	Total 31/03/2019
Real estate portfolio - Buildings (0)						
Number of sites	69	33	16	20	69	64
Warehouse space (sqm)	1.072.350	624.873	157.734	289.743	1.073.248	1.040.474
Office space (sqm)	102.511	58.064	14.991	29.456	103.334	95.816
Land space - rent (sqm)	163.010	6.512	0	156.498	163.010	163.010
Total space (sqm)	**1.337.872**	**689.449**	**172.725**	**475.697**	**1.339.593**	**1.299.301**
Vastgoedportefeuille - Grondreserve						
Development potential (m²) - leased	753.542	32.562	0	720.980	753.542	0
Development potential (sqm) - portfolio	368.743	191.907	112.204	64.632	368.743	146.907
Development potential (sqm) - in due diligence	70.000	0	70.000	0	0	0
Development potential (sqm) - in option	224.137	79.137	0	145.000	224.137	571.931
Total surface - development potential (sqm) (1)	**1.416.422**	**303.606**	**182.204**	**930.612**	**1.346.422**	**718.838**
Fair value (K EUR)	1.082.394	521.446	149.978	410.970	1.083.085	994.760
Investment value (K EUR)	1.134.920	534.583	160.599	439.738	1.134.150	1.042.381
Annual contractual rents (K EUR)	**67.767**	**34.704**	**8.674**	**24.390**	**67.217**	**64.473**
Gross yield (%)	6,26%	6,66%	5,78%	5,93%	6,21%	6,48%
Gross yield on 100% occupancy (%)	6,34%	6,68%	6,28%	5,93%	6,28%	6,55%
Un-let property (m²) (2)	9.464	1.277	8.187	0	9.373	11.240
Rental value of un-let property (K EUR) (2)	859	121	738	0	850	635
Occupancy rate	99,3%	99,8%	95,3%	100,0%	99,3%	99,1%
Real estate portfolio - Solar panels (3)						
Fair value (K EUR)	12.269	12.182	0	87	12.195	12.286
Real estate portfolio - Developments						
Fair value (K EUR)	74.407	40.547	29.658	4.201	64.004	37.228

(0) Including the buildings held for sale.
(1) Surface area of the let plots of land is entered for 20% of the total surface area; the rental value of a plot of land amounts to ca. 20% of the rent value of a logistics property, for that matter.
(2) Excluding the estimated rental value of projects under construction and/or renovation.
(3) The fair value of the investment in solar panels is entered under heading "D" of the fixed assets in the balance sheet.

- The total surface area of the real estate portfolio-buildings amounts to 1,337,872 m², spread over 69 sites, i.e. 33 sites in Belgium, 16 sites in France and 20 sites in the Netherlands.

- Montea also has a total land bank of 1,416,422 m² in development potential, of which 753,542 m² of let land in portfolio, 368,743 m² of unlet land in portfolio and 224,137 m² under option. This land bank is expected to result in approximately 50% lettable area (approximately 700,000 m²) on average.

15 As determined by the independent real estate expert JLL.

- The gross property yield on the total of the investment properties amounts to 6.3% on the basis of a fully let portfolio, which is stable compared with the situation on 31/12/2019. The gross yield (taking into account the current vacancy rate) amounts to 6.3%.

- The contractual annual rental income (excluding rent guarantees) amounts to €67.8 million, an increase of 5.1% compared with the figure as at 31/03.2019, due mainly to the growth of the property portfolio.

- The occupancy rate amounts to 99.3% as at 31/03/2020 and has remained stable compared with the end of December 2019. The current vacancy rate is in France, at the site in Le Mesnil-Amélot previously let to Autoclick and Facilit'Air. The Belgian and Dutch portfolios were fully (100%) occupied at the end of the first quarter of 2020.

- The fair value of the current developments amounts to €74.4 million and consists of:

  - the site located in Senlis (FR)
  - the site located on the Tyraslaan, Vilvoorde (BE)
  - the site located at Saint-Laurent-Blangy (FR)
  - the construction of a logistics hub in Meyzieu (FR)
  - the site located at Schiphol Airport (NL)
  - the site located in Lummen (BE)
  - the site located in Etten-Leur (NL)
  - solar panel investments (BE+NL)

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

- The total liabilities consist of the shareholders' equity (€686.6 million) and the total debt (€520.1 million).

