Annual Financial Report 2019

www.montea.com

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 (**Montea** or the **Company**).

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.

On 31 December 2019 the property portfolio represented a surface of 1,339,593 m² across 69 sites. Montea Comm. VA has been listed on Euronext Brussels (MONT) and Paris (MONTP) since late 2006

Montea shares are aimed at Belgian and foreign individual and institutional investors looking for an indirect investment in logistics property and seeking to achieve a relatively high dividend yield while incurring a moderate risk.

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DESIGN AND REALISATION: Montea

Ce rapport financier annuel est également disponible en français. Dit financieel jaarverslag is eveneens verkrijgbaar in het Nederlands.

The French and English versions of the annual financial report are translated from the Dutch annual financial report.

Investors may refer to the translated version within the framework of their contractual relationship with the issuer.

The annual financial report was translated under the responsibility of Montea and can be obtained at the registered office of the Company, and an online version is also available on www.montea.com. This report was drawn up in euros. The financial statements have been approved for publication by the board of directors of the Statutory Manager and will be submitted to the annual general meeting of shareholders on 19 May 2020.

The tallying of figures in the tables and annexes mentioned in this annual financial report may at times lead to rounding off differences.

Montea is a public regulated real estate company under the supervision of the FSMA (the Belgian Financial Services and Markets Authority).

Its annual financial report is a universal registration document within the meaning of Article 9 of Regulation (EU) 2017/1192 of the European Parliament and of the Council of 14 June 2017 on hte prospectus to be published when securities are offered to the public or admitted to trading in a regulated market and repealing Directive 2003/71/EC

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Letter to the shareholders

Dear Shareholders,

Montea has been committed to sustainable growth in the value of our quality portfolio since its IPO in 2006. We can look back with pride on the fine progress we have achieved since then in general and on our exceptional results over the past year in particular. Our portfolio grew by more than 25% in 2019 compared with 2018, to €1,159,000. We are therefore ever so grateful to our customers, shareholders and all stakeholders for their trust and confidence. With such fine results, we can look ahead with self-assurance and enthusiasm because the building blocks we have laid in the past ensure a robust financial structure that gives us the necessary strength to continue to grow in the future.

Our decision to focus on sustainable entrepreneurship and sustainable growth was also confirmed by our current clients over the past year. In 2019, several clients entrusted us with the task of creating appropriate solutions for their logistics. For example, last year we started developing a brand new 33,000 m² distribution centre for the French company Advitam-Unéal. Together with our partners, we also laid the cornerstone of a new development for DHL Express at Blue Gate Antwerp. DHL has been one of our customers for many years. An innovative form of urban logistics will be organized from Antwerp. We also tripled the existing warehouse for the DocMorris internet pharmacy in 2019.

Sustainable entrepreneurship is all about establishing and cultivating long-term relationships, but also about making future-oriented business choices. In our three core countries, we focused in particular on brownfield projects where we redeveloped polluted or already occupied space so as to create added value in the long term. For Montea, sustainability is not just about optimizing our solar panels or renewable energy; it is also about smart and well-considered re-use of scarce space. Furthermore, in our effort to make our portfolio more sustainable, we launched the plans for the first logistics property in Belgium that will be completely free of fossil fuels. All the energy needed will be drawn 100% from renewable sources.

This past year, Montea once again delivered portfolio foundations for which it stands out on the real estate market. On 31 December 2019, the occupancy rate was 99.3%. The limited vacancy rate is in France. The portfolio in Belgium and the Netherlands is let fully (100%) The average remaining term of the leases is still high, i.e. 8 years at first maturity as at the end of 2019. In this way, Montea continues to stand out from its competitors.

In March 2019, Montea bolstered its equity with a capital increase of €160.0 million with the creation of 2,847,708 new shares. This transaction enables Montea to grow further. The debt ratio fell to a historically low level of 39%, giving us an enormous shooting capacity to continue to grow in the coming years and to rely on robust financial foundations should conditions on the market take an unforeseen turn.

Our shareholders are essential to our operations. Their investments, and therefore their confidence in Montea, ensure that we can continue to grow year after year, for which we are grateful. The Board of Directors will consequently propose to the ordinary general meeting of shareholders of 19 May 2020 to distribute a gross dividend per share of €2.54 for the full year 2019, i.e. a 12.8% increase from 2018.

In 2019, we witnessed a remarkable upgrading of logistics and accompanying logistics real estate in the market. E-commerce clearly plays a major role here. We expect this upward trend to continue in 2020. Thanks to our low debt ratio, we can ride the momentum of 2019 into 2020.

It is also important to point out that 2019 was a farming year for Montea. Montea also owes its excellent results to its expert and enthusiastic group of employees, who each use their expertise to help realize this exceptional growth. We would also like to thank our customers and shareholders for their trust in us. We are committed to keep on earning this trust, including the years to come. We are convinced of the strong story and we feel strongly positioned, also with a debt ratio of 39% as at December 31 2019, to tackle the crisis caused by the Covid-19 virus and thus continue the chosen path of our sustainable growth in 2020 and beyond.

Dirk De Pauw
Chairman of the Board of Directors

Jo De Wolf
Chief Executive Officer

1. Persons responsible, third-party information, experts' reports and competent authority approval

1.1 Persons responsible

The Statutory Manager of Montea, Montea Management NV, having its Registered Office at 27 Industrielaan, 9320 Erembodegem, is responsible for the information provided in this annual financial report.

1.2 Statement

In the name and on behalf of Montea, the Statutory Manager declares that to the best of its knowledge, with all reasonable steps having been taken to ensure that this is the case, the information contained in this annual financial report reflects the facts and no data have been omitted the disclosure of which would alter the scope of said report.

1.3 Experts' reports

1.3.1 Auditor

The Auditor is appointed by the General Meeting of shareholders, and is chosen from the list of auditors approved by the FSMA and is a member of the IBR (Institute of Auditors). The Auditor is Ernst & Young Bedrijfsrevisoren, with registered office at 1831 Diegem, De Kleetlaan 2, represented by Mr Joeri Klaykens. It was decided at the annual meeting of shareholders of 2019 to extend the appointment of Ernst & Young Bedrijfsrevisoren, represented by Mr Joeri Klaykens, for a three-year period, i.e. until the annual general meeting of shareholders of 2022.

Montea hereby confirms it has received permission from the auditor to publish its report in this financial report and also as to the form or context in which said report is reproduced.

In accordance with the Belgian Companies Code and/or the Companies and Associations Code[1] the auditor must perform the duties set out below. These duties are mainly related to the audit of the accounting information in the annual financial statements.

1. The Auditor exercises supervision over the financial statements and the consolidated financial statements and makes a detailed written report on these annually.
2. A special report by the auditor is furthermore required in the following cases:

[1] As of 1 January 2020, the mandatory provisions of the Companies and Associations Code, as implemented by the Act of 23 March 2019, are applicable to Montea.

- for contribution in kind;
- for quasi-contribution;
- when issuing shares;
- in the event of reduction or waiver of the preferential right to a capital increase or the issuance of convertible bonds or warrants;
- in the event of conflict of interest of a director;
- in the event of a transaction between the company (or one of its subsidiaries) and its affiliated persons;
- when converting the company into another company type (legal entity);
- with mergers and demergers;
- when proposing to dissolve the company and the conclusion of the liquidation.

The Auditor also cooperates with the supervision conducted by the FSMA and to that end will:

1. ascertain that the RREC has taken appropriate measures for the administrative, accounting, financial and technical organisation, as well as for internal auditing in order to comply with the RREC Act and RREC RD and the implementation decrees and regulations put in place, as well as the management regulations or articles of association;
2. confirm that the annual reports and half-yearly reports have been provided to it by the RREC in accordance with article 50 of the RREC Act, in fully accurate form and in accordance with the applicable rules;
3. issue a periodic report to the FSMA or issue a special report at the FSMA’s request about the organisation, operations and financial structure of the RREC;
4. issue a report to the FSMA as soon as it has knowledge of:
   a) decisions, events or developments that affect or may affect significantly the position of the RREC financially or in the area of its administrative, accounting, financial or technical organisation, or its internal auditing;
   b) decisions or events that may refer to breaches of the Companies’ Code, the articles of association, the RREC Act, the RREC RD and the decrees and regulations put in place for implementation;
   c) other decisions or events that may result in a refusal to certify the accounts or to formulate a reservation.

The base for calculating the remuneration of the Auditor is a fixed annual emolument. For the financial year ending on 31st December 2019, the fixed emolument for the auditors, Ernst & Young Bedrijfsrevisoren, represented by Mr Joeri Klaykens, acting on behalf of BV, for its examination and auditing of the individual and consolidated accounts for the Montea group was €50,000 (excl. VAT). In addition to the remuneration stated, the following amounts were also paid as remuneration for additional auditing work:

- Comfort letter: €43,000 (excl. VAT)
- Legal tasks: €18,000 (excl. VAT)
- EPRA and forecast review: €10,900
- Tax advice: €8,400
- Other: €1,500

1.3.2 Real estate expert

Article 24 of the RREC Act, provides that the RREC's property should be valued by one or more independent property experts. The expert shall act in full independence and have the necessary professional reliability in real estate valuation and appropriate experience and has a suitable organisation for the fulfilment of its missions. The expert is appointed for a renewable term of three years. He may only be charged with the valuation of a particular property for a maximum period of three years.

The experts for Montea are Jones Lang LaSalle BVBA, Marnixlaan 23, 1000 Brussels, for the assets in Belgium, France and the Netherlands. At the meeting of the Board of Directors of 20 February 2018, the appointment of Jones Lang LaSalle BVBA, represented by Mrs Greet Hex, was approved for a period of three years, beginning on 1/07/2018 and ending automatically on 30/06/2021.

Pursuant to the RREC legislation, the real estate portfolio is estimated on a quarterly basis by the independent real estate expert who determines the market value of the real estate in accordance with the applicable legal provisions for the valuation of real estate under the RREC Act. The agreements made by and between the parties remain subject and are subordinate to the provisions of the RREC RD and in general to all legal provisions applicable to the RREC, as well as to all legal provisions that would supplement or replace the current legal provisions applicable thereto.

Pursuant to article 24, paragraph 4 of the RREC Act, the remuneration of the property expert shall not have any direct or indirect connection with the value of the property being assessed. The fee of the property expert is calculated based on a fixed fee per site in Belgium, France and the Netherlands. The property expert may also receive fees in the context of specific assignments.

For the financial year ending on 31 December 2019, the total amount paid in fees in the context of these assignments was €134,950 (excl. VAT).

Montea hereby confirms it has received permission from the auditor to publish its report in this financial report and also as to the form or context in which said report reproduced.

1.4 Third party information

The Statutory Manager, Montea Management NV, certifies that the information provided by the property experts (Jones Lang LaSalle BVBA, represented by Mrs Greet Hex) and the certified auditor (Ernst & Young Bedrijfsrevisoren, represented by Joeri Klaykens, acting on behalf of an SPRL) was faithfully reproduced. To the extent that the Statutory Manager is aware of and able to ensure this in the light of information published by third parties, no fact was omitted whereby the information shown could be wrong or misleading.[2]

[2] Montea hereby confirms that it has received permission from the property expert and the auditor for publishing their reports in the registration document and also as to the form or the context in which these reports are reproduced.

1.5 Forward looking statements

This annual report includes forward-looking statements. Such statements are based on estimates and forecasts of the company and naturally contain unknown risks, uncertainties and other factors that could result in the results, financial condition, performance and current achievements being different from those expressed or implicitly indicated in these forward-looking statements. Given these uncertainties the forward-looking statements provide no guarantee.

1.6 Statements on financial accounts

This annual financial report includes information regarding previous years (2017 and 2018). We refer to the table below for an overview regarding this information:

	2019	**2018**	**2017**
	http://www.montea.com/nl/investor-relations/financial-reports		
Key figures	✓ *Section 5 page 20*	✓ *Section 4 page 36*	✓ *Section 4 page 32*
Property portfolio	✓ *Section 6.6.4 page 49*	✓ *Section 5.2.4 page 50*	✓ *Section 5.2.4 page 46*
Key ratios	✓ *Section 6.3.8 page31*	✓ *Section 5.3.6 page 62*	✓ *Section 5.3.6 page 62*
Shortened consolidated re statement	✓ *Section 8.1.2.1 page 60*	✓ *Section 5.4.1 page 67*	✓ *Section 5.4.1 page 65*
Shortened consolidated statement	✓ *Section 8.1.2.2 page 63*	✓ *Section 5.4.2 page 70*	✓ *Section 5.4.2 page 68*
Stock performance	✓ *Section 16.1 page 126*	✓ *Section 6.1 page 139*	✓ *Section 6 page 117*
Consolidated financial statemen	✓ *Section 18 page 133 -> 203*	✓ *Section 8 page 146->227*	✓ *Section 8 page 123 -> 189*
Incl. report of the auditor	✓ *Section 18.9 page 194*	✓ *Section 8.8 page 201*	✓ *Section 8.8 page 179*

1.7 Universal registration document

As the competent authority pursuant to Regulation (EU) 2017/1129, the FSMA approved Montea's registration document for two consecutive financial years. The last approval dates from 26 July 2018.

The FSMA approves the registration document only when the standards of completeness, comprehensibility and consistency laid down in said Regulation are met. This approval may not be considered as an approval of the issuer to which this registration document pertains.

Montea has since 2019 opted to file its universal registration document without prior approval in accordance with Article 9 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus (the Prospectus Regulation) to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC.

This annual financial report is tantamount to a universal registration document and has not been approved by the FSMA.

2. Statutory auditors

The Auditor is appointed by the General Meeting of shareholders, and is chosen from the list of auditors approved by the FSMA and is a member of the IBR (Institute of Auditors). The Auditor is Ernst & Young Bedrijfsrevisoren, with registered office at 1831 Diegem, De Kleetlaan 2, represented by Mr Joeri Klaykens. acting on behalf of an SPRL. The auditor was reappointed at the Annual General Meeting of 17 May 2016 for a term of three years until the annual meeting of 2019. It was decided at the annual meeting of shareholders of 2019 to extend the appointment of Ernst & Young Bedrijfsrevisoren, represented by Mr Joeri Klaykens, for a three-year period, i.e. until the annual general meeting of shareholders of 2022.

3. Risk factors

As a result of the entry into force of the Prospectus Regulation and the comprehensive change in the way risk factors are to be presented in a prospectus and thus in a universal registration document, only the risk factors that have been specifically and materially identified by the Company are described below. Pursuant to point 32 of the ESMA Guidelines and Article 16 of the Prospectus Regulation, the most material risks are mentioned in each category first.

3.1 Risk factors relating to the financial condition of Montea

Debt structure

On 31 December 2019, the debt ratio stood at 39.4% (compared with 51.3% on 31 December 2018) at the consolidated level and at 38.8% on a stand-alone basis.

On that same date, Montea had €109.7 million in borrowed bonds and €321.7 million in credit lines, of which €291.3 million had already been drawn (undrawn capacity: €30.4 million). On the date of this annual financial report, there are 3 lines of credit and 1 bond to be refinanced in 2020.

Pursuant to the relevant legislation, Montea's consolidated and simple debt ratio may not exceed 65%[3]. If this legal threshold is exceeded, the FSMA can take several measures, including revoking Montea's license as an RREC after the legal remedy period.

In addition, the terms and conditions of the Bonds stipulated a maximum consolidated debt ratio of 65%. If Montea breaches these covenants, any bondholder may serve written notification to the Registered Office of Montea with a copy to the respective "agent" to require that his or her bonds be declared immediately due and payable again at their nominal value together with accrued interest (if any) up to the date of payment, without any further formalities, unless such default has been remedied before such notification is received by Montea.

On the basis of the consolidated debt ratio of 39.4% as at 31 December 2019, Montea has a consolidated debt capacity of ca. €1,387 million before reaching the statutory maximum debt ratio of 65%. This represents a possible increase in the property portfolio of 75.3% (additional growth in the fair value of the property portfolio of €873 million compared with the current fair value of the property portfolio as at 31 December 2019 of €1,159.3 million, including the fair value of the developments of €64.0 million and the fair value of the solar panels of €12.2 million, financed entirely by debt.

[3] Article 23 of the RREC RD.

Montea has concluded covenants with financial institutions which are in line with the market and provide in particular that, pursuant to the RRECD RD, the consolidated debt ratio may not exceed 60%. Any breach of these covenants by Montea would constitute a breach of the agreements with the financial institutions concerned, which would then be entitled to claim all outstanding amounts.
Accordingly, calculated on the basis of the consolidated debt ratio of 39.4% as at 31 December 2019, the consolidated debt capacity amounts to €1,130 million (additional growth in the fair value of the property portfolio of €615.9 million compared with its current fair value of €1,159.3 million as at 31 December 2019, including the fair value of the developments and of the solar panels of €64.0 million and of €12.2 million respectively). This represents a possible 35% increase in the real estate portfolio financed entirely by debt.

Conversely, if all other parameters remain constant, the current balance sheet structure could absorb a reduction in the value of the property portfolio of 40.5% or 35.3% respectively before reaching a maximum debt ratio of 65% or 60%, which could have an impact on Montea's RREC status or the early redemption of the Bonds or the agreements which it has concluded with the financial institutions.

3.2 Legal and regulatory risks

3.2.1 Public property and airport zones

3.2.1.1 Concessions and building rights

Montea has concessions on public property or building rights for certain properties. These titles are by definition limited in time and may be terminated prematurely for reasons of public interest, given their location or legal status.

These pertain in particular to the building rights negotiated by Montea or its subsidiaries with (i) the Brussels Airport Company (BAC) at Brucargo, (ii) Waterwegen en Zeekanaal, (iii) Ghent Seaport, (iv) De Scheepvaart NV, (v) Flexport Liège and (vi) Vlaamse Waterweg . These building rights may be terminated early by the building owners for reasons of general interest, whereby these buildings would be transferred to the building owner. Overall, 9.75% of the value of Montea's property portfolio is subject to this risk as at 31 December 2019.

3.2.1.2 (Security) regulations

Some of Montea's sites on public property or airport zones are subject to specific (security) regulations. Any change or tightening of these could have an impact on the lettability of the properties concerned or, in some cases, trigger certain contractual termination options for the tenants. Overall, 4.92% of the value of Montea's property portfolio is subject to this risk as at 31 December 2019.

The relevant regulatory risk (night flight restrictions) has not materialised yet during the term of the lease. The parties have committed themselves (best effort clause) to find a reasonable solution to the amended regulations, without necessarily entailing financial adjustments.

3.2.2 Legislative and fiscal framework for “FBI” (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.

3.3 Risks relating to the corporate structure of Montea

3.3.1 Risks relating to the Statutory Manager

In its capacity as controlling shareholder of the Statutory Manager, the De Pauw Family has an important influence, as it determines who will become director of the Statutory Manager, taking into account the legal rules on corporate governance and Montea's corporate governance charter. The general meeting of shareholders can deliberate and decide only when the Statutory Manager is present. The Statutory Manager must also give his consent to any decision of the general meeting (including the alteration of the articles of association). As a result of this statutory right of veto, and given that the Statutory Manager is virtually irremovable, the decision-making power of the general meeting of shareholders may be blocked, as a result of which necessary or useful decisions for the Company cannot be taken by said meeting. There is a risk therefore that all or part of the voting rights attached to the shares will be eroded.

On 1 January 2020, the new Companies and Associations Code (known by the Dutch initials WVV) entered into force. Under this code a limited partnership, Montea's current legal form, is no longer a valid legal form. This is remedied by the possibility of opting for a public limited liability company with a single director and thus modelling the public limited liability company along the lines of what currently applies in a limited partnership.

On the date of this Annual Financial Report, the Statutory Manager's Board of Directors has not yet decided on the proposal to the Extraordinary General Meeting of Shareholders in this respect.]

3.3.2 Risks relating to a possible change of control

When Montea is required to alter its articles of association in order to bring them in line with this new code and it would take a form other than a limited liability company with a sole director, the provision relating to a change of control in the Bonds may be activated. As a result, any bondholder could, by means of a written notification to the Registered Office of Montea with a copy to the respective "agent", require that his or her bonds be declared immediately due and payable back at par value plus accrued interest (if any) up to the date of payment, without further formalities, unless such default has been remedied prior to receipt of such notification by Montea. This may activate the change of control clause also in bilateral credits, thereby entitling the financial institutions concerned to claim all outstanding amounts. On 31 December 2019, Montea had €109.7 million in borrowed bonds and €321.7 million in lines of credit at its disposal.