  This total debt (€520.1 million) consists of:
  - €291.3 million in drawn lines of credit with 8 financial institutions. Montea had €321.7 million of contracted credit lines at 31 March 2019 and an undrawn capacity of €30.4 million;
  - €109.7 million in bond issues concluded by Montea in 2013, 2014 and 2015;
  - a current lease debt of €48.1 million, mainly formed by including a lease obligation for the concession land (entry into force of IFRS 16) and for the financing of the solar panels at our site in Aalst;
  - the negative value of the current hedging instruments of €27.0 million; and
  - other debts and accrued charges[16] for an amount of €44.0 million.

  The weighted average maturity of the financial debts (credit lines, bond loans and lease obligations) amounts to 3.6 years as at 31 March 2020. The weighted average term of interest rate hedging is 7.1 years at the end of March 2020. The hedge ratio, which measures the percentage of financial debt at a fixed or a floating rate and then hedges it via an Interest Rate Swap or Cap, amounted to 99.1% at the end of March 2020.

  The interest coverage ratio is equal to 5.6x in the first 1 quarter of 2020 compared with 4.8%x for the same period last year.

  The average cost of borrowings was 2.1% in the first 3 months of 2020 (compared with 2.3% in the same period last year). The drop in the average cost of borrowing is due to the further elaboration of the restructuring programme and interest rate hedges.

- The debt ratio[17] of Montea amounted to 39.1% at the end of Q1 2020 (compared with 39.4% at the end of 2019).

  Montea complies with all the covenants regarding the debt ratio that it has concluded with its financial institutions, under the terms whereof Montea's debt many not exceed 60%.

- The EPRA NAV[18]* on 31/03/2020 amounted to €45.22 per share (€ 44.54 per share on 31/12/2019). The increase is primarily is due to the EPRA earnings. The EPRA NNNAV per share mounted to €43.67 on 31 March 2020 (€43.27 per share on 31/12/2019).

[16] The accrued charges and deferred income comprise largely rents already invoiced in advance for the next quarter.
[17] Calculated according to the Royal Decree of 13 July 2014 on regulated real estate companies.
[18] * 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.

1.4 Transactions between affiliated parties

There have been no transactions between affiliated parties in 2020 with the exception of these at market conditions and as customary for the exercise of Montea's activities.

1.5 Significant events after the balance sheet date

12 May 2020

Within the context of the introduction of the Companies and Associations Code (under which the legal form of a limited partnership is abolished) and the recent amendment of the Regulated Real Estate Company (REEC) Act (making it possible for an RREC to assume the form of a public limited company managed by a sole director), Montea's statutory manager has decided that Montea wishes to transform itself from a Comm. VA to a limited liability company with a sole director (subject to approval by the FSMA).

Montea will convene an extraordinary general meeting of shareholders in the autumn of 2020 to deliberate on this matter as well as on the adaptation of the articles of association to bring them in line with the Companies and Associations Code. More information on this extraordinary general meeting of shareholders of Montea will be published at a later date.

2 EPRA Performance measures

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)	**31/03/2020**	**31/03/2019**
Net result (IFRS)	**6.576**	**25.708**
Changes for calculation of the EPRA earnings		
To exclude:		
Variations in fair value of the investment properties and properties for sale	1.803	-21.849
Result on sale of investment properties	-	-305
Variations in fair value of the financial assets and liabilities	4.110	7.219
EPRA earnings	**12.489**	**10.772**
Weighted average number of shares	15.782.594	13.637.364
EPRA earnings per share (€/share)	**0,79**	**0,79**

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)	31/03/2020	31/03/2019
IFRS NAV	**686.632**	**617.672**
NAV per share (€/share)	**43,51**	**39,44**
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	**686.632**	**617.672**
To exclude	-	-
	-	-
IV. Fair value of financial instruments	27.034	17.404
EPRA NAV	**713.666**	**635.076**
Number of shares in circulation per end period	15.782.594	15.662.400
EPRA NAV per share (€/share)	**45,22**	**40,55**

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)	**31/03/2020**	**31/03/2019**
EPRA NAV	**713.666**	**635.076**
Number of shares in curculation at the end of the period	15.782.594	15.662.400
EPRA NAV (€/share)	**45,22**	**40,55**
To add:	0 €	0 €
I. Fair value of financial instruments	-27.034	-17.404
II. Revaluation of the fair value of financing at fixed interest rate	2.608	3.846
EPRA NNNAV	**689.240**	**621.518**
Nmber of shares in circultation at the end of the period	15.782.594	15.662.400
EPRA NNNAV (€/share)	**43,67**	**39,68**

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. See also www.epra.com.