4. Information about Montea

4.1 Name

Montea is a public regulated real estate company (openbare gereglementeerde vastgoedvennootschap / société immobilière réglementée publique) incorporated under Belgian law, specializing in the development and management of logistics real estate in Belgium, France and the Netherlands.

4.2 Legal entities register

The Company is registered in the Ghent Legal Entities Register, Dendermonde division under the number 0417.186.211. Its VAT number is BE0417.186.211. Its LEI number is 5493006K5LQDD0GK1T60.

The permanent establishment in France is registered in the Paris Trade and Companies Register ("régistre du commerce et des sociétés") under number 497 673 145. Its VAT number is FR 06497 673 145.

The subsidiary in the Netherlands is registered in Tilburg under RSIN/FI number 853208785. Its VAT number is NL853208785B01.

4.3 Incorporation

Montea was incorporated on 26 February 1977. On 1 October 2006, Montea was accredited as a public real estate investment company with fixed capital under Belgian law, or in abbreviated form a public SICAF under Belgian law, registered with the FSMA.

Montea has been listed on Euronext Brussels since October 2006 and on Euronext Paris since December 2006. Montea's activities as an RREC were launched on 1 October 2006 by bringing together several real estate portfolios. The company is a reference player in this growing market. Montea offers more than ordinary warehouses and wants to offer flexible and innovative real estate solutions to its tenants.

On 22 September 2014, Montea was authorized and accredited by the FSMA as a public regulated real estate company under Belgian law. This accreditation entered into effect on 30 September 2014, the date on which the extraordinary general meeting of shareholders of Montea approved the new statute.

It is subject to the RRECC Act and the RREC RD.

4.4 Registered office and legal form

Montea has the legal form of a Limited Partnership on Shares. It is governed by Belgian Company Law.

The registered and administrative office of Montea Comm.VA in Belgium is located at 27 Industrielaan, B-9320 Erembodegem (Aalst). The telephone number of the Registered Office is +32 (0) 53 82 62 62. The registered office of the permanent establishment in France, Montea SCA, has been located at 18-20 Place de la Madeleine 75008 Paris, since 1 October 2010. The telephone number of this permanent establishment in France is +33 (0) 1 83 92 25 00. The administrative office of Montea Nederland NV is located at 1c Ellen Pnakhurstraat, EnTrade, 5032 MD Tilburg. The telephone number of this administrative office in the Netherlands is +31 (0) 88 2053 88.

The company's website is www.montea.com. The information on the website does not form part of this Annual Financial Report unless that information is included in this Annual Financial Report by way of reference.

5. Key figures

KEY FIGURES		31/12/2019 12 months	31/12/2018 12 months
Real estate portfolio			
Real estate portfolio - Buildings (1)			
Number of sites		**69**	**63**
Surface of the real estate portfolio			
Logistics and semi-industrial warehouses	sqm	1.073.248	1.028.383
Offices	sqm	103.334	95.548
Land - rent	sqm	163.010	96.168
Total surface	**sqm**	**1.339.593**	**1.220.099**
Development potential (sqm) - rent	sqm	753.542	546.653
Development potential (sqm) - portfolio	sqm	368.743	133.655
Development potential (sqm) - in research	sqm	0	220.000
Development potential (sqm) - in option	sqm	224.137	550.419
Total surface - development potential (sqm)	**sqm**	**1.346.422**	**1.450.727**
Value of the real estate portfolio			
Fair value (2)	K€	1.083.085	870.423
Investment value (3)	K€	1.134.150	912.499
Occupancy Rate (4)	%	**99,3%**	**99,1%**
Real estate portfolio - Solar panels			
Fair value	K€	12.195	13.016
Real estate portfolio - Projects under construction			
Fair value (2)	K€	64.004	28.395
Consolidated results			
Results			
Net rental result	K€	65.063	49.883
Property result		68.135	52.068
Operating result before the porfolio result	K€	61.710	46.068
Operating margin (5)*	%	90,6%	88,5%
Financial result (excl. Variations in fair value of the financial instruments) (6)*	K€	-11.356	-10.239
EPRA result (7)*	**K€**	**49.997**	**35.724**
Weighted average number of shares		**15.229.606**	**12.100.327**
EPRA result per share (8)*	**€**	**3,28**	**2,95**
Result on the portfolio (9)	K€	71.207	31.978
Variations in fair value of the financial instruments (10)	K€	-12.739	-3.127
Net result (IFRS)	**K€**	**108.465**	**64.575**
Net result per share	**€**	**7,12**	**5,34**
Consolidated balance sheet			
IFRS NAV (excl. minority participations) (11)	**K€**	**680.029**	**433.550**
EPRA NAV (12)*	**K€**	**702.953**	**443.735**
Debts and liabilities for calculation of debt ratio	**K€**	**470.104**	486.902
Balance sheet total	**K€**	**1.193.698**	**949.477**
Debt ratio (13)	**%**	**39,4%**	**51,3%**
IFRS NAV per share	**€**	**43,09**	**33,83**
EPRA NAV per share (14)*	**€**	**44,54**	**34,63**
EPRA NNAV per share (15)*	**€**	**43,27**	**34,16**
Share price (16)	**€**	**81,00**	**59,80**
Premium	**%**	**88,0%**	**76,8%**

The calculation of the operating margin (gray cells), has been adjusted. The operating margin is now 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 18.11.
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 18.10.
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 18.10.
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 18.11.
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 18.10.
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 18.10.
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 18.10.
16) Share price at the end of the period.

6. Business overview

6.1 Principal activities

Montea is a leading public regulated real estate company in logistics real estate. It aims to develop and maintain a diversified real estate portfolio (by acquiring it or developing it itself) as part of a strategy to keep its properties in long-term ownership in order to generate stable rental income leading to a stable and - insofar as possible - growing long-term dividend for its shareholders.

The company's object is exclusively (Article 4 of the articles of association):
“to make real estate property available to users, directly or via a company in which it owns a holding, in accordance with the terms of this Act and in execution of the decisions taken and regulations set under it; and
within the boundaries of the RREC legislation, to own property as stated in article 2, 5°, vi to x of the RREC Act.
in the long term, to conclude or join one or more contracts with a public client, directly or through a company in which it owns equity interest pursuant to the provisions of the RREC Act and the implementing decrees and regulations, if necessary in cooperation with third parties:

- "Design, Build, Finance" (DBF) agreements;
- "Design, Build, (Finance) and Maintain" (DB(F)M) agreements;
- “Design, Build, Finance, (Maintain) and Operate" (DEF(M)O agreements); and/or
- public works concession agreements for buildings and/or other immovable infrastructure and services relating thereto, and on the basis of which:
  (1) it ensures the provision, maintenance and/or operation for the benefit of a public entity and/or the citizen as end-user, in order to meet a social need and/or to provide a public service; and
  (2) it can bear all or part of the related financing, availability, demand and/or operating risk, in addition to any construction risk, without necessarily having rights in rem; or
  in the long term, either directly or through a company in which it owns equity pursuant to the RREC Act and the resolutions and regulations adopted pursuant thereto, if necessary in cooperation with third parties, develop, have developed, set up, manage, operate, run or make available to third parties:
    (i) facilities and repositories for the transport, distribution or storage of electricity, gas, fossil or non-fossil fuel and energy in general and related goods;
    (ii) utilities for the transport, distribution, storage or purification of water and related goods;
    (iii) installations for the generation, storage and transport of renewable or non-renewable energy and related goods; or
    (iv) waste and incineration plants and related goods.

Property is defined as property within the meaning of the RREC legislation.
For the provision of immovable property, the Company may in particular carry out all such activities as are related to the creation, conversion, renovation, development, acquisition, disposal, management and operation of immovable property.

The Company may invest, on an ancillary or temporary basis, in securities other than real estate within the meaning of the RREC legislation. Such investments shall be made in accordance with the risk management policy adopted by the Company and shall be diversified in order to ensure appropriate risk diversification. The Company may also hold unallocated liquid assets in any currency in the form of sight or term deposits or in the form of any other easily negotiable monetary instrument.

In addition, the Company may enter into transactions relating to hedging instruments for the sole purpose of hedging interest rate and exchange rate risks in the financing and management of the Company's activities as referred to in Article 4 of the RREC Act and excluding any transaction of a speculative nature.

The Company may acquire or lease one or more real estate properties. The activity of property leasing with a purchase option may be exercised only on an ancillary basis, unless such immovable property is intended for a general interest including social housing and education (in which case the activity may be exercised as the main activity).

The Company may, by means of a merger or in any other way, take an interest in all businesses, enterprises or companies with a similar or complementary purpose, and of such a nature as to promote the development of its business and, in general, it may carry out all operations directly or indirectly related to its corporate purpose as well as all acts that are relevant or necessary to attaining said corporate purpose".

6.2 Principal markets

Montea operates in Belgium, the Netherlands and France.

For the breakdown of the total revenues for financial year 2019 by geographical markets and by categories of business overview, cf. Section 18.8.1 (Note 1: Rental income) and Section 18.10 (H) Investment Assets).

For a breakdown of the historical total revenues by categories of business overview and geographical markets, cf. Montea's annual financial reports (in particular note 1 to the consolidated financial statements) for financial years 2017 and 2018.

Annual financial report 2017	Note 1 to the consolidated financial statements (pp. 142-145)
Annual financial report 2018	Note 1 to the consolidated financial statements (pp. 164-166)

6.3 Significant events

6.3.1 Historical financial information

For the significant events in the development of the business overview, cf. Montea's annual financial reports (in particular the activity report) for the historical financial information for the financial years 2017 and 2018, which are included in this annual financial report by way of reference.

Annual financial report 2017	"Significant achievements during the financial year" (p. 51-64)
Annual financial report 2018	"Significant achievements during the financial year" (p. 55-66)
Annual financial report 2019	"Significant achievements during the financial year" (p. 24-33)

6.3.2 Rental activity in 2019

Occupancy rate of 99.3%

On 31 December 2019, the occupancy rate was 99.3% compared with 99.1% at the end of 2018. Most of the leases that came to first maturity in 2019 (6% of the total portfolio) were renewed.

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

6.3.3 Investment activity in 2019

6.3.3.1 Purchases

In the course of 2019, a total purchase volume of €82.5 million was achieved. All acquisitions were at an investment value lower than or in line with the value determined by the independent real estate expert. Montea achieved a net initial yield of 4.5% on these investments, including leased and unlet land reserve. Excluding the land reserve, but including leased land, the net initial yield is 5.9%.[4]

[4] The value of the non-let land reserve (immediate development potential) amounts to ca. €20 million.

6.3.3.2 Overview of acquisitions in 2019

Montea acquires a leased plot in Born (NL) [5]

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. Acquired for an investment value of €37.2 million, 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.

Acquisition of a distribution centre in Oss (NL) [6]

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. ca 16,500 m². It is let to Expeditie & Transportbedrijf Dollevoet for a period of 4.5 years. The total investment value amounted to ca. €10.1 million.

Acquisition of a plot of land for development at Schiphol Airport (NL) [7]

Montea concluded a purchase agreement for a plot of land of ca. 21,500 m² near the A5 and A9 motorways at Schiphol Logistics Park (50 hectares in all). A new, 10,600 m² distribution centre can be developed here. The acquisition of this plot entailed an investment of ca. €5.0 million (including start-up costs).

Montea is planning to develop the first fossil-free building for logistics activities in Belgium under the name of 'Lumineus' [8]

- Acquisition of a 5.5-hectare plot for development situated on the Zolder-Lummen industrial zone for €7.3 million.
- Adjoining: Sale-and-rent back transaction for an 8,000 m² warehouse with 2,400 m² offices let to Bosal Emission Control Systems for a fixed term of 16 years for €7.4 million.

5 See press release of 21/02/2019 or www.montea.com for more information.
6 See press release of 4/04/2019 or www.montea.com for more information.
7 See press release of 4/04/2019 or www.montea.com for more information.
8 See press release of 20/06/2019 or www.montea.com for more information.

This project of ca. 30,000 m² will be developed on a strategic location near the Lummen interchange (interchange between E314 and E313) on a 5.5 hectare plot of land. The necessary energy for the entire building is supplied through a substantial investment in solar panels on the roof in combination with high-tech heat pumps.

The purchase of the 5.5-hectare plot was linked to the sale-and-rent back transaction of the adjoining industrial buildings of Bosal Emission Control Systems. The existing complex consists of a warehouse of ca. 8,000 m² with 2,400 m² of related offices and parking facilities. The entire complex has been rented back for a fixed term of 16 years.

Montea grows further in the Netherlands after the acquisition of the let building and a plot of land to be developed [9]

- Acquisition of let building of a multimodal nature in Tiel for €5.4 million
- Redevelopment of brownfield to sustainable space for contemporary logistics in Etten-Leur for €5.5 million (inclusive of decontamination costs)

Montea acquired the site of Currie Solutions in Tiel (NL). This land of over 16,000 m² with a modern logistics hotspot (ca. 4,300 m² warehouse and ca. 500 m² offices) is close to waterways and motorways. The site still boasts expansion possibilities for the client. A ten-year lease was concluded with Currie Solutions.

Montea acquired a historically polluted site of 37,500 m² at the Vosdonk Industrial Estate in Etten-Leur, where after decontamination and commercialization, it plans to develop a sustainable building of ca. 24,500 m² for contemporary logistics. The decontamination work has already got underway. Montea delivered a distribution centre of ca. 20,000 m² for Bas Logistic adjacent to the site last year. With the acquisition of this plot, Montea now owns a contiguous expanse of land totalling ca. 80,000 m².

Acquisition of 2 buildings in Le-Mesnil-Amelot (FR)

Montea acquired 2 leased logistics buildings (4,000 m² and 1,250 m²) located at Roissy Charles De Gaulle airport. Montea already owns logistics buildings of ca. 20,000 m² at this location. The buildings are leased to Bouygues Energie Services and to Mondial Air Fret respectively. These transactions have a total investment value of €2.7 million.

[9] See press release of 14/10/2019 or www.montea.com for more information.

Montea acquires a 7-hectare plot of land in Senlis (FR)

Montea has acquired a plot of land of ca. 71,000 m² at a top location in Senlis, on the A1 exit of the Lille-Paris axis. The site is part of an industrial estate with future development potential.

6.3.4 Development activity in 2019

6.3.4.1 Projects delivered in the course of 2019

A surface area of ca. 42,000 m² of pre-leased projects was delivered in the course of 2019 for a total investment amount of €45,0 million (exclusive of investments for solar panels) at a net initial yield of 6.5%. It concerns the following buildings:

- **Waddinxveen, Netherlands**: let to Isero and Dille & Kamille for a fixed term of 15 and 10 years respectively
- Start Q4 2018 – delivered on 12/07/2019
- **Heerlen, Netherlands**: let to Doc Morris for a fixed term of 15 years
- Start Q4 2018 – delivered on 23/09/2019

6.3.4.2 Projects in progress, delivery in 2020

In addition, Montea expects to complete a minimum surface area of ca. 47,000 m² of pre-let projects in the course of 2020, the development of which started already in 2019, for a total investment amount of €41.5 million and a net initial yield of 6.7%. It concerns the following properties:

- St-Laurent de Blangy, France [10]
- Start Q2 2019 – delivery Q2 2020
- Surface area: ca. 33,000 m² warehouse space and 1,900 m² office space
- Leased to Unéal-Advitam for a fixed term of 20 years
- Investment value: €19.0 million, of which €12.9 million were already invested as at 31/12/2019

- Meyzieu, France [11]
- Start Q3 2019 – delivery Q2 2020
- Surface area: ca 10,000 m² warehouse space
- Leased to Renault for a fixed term of 9 years
- Investment value: €12.3 million, of which 8.1 million were already invested as at 31/12/2019

[10] See press release of 04/04/2019 or www.montea.com for more information.
[11] See press release of 19/09/2019 or www.montea.com for more information.

- Circular and climate-neutral Blue Gate industrial estate in Antwerp, Belgium [12]
- Start Q4 2019 – delivery Q4 2020
- Surface area: ca 4,250 m² distribution centre (urban distribution with electric vehicles, cargo bikes)
- Leased to DHL Express for a fixed term of 15 years
- Investment value: €10.2 million – no outlays on 31/12/2019

A total budget of €21 million will be invested in the course of 2020 to finalize these projects.

6.3.4.3 Future projects in progress, delivery expected after 2020

In addition, Montea expects to deliver a surface area of ca. 165,000 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, excluding investments linked to these projects already made in 2019, is ca. €147 million.

- **Schiphol Airport (NL)**
- Acquisition of the plot of land (21,500 m²) in 2019 (see section 1.2.3.2)
- Amount already invested in 2019: €5.0 million

- Start of development: after commercialization (< Q4 2021)
- Surface area of distribution centre: ca 10,600 m²
- Estimated development investment budget: ca. €12 million

- **Lumineus (BE)**
- Acquisition of plot of land (55,000 m²) in 2019 (see section 1.2.3.2)
- Amount already invested in 2019: €7.3 million

- Start of development: after commercialization (< Q4 2021)
- Expected surface area of distribution centre: ca 30,000 m²
- Estimated development investment budget: ca. €18 million

- **Vosdonk industrial estate, Etten-Leur (NL)**
- Acquisition of plot of land (37,500 m²) in 2019 (see section 1.2.3.2)
- Amount already invested in 2019: €5.5 million

- Start of development: after decontamination and commercialization (< Q4 2021)
- Expected surface area of distribution centre: ca. 24,500 m²
- Estimated development investment budget: ca. €13 million

- **LP A12, Waddinxveen (NL)**
- Plot of land (remaining balance: 120,000 m²) under option13
- Acquisition of plot of land: Q2 2020
- Start of development: after commercialization (< Q4 2021)

[12] See press release of 19/12/2019 or www.montea.com for more information.
[13] See press release of 13/03/2017 or www.montea.com for more information.

- 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. €24 million
- A temporary loss of income has already been taken into account in the projected EPRA earnings per share for 2021

6.3.5 Developments in the photovoltaic portfolio

The investments in photovoltaic installations in 2019 will bring the total capacity of solar panels to 31 MWp at the end of 2019, capable of generating 29,000 MWh, comparable to the energy consumption of more than 8,000 households. Montea has only installed solar panels on the roofs of its Belgian and Dutch properties for the time being. In 2020, Montea will also look into whether to invest in photovoltaic installations on its roofs in France.

6.3.5.1 Installations in 2019

A total solar panel capacity of 16 MWp was installed on the roofs of the Montea's Belgian properties in 2019. This installation, for a total investment of ca. €9 million, accounts for a generation of 15,000 MWh, comparable with the energy consumption of more than 4,000 households.

A capacity of 8 MWp was also installed on the roofs of the company's buildings in the Netherlands. The investment budget for this installation amounted to ca. €4 million.

6.3.5.2 Expected installations after 2019

In the meantime, 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. €6 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. €4 million has been allocated for that purpose.

6.3.6 Divestment activity in 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 in Q1 2019. 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.

Building located in's-Heerenberg (NL) sold to Aberdeen Standard European Logistics Income PLC [14]

Montea concluded an agreement with Aberdeen Standard European Logistics Income PLC concerning the sale of a property located in 's-Heerenberg, which has been leased for many years to JCL Logistics. The actual sale took place in July 2019. The transaction was carried out for an amount of ca. €24.0 million, €0.2 million more than the fair value of the site as determined by the independent real estate expert on 30/06/2019.

6.3.7 Further strengthening and diversification of the financing structure

6.3.7.1 Strengthening of shareholders' equity

1/03/2019
Definitieve resultaten van het openbaar aanbod tot inschrijving op de kapitaalverhoging[15]

On 22 February 2019, Montea launched a public offering in Belgium for subscription to 2,847,708 new shares under a 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 set at €56.20 per new share and 9 irreducible allocation rights entitling the holder to subscribe to 2 new shares. 86.91% of the new shares (2,475,072 shares) were subscribed through the exercise of irreducible allocation rights, and the remaining 372,636 new shares through the exercise of scrips. The net proceeds (after deduction of certain costs) for holders of unexercised irreducible allocation rights amounted to €0.48 per coupon no. 20.