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** 31/03/2020	**(B) Estimated rental value portfolio (ERV)** 31/03/2020	**(A/B) ERPA Vacancy rate** *(in %)* 31/03/2020	**(A) Estimated rental value (ERV) for vacancy** 31/12/2019	**(B) Estimated rental value portfolio (ERV)** 31/12/2019	**(A/B) ERPA Vacancy rate** *(in %)* 31/12/2019
Belgium	121	32.496	0,4%	112	32.480	0,3%
France	738	9.326	7,9%	738	9.327	7,9%
The Netherlands	-	23.883	0,0%	-	23.943	0,0%
Total	**859**	**65.705**	**1,3%**	**850**	**65.750**	**1,3%**

MONTEA
SPACE FOR GROWTH

EPRA NIY / EPRA Topped-up NIY

Definition: The EPRA NIY is an annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchase costs.

Purpose: Introduce a comparable benchmark for portfolio valuations. See also www.epra.com.

Calculation:

EPRA NIY *(in EUR x 1000)*		31/03/2020	31/12/2019
Investment property – wholly owned		1.113.968	1.104.358
Investment property – share of JVs/Funds			
Trading property			
Less: developments		-74.407	-64.004
Completed property portfolio		**1.039.561**	**1.040.353**
Allowance for estimated purchasers' costs		51.151	49.694
Gross up completed property portfolio valuation	**B**	**1.090.711**	**1.090.047**
Annualised cash passing rental income		70.565	69.391
Property outgoings (incl. ground rents)		-3.686	-3.771
Annualised net rents	**A**	**66.879**	**65.620**
EPRA NIY	**A/B**	**6,1%**	**6,0%**
EPRA "topped-up" NIY	**C/B**	**6,1%**	**6,0%**

EPRA Cost ratio

Definition: The EPRA Cost ratio are administrative and operational charges (including vacancy charges), divided by rental income. See also www.epra.com.

Purpose: The EPRA Cost ratios are intended to provide a consistent basis from which companies can provide more information about the costs where necessary. See also www.epra.com.

Calculation:

EPRA Cost Ratios (in EUR x 1000)		31/03/2020	31/12/2019
(i) Administrative/operating expense line per IFRS income statement		**2.163**	**6.656**
(iii) Management fees less actual/estimated profit element		-91	-365
EPRA Costs (including direct vacancy costs)	**A**	**2.072**	**6.290**
(ix) Direct vacancy costs		-149	-166
EPRA Costs (excluding direct vacancy costs)	**B**	**1.923**	**6.125**
(x) Gross Rental Income less ground rents – per IFRS		17.497	67.985
Gross Rental Income	**C**	**17.497**	**67.985**
EPRA Cost Ratio (including direct vacancy costs)	**A/C**	**11,8%**	**9,3%**
EPRA Cost Ratio (excluding direct vacancy costs)	**B/C**	**11,0%**	**9,0%**

3 Details on the calculation of APMs used by Montea[19]

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)*	**31/03/2020**	**31/03/2019**
Result on sale of property investments	-	305
Variations in the fair value of property investments	-1.803	21.849
RESULT ON PORTFOLIO	**-1.803**	**22.155**

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)*	**31/03/2020**	**31/03/2019**
Financial result	-6.812	-10.137
To exclude:		
Variations in fair value of financial assets & liabilities	4.110	7.219
FINANCIAL RESULT excl. variation in fair value of financial instruments	**-2.702**	**-2.918**

[19] Exclusive of the EPRA indicators, some of which have been considered as an APM and are calculated under 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)*	**31/03/2020**	**31/03/2019**
Property result	17.663	15.797
Operating result (before the result on the portfolio)	15.409	13.993
OPERATING MARGIN	**87,2%**	**88,6%**

Average cost of debt

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

Purpose: The company resorts partially to 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)	**31/03/2020**	**31/03/2019**
Financial result	-6.812	-10.137
To exclude:		
Other financial income and charges	-75	2
Variations in fair value of financial assets and liabilities	4.110	7.219
Interest charges related to leasing liabilities (IFRS 16)	529	538
Activated interest charges	-219	-192
TOTAL FINANCIAL CHARGES (A)	-2.467	-2.570
AVERAGE FINANCIAL DEBTS (B)	472.561	456.439
AVERAGE COST OF DEBT (A/B) (*)	**2,1%**	**2,3%**

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 the number of times required for the company to earn its interest charges.