The number of Montea shares in circulation increased from 12,814,692 to 15,662,400 through this capital increase.

23/05/2019
Merger by acquisition with Bornem Vastgoed NV[16]

As a result of the merger by acquisition with Bornem Vastgoed NV, the capital of Montea Comm.VA as the absorbing company was increased by €1,915.72 and 188 new shares were issued. The total issued share capital of Montea amounted to €319,202,470.23 as at 21 May 2019. The capital is as of that date represented by 15,662,588 fully paid up ordinary shares listed on both Euronext Brussels and Euronext Paris.

[14] See press release of 20/06/2019 or www.montea.com for more information.
[15] See press release of 1/03/2019 or www.montea.com for more information.
[16] See press release of 13/06/2019 or www.montea.com for more information.

13/06/2019
Optional dividend result[17]

In total, 43% of coupons no. 21 (which represent the dividend for financial year 2018) were surrendered in return for new shares. 120,006 new shares were issued for a total issue amount of €8,733,076.63 (€2,445,722.28 in capital and €6,287,354.35 in issue premium) within the authorized capital. The newly created shares were admitted to training on Euronext Brussels and Euronext Paris as of 14 June 2019. The share capital of Montea is represented by 15,782,594.

6.3.8 Proposal to pay out a gross dividend of €2.54 per share

Based on the EPRA earnings of €3.28, the board of directors of Montea's statutory manager will propose a gross dividend of €2.54 gross per share (€1.78 net per share) as per a pay-out ratio[18] of 80% compared with the EPRA earnings. This means an increase in the gross dividend of 12% per share compared with 2018 (€2.26 gross per share), despite the increase of the weighted average number of shares by 26% as a result of the capital increase (creation of 2,847,708 new shares), the merger by acquisition with Bornem Vastgoed NV (creation of 188 new shares) and the optional dividend (creation of 120,006 new shares).

KEY RATIO'S	31/12/2019	31/12/2018
Key ratio's (€)		
EPRA result per share (1)	3,28	2,95
Result on the portfolio per share (1)	4,68	2,64
Variations in the fair value of financial instruments per share (1)	-0,84	-0,26
Net result (IFRS) per share (1)	7,12	5,34
EPRA result per share (2)	3,17	2,79
Proposed distribution		
Payment percentage (compared with EPRA result) (3)	**80%**	**81%**
Gross dividend per share	**2,54**	**2,26**
Net dividend per share	**1,78**	**1,58**
Weighted average number of shares	15.229.606	12.100.327
Number of shares outstanding at period end	15.782.594	12.814.692

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

17 See press release of 13/06/2019 or www.montea.com for more information.
18 The pay-out ratio of 80% was calculated on the basis of the EPRA earnings, not on the basis of the result available for distribution.

6.3.9 Other events in 2019

16/09/2019

Property management raised to a higher level with the arrival of Jimmy Gysels [19]

On 16/09/2019, Jimmy Gysels was appointed Chief Property Management at Montea. He will optimize property management from his new position so as to provide even better service to the current and future customers. Particular focus will be placed on the further sustainability of the portfolio, innovation and customer-oriented communication.

Since 01/03/2020 Jimmy Gysels is also one of the effective leaders of Montea.

6.3.10 Significant events after the balance sheet date

Based on the information available to Montea on the date of this annual financial report, Montea is currently unaware of any impact at this time on the financial data for financial year 2019.

The outbreak of the coronavirus pandemic at the beginning of 2020 and (the results of) the measures taken to contain the virus could possibly have an impact on Montea's financial performance in 2020.

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). Requests from tenants to stagger rents due over time are being considered on a case-by-case basis in order to find a balanced solution. Montea has not granted any rent reductions or waivers.

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) are provisionally at a standstill due to the measures imposed by the competent authorities to contain the coronavirus outbreak. Although the delay in delivery cannot be quantified with any certainty, works are expected to resume in mid-May. Each month of delay in delivery of these two projects in France has an impact of about € 125 K on the EPRA earnings (or about 0.2%). The two other sites in Antwerp (Blue Gate) and Amsterdam (Schiphol) have not been delayed so far.

[19] See press release of 16/09/2019 or www.montea.com for more information.

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.

On the financing front, Montea has a total debt of €65 million to refinance in 2020 and €39 million in ongoing commitments within the investment programme. On the other hand, Montea has € 40 million in cash and contracted credit lines not yet drawn. The company does not expect any difficulties in obtaining additional financing given its track record and low debt ratio.

With a debt ratio of 39% on 31 December 2019, Montea's consolidated balance sheet is highly solvent and Montea expects to be able to achieve its charted growth plan.

6.4 Strategy and objectives

➔ Montea literally offers its clients space to grow, through flexible and innovative real estate solutions. That is why Montea maintains an extensive network of estate agents, landowners, property developers and contractors.

➔ Montea converts its market knowledge into high-quality real estate investments that offer sustainable added value for clients and shareholders.

➔ Montea consists of a driven team of logistics real estate experts. With a good understanding of the client's needs, Montea searches for tailor-made qualitative solutions, adapted to the ever-changing economic situation.

➔ A share in Montea therefore offers a spread of risk, profitable growth and a stable dividend.

Montea acts in accordance with the following three key concepts:

Logistics real estate

Montea believes in the long-term value of logistics real estate. The total lifecycle of a logistics building is actually much longer than that of other institutional real estate categories. The requirements for architecture, changing techniques, clearance height or other technical specifications will change less rapidly than for other property categories such as offices. If certain renovations do occur throughout the life cycle of a building, the cost will be lower in relation to the total value than for other property categories. This makes logistics real estate an interesting long-term investment.

Pure player

Montea has opted to invest exclusively in logistics real estate. This enables Montea to focus exclusively on this niche. The teams in Belgium, the Netherlands and France are composed of specialists in this sector and can therefore aspire to be 'the best of the class' in their field. This distinguishes Montea from many other real estate companies that have opted to diversify their real estate categories, which means that they do not have a pure focus.

Final investor

Montea acts in the marketplace as final investor that takes a long-term view of its property portfolio. Using its expertise and experience in niche markets, Montea works with other parties in the sector, such as developers, construction companies, industrial parties and landowners, to become involved in the development process at an earlier stage. The build-to-suit project with Belron (Carglass) in Bilzen, DocMorris in Heerlen, Unéal-Advitam in St. Laurent de Blangy and the cooperation with Groep Cordeel, Bouwbedrijf Van de Ven, etc. are interesting examples of that vision. It is Montea's aim to continue carrying out this type of projects in the future.

6.5 Investments

6.5.1 Principal investments made in each closed financial year for the period covered by the historical financial information

For a description (including the amount) of Montea's main investments made during the past financial year, cf. Section 6.3 of this annual financial report.

6.5.2 Montea essential investments in progress or already earmarked

The investment commitments already made are included in Sections 6.3.4.2, 6.3.4.3 and 6.3.5 of this annual financial report.

6.5.3 Joint ventures and equity investments in other companies

For joint ventures or shareholdings in the capital of other companies, cf. Chapter 7 of this annual financial report (Organizational structure).

6.5.4 Sustainable entrepreneurship: Plan 2030/2050

At Montea, it is not a matter of profit for profit's sake, but of sustainable value growth. Sustainability, in the broadest sense of the term, has been ingrained in Montea's DNA for a long time and extends far beyond purely ecological considerations. Montea strives to think further ahead than current standards and legislation.

In 2020, Montea will go a step further: through research, the medium (2030) and long term (2050) vision of the future will be shaped in the Plan 2030/2050: Sustainability Vision for the Future. The renewed vision and ambitions will be linked to the 4Ps approach (People, Planet, Profit and Policy), which goes beyond the ESG criteria (Environmental, Social and Governance).

The development of Plan 2030/2050 starts with a baseline measurement, an inventory of the current initial situation. The level playing field will also be determined. The number of stakeholders of Montea is constantly increasing and these will be integrated in this research study. Montea is accountable not only to its customers and shareholders, but also to society -- a very important stakeholder because of the impact of our activities on, for example, mobility, use of space, pollution, ... Montea is aware of that impact and does not think in purely economic terms.

In a subsequent phase, both the existing portfolio and future projects will be thoroughly analysed and tested against the needs for the future.

The research study will lead to a concrete action plan with implementation in the medium (2030) and long (2050) term. Montea will therefore have this vision of the future permeate the Montea DNA and applied concretely in the field.

The first phase for the charting of Plan 2030/2050 has started and will be completed in the spring of 2020. Given the importance of this research for both Montea, the stakeholders and society, Montea will call on experienced partners for optimal results.

Needless to say, Montea will continue its current efforts on the sustainability front, to wit:

- 340,000 m² of logistics area is equipped with energy monitoring systems for the daily assessment of tenants' energy consumption. In this way, deviations in energy consumption can be detected at an early stage and can be acted upon quickly. In addition, energy consumption is an important parameter for the calculation of the ecological footprint.
- The relighting programme in Belgium is being further implemented in our warehouses. The lighting in all our older buildings is being replaced by energy-efficient LED lighting.
- The use of heat pumps, recuperation and reuse of water and the installation of charging stations for electric vehicles are now standard equipment in a new project to be developed.
- Montea supports the Dennie Lockefeer chair. This fundamental research conducted by this chair at the University of Antwerp, organizes scientific studies on multimodality and in particular how the use of inland waterways can provide a possible solution to improving mobility.
- Montea organizes seminars for the sector with partners (e.g. VIL, Spryg) on a regular basis to share knowledge with as many stakeholders as possible.

As an organisation, Montea is also responsible for the welfare of its own employees. The company encourages and stimulates its employees to be active in socially relevant initiatives in addition to their work. Montea is delighted to support projects and initiatives in which its own employees are closely involved.

- Roparun: Montea will participate in this annual relay race from Paris to Rotterdam in 2020. The proceeds from the event will be donated to Roparun, which works with people who have cancer.
- Montea participates annually in the IMMOrun, a sporting form of networking in the real estate world.
- Montea supports various charities, including De Kampenhoeve, a therapy centre with horses and donkeys -- an initiative of one of Montea's employees.
- Montea organizes activities and outings for its employees and their families on a regular basis.

6.6 Property report[20]

The research material concerns the countries and sub-markets where the property to be valued is located, namely the Belgian, Dutch and French industrial markets.

[20] Source: Report drawn up by Jones Lange Lasalle on 31/12/2019 at the request of Montea, where the real estate expert consented to the integral report being included in this annual report.

6.6.1 Belgium

Indicators

Indicator	2018	2019	2019 vs. 2018	5-year average 2014-2018	2019 vs. 5-y average	Trend
Take-up volume ('000 sq.m.)	808	925	15%	743	24%	↘
Take-up # transactions	70	60	-14%	56	7%	→
Stock (million sq.m.)	22.3	22.4	0.4%	21.5	4%	↗
Vacancy rate (%)	3	1.7	-130 bps	2.4	-70 bps	→
Completions ('000 sq.m.)	545	266	-51%	443	-40%	↗
Prime rent (€/sq.m./year)	55	55	0%	55	0%	↗
Investment volume (MEUR)	339	202	-40%	285	-29%	↗
Yield (%)	5.25	4.9	-35 bps	6.3	-22%	↘

Take-up

Volume

JLL registered a take-up volume of 925,000 sq.m. in 2019. The logistics market in 2019 thus achieved the second highest transaction volume of the last 10 years and the fourth highest since 2000. A total of 60 logistics transactions were registered throughout the year, 14% below the transaction count of 2018, but still 7% above the 5-year average.

The logistics market in 2019 was characterized by a high number of large transactions, three of which exceeded 50,000 sq.m. Both the category above 20,000 sq.m. and that between 10 and 20,000 sq.m. perform above their five-year averages.

In 2019, leases accounted for 62% of the volume, compared to 38% acquisitions for own occupation. Rental transactions rise from an average of 53% to 62% of the take-up volume, mainly as a result of high take-up in existing properties.

Average size and numbers

The average transaction this year varies from 10,000 sq.m. on the Antwerp-Brussels axis to 25,000 sq.m. on the Antwerp-Ghent axis. Overall, the average transaction was 15,600 sq.m., vs. a 5-year average of 13,300 sq.m.

Geographical spread

From a geographical point of view, JLL notes that the differences in volumes between the axes decrease. The Antwerp-Brussels axis remains the most important logistics axis in 2019, with a transaction volume of

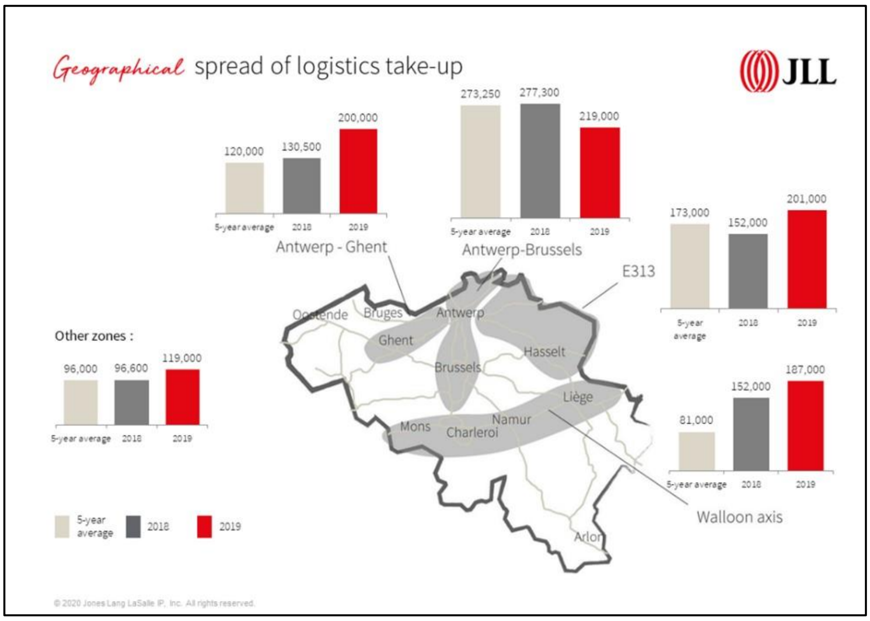
219,000 sq.m. or 24% of the total volume, the smallest share ever, due to the extremely low availability on this axis, currently under 2%. It remains, however, by far the axis with the highest number of transactions, 23 in 2019, in line with its 5-year average of 24. The largest transaction on the Antwerp-Brussels axis in 2019 was the letting of 23,000 sq.m. to Bakker Logistics in Boom, followed by a turn-key project of just under 20,000 sq.m. for Colruyt Collect & Go in Londerzeel, 17,000 sq.m. leased to Toyota Material Handling in Willebroek and the letting of 16,800 sq.m. to BD MyShopi in Bornem Logistics.

The Antwerp-Ghent, the E313 and the Walloon axes each represent just over one fifth of the volume this year, which means more than double the five-year average for the Walloon axis. The largest transactions along the Antwerp-Ghent axis include the 60,000 sq.m. distribution center that WDP is building for Barry Callebaut and the purchase of a logistics building of more than 36,000 sq.m. by transport company Hertsens in Kruibeke.

On the Walloon axis, Lidl is investing in a new 41,800 sq.m. distribution center in Magna Park La Louvière and Weerts Logistics is expanding its logistics building in Hauts-Sarts Milmort by 38,000 sq.m. In Heppignies, Cora signed up a lease on a project of 32,000 sq.m. under development by WDP and Cainiao (the logistics subsidiary of Alibaba) will set up a logistics platform of 30,000 sq.m. in Liège.

On the E313 axis (from Antwerp to Limburg and Liège), the largest transaction is a build-to-suit project of 75,000 sq.m. by Weerts, part of which was pre-let to Kühne & Nagel, on a multi-modal location on the limit of the municipalities of Beringen and Tessenderlo.

Both oth in number of transactions and in transactional volume the market is mainly concentrated in the Flemish Region, which accounted for 80% in 2019. The Walloon Region, mainly the provinces of Hainaut and Liège, represents 20% of the market in both volume and number of deals.



Vacancy levels in Europe remain at a historically low level, with an aggregated vacancy rate for Europe of 4.6% at the end of the third quarter 2019. In Belgium, immediately vacant logistics buildings are even more scarce. The Brussels area suffers from a lack of immediately available logistics space and in the Antwerp region, immediately vacant space has dropped to a record-low 1.7% of the stock. Reasons behind the low vacancy are the risk-adverse strategy of developers and the lack of freehold land for logistics development.

Future supply

With 266,000 sq.m. delivered at end December 2019 vs. 545,000 in 2018 and a 5-year average of 443,000 sq.m., the year marked a pause in development, with volumes approx. 31% below the average level of the past 10 years. The deliveries in 2019 were all non-speculative. Looking ahead, over 500,000 sq.m. are currently under construction, 96% of which non-speculatively. Large projects in the pipeline include the 75,000 sq.m. turn-key project for Weerts on the E313 axis, part of which is pre-let to Kühne & Nagel, 60,000 sq.m. for Barry Callebaut in Lokeren, a project by WDP, and 50,000 sq.m. for H. Essers in the port of Ghent. Developers invest in strategic land positions for the future development of build-to-suit projects.

Prime rents

The prime rent for the country remained stable at €55/sq.m./year in 2019. This rental level applies to the Brussels periphery. In the Antwerp area, prime rents for logistics are moving to €50/sq.m./year, particularly in the southern periphery. On other logistics axes the prime rent ranges from €43 to €48 per sq.m. p.a. The Walloon axis is an exception: on this axis an increase of 7% in prime rent was registered in 2019, from € 43 one year ago to currently € 46 per sq.m. p.a. An upward outlook applies due to low immediate vacancy, the scarcity and the rising price of land and the additional cost of the equipment to make warehouses sustainable.

Trends and perspectives

In 2019, logistics real estate recorded its second-best performance of the last 10 years with an average volume of more than 230,000 m² per quarter. In 2020, JLL expects the demand for logistics buildings to remain steady. Our seaports, inland ports and cargo airports are important assets in an increasingly multimodal logistics market and will attract a large part of future demand. Today we see major developments at multimodal hubs such as the port of Zeebrugge and the cargo airport of Liège.

In addition, building portfolios including logistics buildings will have to become more sustainable. Warehouses will be increasingly multimodal and energy neutral. More attention will be paid to issues such as the reduction of CO2 emissions and the well-being of employees. In addition, "supply chain real estate" such as cross-docks, urban logistics, e-fulfilment centres, container terminals, etc. will gain importance.

Newly developed technologies in automation and digitisation will influence the concept of logistics buildings. Automation at Nike, for example, allows their logistics buildings to be higher and higher, which in turn has a positive impact on the land use of the Laakdal site.

Top Occupier Market Transactions

Year	Qtr	Region LOG	Address	Sq.m.	Transaction	Type	Occupier
2019	3	Other	Port of Zeebrugge	78,000	Acquisition	Turn-key	Lingang
2019	4	E313	Industrial zone Tessenderlo	75,000	Acquisition	Turn-key	Weerts (part pre-let to Kühne & Nagel)
2019	3	Antwerp-Ghent	Industrial zone Lokeren	60,000	Letting	Turn-key	Barry Callebaut
2019	1	Walloon axis	Magna Park La Louvière	41,805	Acquisition	Turn-key	Lidl
2019	1	Walloon axis	Hauts-Sarts Milmort	38,000	Letting	Turn-key	Weerts Supply Chain

Investment

Volume

With a total transaction volume of close to € 400 million in 2019, the industrial and logistics investment market performed 11% below the level achieved in 2018. While investor appetite remains high, the limited level of speculative development acts as a brake on transaction volumes. Of the total volume invested, 51% representing more than € 202 million were invested in logistics properties, € 189 million or 49% in semi-industrial properties.