Calculation:

INTEREST COVERAGE RATIO (en EUR X 1 000)	**31/03/2020**	**31/03/2019**
Operational result, before result on portfolio	15.409	13.993
Financial income (+)	90	36
TOTAL (A)	**15.499**	**14.029**
Net financial chargesn (-)	2.776	2.916
TOTAL (B)	**2.776**	**2.916**
INTEREST COVERAGE RATIO (A/B)	**5,58**	**4,81**

4 Outlook and update on COVID-19

Montea has taken various measures to ensure the continuity of its activities in the different countries in which it operates, whilst putting the health and well-being of all its stakeholders first. Employees were accordingly encouraged to switch to teleworking as much as possible for all tasks that do not require physical presence. Teleworking had been encouraged even before the crisis, so this measure did not pose any particular difficulties. Continuity of service to the tenants is guaranteed by the operational teams who remain in close contact with them.

The risk of default is minimized thanks to the company's qualitative and diversified client portfolio (at country, sector and site level). The warehouses are operational and in some instances even have enhanced activity. Montea is well aware of the challenges some customers are confronted with. Requests from tenants to stagger rents due over time are being considered on a case-by-case basis in order to find a balanced solution (ca. 10% of the quarterly rent in Q2 2020 has been allocated on the basis of justified reasons). Montea has not granted any rent reductions or waivers.

On the date of this Interim Report, Montea had received 96% of the rental invoices due for April and May 2020 (for monthly rents) and for the second quarter of 2020 (for quarterly rents).

Montea has four projects under construction on the date of this annual financial report. Two projects in France (Saint-Laurent-Blangy, pre-let to Unéal, and Meyzieu, pre-let to Renault) were at a standstill for a period of about one month due to measures taken by the competent authorities. Works have resumed since the beginning of May. Two other projects in Antwerp (Blue Gate) and in Amsterdam (Schiphol) have not been delayed so far.

On the financing front, Montea has a total debt of €50 million to refinance in 2020 and €39 million in ongoing commitments under the investment programme. On the other hand Montea has €1,140 million in cash and in contracted lines of credit not drawn, so her obligations are largely covered. With a debt ratio of 39% on 31 December 2019, Montea's consolidated balance sheet is highly solvent and the company expects to be able to achieve its charted growth plan.

The valuation of the real estate portfolio at the end of the first quarter of 2020 provided by the real estate experts for the publication of quarterly information does not indicate any negative change in fair value brought about by the current crisis. Logistics is the category of real estate that is not expected to be impacted, or may even be impacted in a positive way by the crisis:

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

In the longer term Montea thereby maintains its aspiration to boost its property portfolio by ca. €300 million in 2020 and 2021, which will result in a total property portfolio of €1,450 million by the end of 2021. 65% of this growth (€194 million) has already been identified.

In the short term (outlook for 2020), the COVID-19 outbreak and (the results of the) measures taken to contain the virus could have an impact on Montea's financial performance. Based on the current knowledge and taking the consequences of the crisis into account, Montea expects:

- growth in the EPRA earnings per share to €3.44 (+5% compared with 2019)
- an increase in the dividend per share in line with the growth in the EPRA earnings per share, i.e. by 5% compared with 2019 from €2.54 to € 2.67, based on a pay-out ratio of 80%
- an occupancy rate above 97% to be maintained and an average remaining term of the leases to first expiry date above 7.5 years
- a debt ratio that will evolve towards 44% by the end of 2020

5 Forward-looking statements

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

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

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

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

6 Financial calendar

14/05/2020	Interim results 31/03/2020 (before trading opens)
19/05/2020	General meeting of shareholders
22/05/2020	Ex-date
25/05/2020	Record date
15/06/2020	Payment of the dividend
06/08/2020	Half-yearly results 30/06/2020 (after trading closes)
05/11/2020	Interim results 30/09/2020 (before trading opens)

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

ABOUT MONTEA "SPACE FOR GROWTH"

Montea Comm. VA is a public regulated real estate company (RREC) under Belgian law (SIR – SIIC), specialising in the development and the management of logistics property in Belgium, France and the Netherlands. The company is a leading player in this market. Montea literally provides its clients with the space to grow, through flexible and innovative property solutions. In this way, Montea creates value for its shareholders. On 31 March 2020 the property portfolio represented a surface of 1,337,872 m² across 69 sites. Montea Comm. VA has been listed on Euronext Brussels (MONT) and Paris (MONTP) since late 2006. On 11 December 2019, Montea received the EPRA BPR Gold Award.

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FOR MORE INFORMATION

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