The number of transactions recorded in 2019, 28 in total, represented a 13% decrease year-over-year. Of this total 11 were logistics properties, a decrease from the previous year 2018, but only one transaction below the 10-year annual average of 12. The largest logistics transactions of 2019 include the acquisition of the Intervest portfolio by Ares Management for € 70 million, followed by the acquisition by Bentall GreenOak of the 80,000 sq.m. distribution centre of Carrefour in Nivelles for € 50 million, a sale by AG Real Estate.

Investors in logistics mainly targeted the prime logistics axis Antwerp-Brussels, the E313 axis Antwerp-Limburg and the Walloon province of Hainaut. In the price categories up to € 10 million the invested volume moved up the risk curve toward more opportunistic transactions, but demand for the large tickets focused on core, but equally on core+. The imbalance of supply and demand limits transaction volumes and puts downward pressure on yields.

Yields

The downward pressure resulted in a new prime yield of 4.90% for logistics properties in Belgium and 6.00% for semi-industrial properties, with further downward pressure due to the wall of money aimed at prime logistic product.

Yields are at historically low levels Europe-wide. As a comparison, the prime logistics yield at Q4 2019 amounted to 3.75% in Germany, 4.00% in France and in the Netherlands. In all main logistics markets surrounding Belgium, the forecasts point further downward.

Top Investment Transactions

Year	Qtr	City	LOG axis	Address	Sq.m.	PRICE (MEUR)	Seller	Buyer
2019	4	Various	E313	Opglabbeek & Houthalen	105,000	70	Intervest	Ares Managemen
2019	1	Nivelles	Antwerp-Brussels	Nivelles Logistics	79,800	50	AG Real Estate	Bentall Green(
2019	3	Houdeng-Goegnies	Walloon axis	Maxi Toys DC	45,000	20	Logitoys	Global Estat Group
2019	1	Strépy-Bracquegnies	Walloon axis	Route du Grand Peuplier	31,000	13.5	Abelim	BSI
2019	2	Meer	Antwerp-Brussels	Riyadhstraat	22,000	9.2	CBRE GI	Bentall Green(

6.6.2 The Netherlands

Indicators

Fundamentals		Forecast
Take-up 2019	2.0 million sq m	=
Vacancy rate 2019 Q4	3.4%	▲
Investment 2019	€ 2.7 billion	=
Prime net initial yield	3.9%	▼

Take-up

Changes in consumer behavior, mainly in regards to online shopping, has led to changing occupier needs for logistic space. Not only has demand for XXL distribution warehouses been high recently, but also last-mile delivery space and cross dock facilities have gained traction.

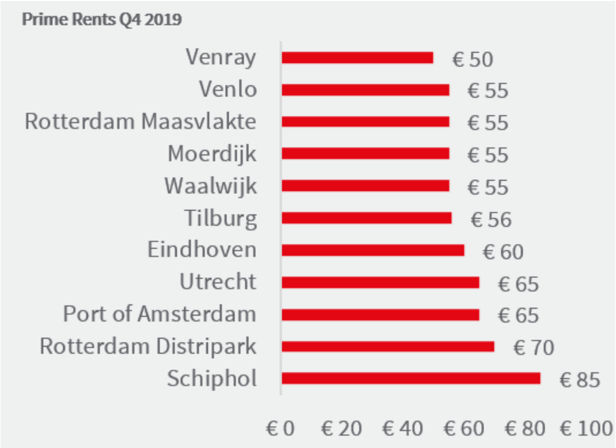
The take-up in Q4 2019 amounted to almost 750,000 sq m, up 45% compared to Q3 2019, but down 38% versus Q4 2018. The total take-up volume in 2019 summed up to almost 2.0 million sq m, which is 39% lower compared to 2018 but still relatively high compared to previous five years. Take-up volume is subdued due to the lack of available supply, which currently stands at 3.4%. Just 17% of the total supply is of A-grade quality. The largest transaction in 2019 was recorded in a built-to-suit warehouse of 140,000 sq m by Zalando in Bleiswijk.

Future Supply

Currently, over 2 million sq m of warehouse space is under construction of which 1.2 million sq m is already pre-let. Developers are willing to take more risk by not only to build on a pre-let basis, but also by adding an extra speculative units to the development scheme.

Prime Rents

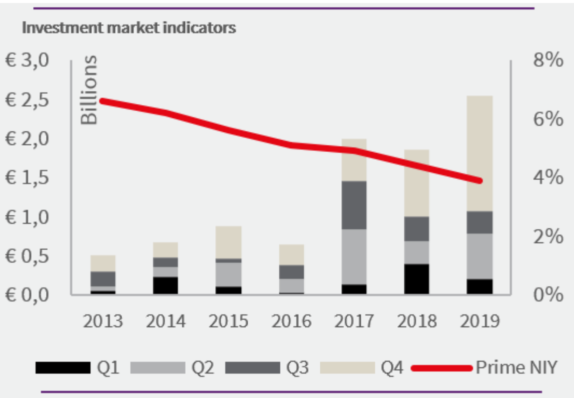
With new developments nearing completion, prime rents have been stable over the past quarters after a period of rental growth. However, due to the pressure on the market, JLL expects further rental growth.



Investment

Volume

With a total of almost €1.6 billion, the investment volume of 2019 Q4 for distribution warehouses has been the highest ever recorded. Investment volume over 2019 therefore summed up to €2.7 billion, up 46% compared to 2018. The surge in volume was fueled by several by large portfolio deals such as the LogChain One portfolio. These portfolios included mainly large A-grade logistic properties. Increased appetite for logistic schemes has led to further sharpening yields, currently standing at a historic low of 3.9% NIY.

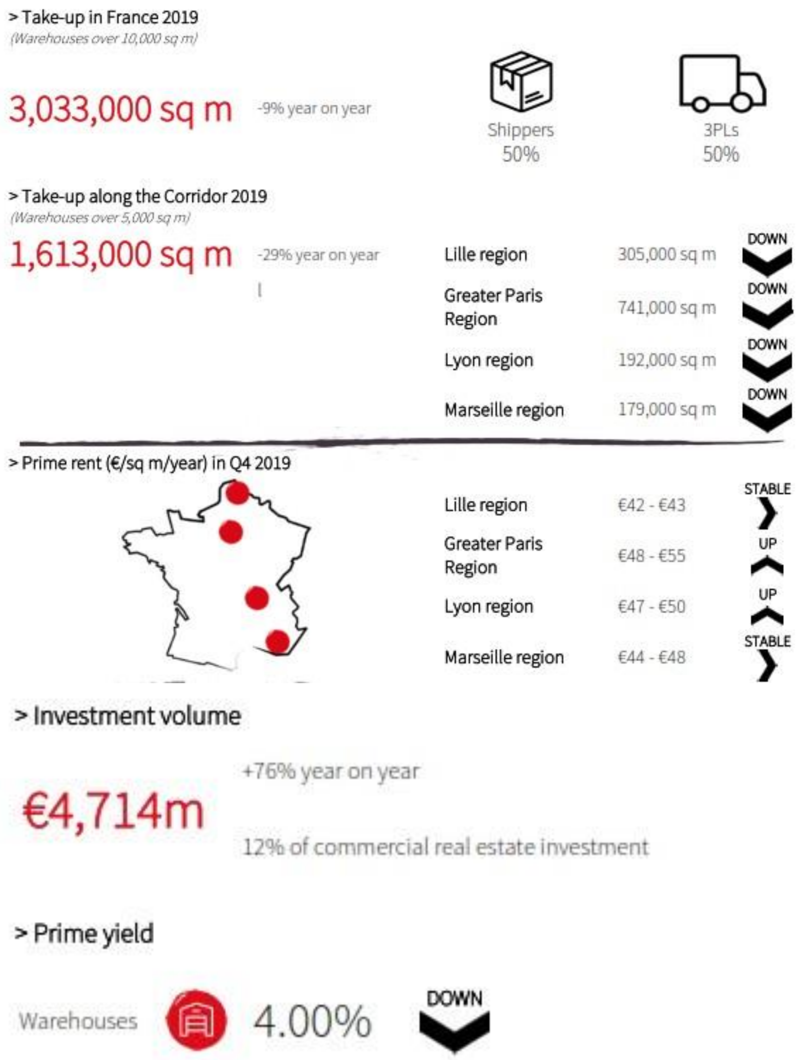


Investment market indicators

Yield

Investment appetite in the Netherland for logistics real estate will remain high in the foreseeable future. High quality investment product remains scarce and therefore, yields are expected to sharpen further in 2020. Investors are widening their scope and will look at other locations and types of logistic schemes.

6.6.3 France



Global economy

Uncertainty persists in the global macro-economic climate, although the overall outlook has seen some improvement in recent weeks: the UK elections resulted in a clear parliamentary majority allowing the government to move forward with Brexit, while the United States and China have announced an agreement that will put an end to the trade war which has been weighing on global growth for the last 2 years.

However, some data is less encouraging, such as the sustained slowdown in the German economy which is suffering from its exposure to the industrial sector an to the global economy as well as the economic slowdown that has been recorded in the United States and in China with one risk after another, early January saw renewed geopolitical turbulence between the United States and Iran following the death of

General Qasem Soleimani, in Baghdad, the medium-term consequences of which remain unknown. In addition, the US presidential elections (and all of the uncertainty that they bring) are due to take place at the end of 2020 as well as Brexit and the lengthy negotiations that will be played out between the EU and the United Kingdom over the coming months.

France economy

With 0.3% growth over Q3 2019 (similar to over the 2 previous quarters), the French economy has remained resilient to the current international climate.

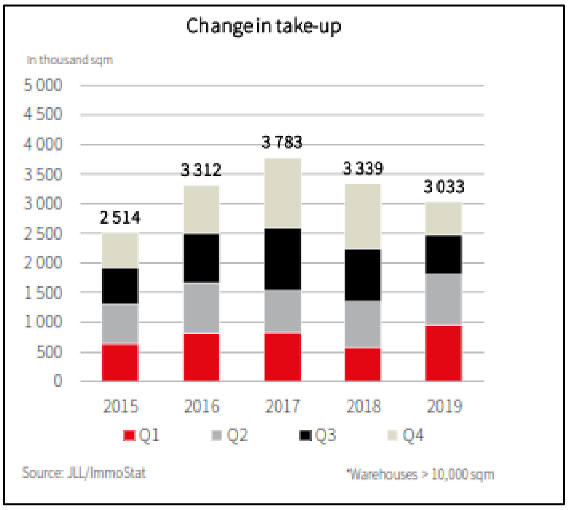
This resilience has mainly been driven by strong domestic demand. Business investments remain high and are still benefiting from favourable financial terms, while the Business Climate ended the year at 106 points, compared with 101 at the end of 2018. Household consumption also benefited from an increase in purchasing power (expected to rise by 2.3% in 2019) which resulted in a rise in the consumer confidence indicator; after having fallen to 87 points a year ago, the index stood at 106 points in November 2019. The proportion of householders carrying out large purchases rose by 1 points compared with October and householders' opinions regarding their future financial position rose by 2 points.

However, there was a slight increase in unemployment over Q3 2019 (+0.1%) to 8.6% of the French population.

Finally, there was a considerable increase in inflation by the end of 2019 (1.4% compared with 1% in November); this was largely due to oil price increases, while the cost of food and tobacco rose at the same rates as in November.

Take-up

Following a particularly active H1 with 1.8 million sq m of take-up, activity in the French market for warehouses over 10,000 sq m stalled over the second half of the year with just 1.2 million sq m in transactions. However, with 3,033,000 sq m of take-up over the year as a whole (-9% year on year), over 3 million of sq m of take-up was recorded in the logistics market for the 4th year in a row.



There was also a reduction in the number of transactions (-27% year on year). Analysis of activity in the various space segments reveals strong occupier appetite for XXL spaces (>40,00 sq m). This was the only segment to see an increase in the number of transactions (+24%). Conversely, transactions for spaces in the 20,000 to 40,000 sq m segment posted a sharp decrease (-43%).

3PLs and shippers accounted for a fairly similar proportion of the market. However, in terms of the number of transactions, 3PLs were more strongly represented with 56%.

In 2019, secondary markets overtook the main markets of the Logistics Corridor. As a result, 53% of activity was recorded outside of markets in the Corridor.

Take-up in the Paris region stood at 741,000 sq m which remained the most active market with 24% of the transaction volume. The Lille region, which posted a -44% year-on-year decrease, accounted for 10% of the market. The Marseille and Lyon regions accounted for 6% each.

Future supply

Immediate supply started to rise with 701,000 sq m of warehouse availability in the Greater Paris Region by the end of 2019, giving a vacancy rate of 5.5%. This volume remains fairly limited in comparison with the annual average.

In the Lille market, there was a considerable increase in immediate supply which has doubled over the last 12 months to 145,000 sq m by the end of 2019. Such a level has not been seen since 2015 and does bring a degree of fluidity to the Lille market following several years with a vacancy rate of under 2,5%.

In the Lyon market, immediate supply continued to fall, following a sharp decrease in 2018. As at the end of 2019, availability stood at 118,000 sq m. At this level, the region’s logistics market is tense with a vacancy rate of 2.1%.

In the Marseilles market, further erosion was seen in immediate supply in this region which is suffering from a severe lack of availability (vacancy rate at 1.2%). However, a number of releases are expected which should contribute to immediate supply.

Prime rent

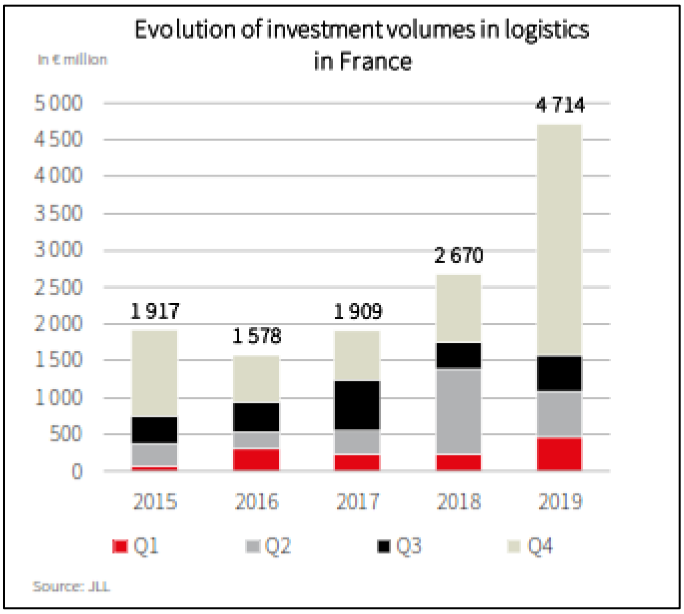
The prime rent for the Lyon region rose to €50 per sq m/year and to €55 per sq m/year in the Paris region, the highest in the country. The prime rent in Marseille region stood at €48 per sq m/year and €43 per sq m/year in the Lille region.

Investment

Following an exceptional year in 2018 with €2.7 billion in investments, 2019 managed to set a new record. A grand total of €4.7 billion was invested in the French logistics real estate market (+76% year on year); this equates to 12% of the overall investment volume for French commercial real estate in 2019. There was a considerable surge in activity towards the end of the year and €3.1 billion was invested over Q4 2019 alone.

This strong performance was due to a particularly high number of transactions (88 compared with an average of 41) as well as the conclusion of a major transaction: ARGAN's acquisition of the Cargo portfolio (22 platforms).

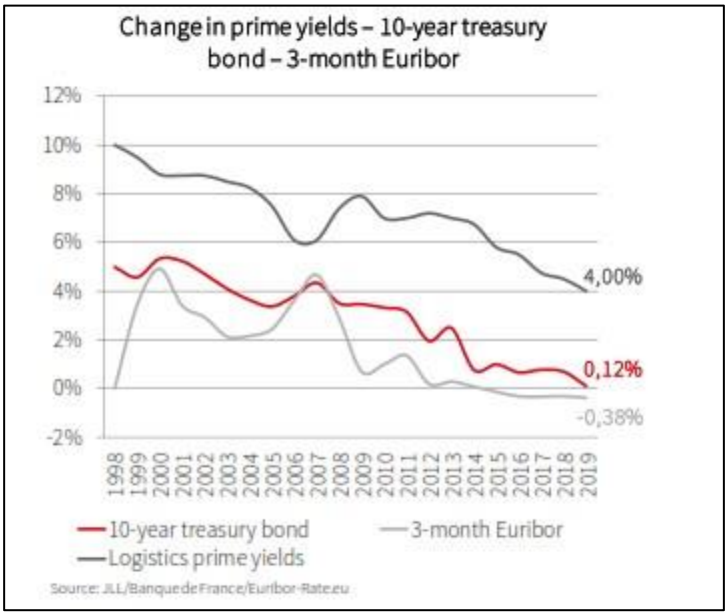
Despite a record number of portfolio disposals (21 in 2019, compared with an average of 10), there was a slight decrease in their overall share of activity. They accounted for 24% of transactions in 2019, compared with 27% in 2018.



The growth in activity seen for this asset class was the result of a dual change in the market: investor appetite for an asset class that is perceived as being increasingly strategic in the retail value chain as well as yield compression that offers good opportunities for vendors to create added-value.

The French logistics market is more attractive than ever to foreign investors who accounted for 55% of investments in 2019. American investors were the most active with 17% of the investment volume. German and British investors each accounted for 6% of investments.

The market is now more tense than ever with a widespread lack of core product which has resulted in further prime yield contraction. The prime yield now stands at 4.00%



Outlook

Investor appetite for logistic real estate continued and grew even stronger over 2019. This enthusiasm is unlikely to wane over the coming months and, given the volume of projects underway, 2020 is set to be a good year.

Historically overlooked due to their location outside of the Logistics Corridor, secondary markets are now equally of interest to buyers as the primary markets.

The ECB's monetary policy should remain favourable over 2020 with interest rates maintained at a low lever. Given this climate and the sustained level of demand, the prime yield continued to fall to 4.00% with levels now under unprecedented pressure. It is highly likely that this will fall to under 4.00% in 2020.

6.6.4 Montea’s property portfolio as at 31/12/2019

Montea's total property portfolio amounts to €1,159.3 million, consisting of the valuation of the property portfolio buildings, inclusive of the fair value of the current developments (€64.0 million) and the fair value of the solar panels (€12.2 million).

For more information on Montea's property portfolio as at 31/12/2019, cf. Section 8.1.2.2.

6.6.5 Conclusions of the real estate expert[21]

To the Board of Directors Montea Comm VA openbare GVV
Industrielaan 27 bus 6
9320 Erembodegem

Dear Sirs,

Re : Valuation of the real-estate portfolio of Montea as at 31st December 2019.

Context

In accordance with Chapter III, Section F of the law of 12th of May 2014 on B-REITs, Montea has instructed an independent valuer to provide an opinion of value for its portfolio as at 31st December 2019. We have been mandated to value the entire portfolios in Belgium, The Netherlands and France. Furthermore we have consolidated the results of the valuation of which the main conclusions are listed hereunder.

Jones Lang LaSalle has been active in Belgium since 1965 and has a long track record in valuing professional real estate. We benefit from sufficient knowledge of the property markets in which Montea is active, as well as the required professional qualifications and recognition to fulfil this assignment. The mission of the valuer has been carried out in full independence.

Consistently with market practice, our mission has been carried out on the basis of information provided by Montea, in particular relating to tenancy situation, costs and taxes borne by the landlord, works to be carried out, as well as any other element which could have an influence on the assets' value. We have assumed this information to be correct and complete. As specifically mentioned in our reports, our valuation does not constitute in any way a quality or technical survey of the properties, nor an analysis of the possible presence of deleterious materials. These elements are well known by Montea, which carries out a technical and legal due diligence prior to the acquisition of each property.

Opinion

The investment value is defined as the most likely value that could reasonably be obtained on the date of valuation in normal sales conditions between willing and well-informed parties before deduction of transaction costs.

As our principal valuation method we have adopted a static capitalisation approach and also carried out a simple "sanity check" in terms of price per square meter.

The static capitalisation is carried out in the form of a "Term and Reversion" valuation, with the current income based on contractual rents capitalised until the end of the current contract, and the ERV capitalised in perpetuity and brought to a net present value. It should be noted that this method of valuation applies a multiplier to the current and future expected rent that is based on analysis of applies a multiplier to the current and future expected rent that is based on analysis of sales of comparable properties in the market.

[21] The property assessor's full report dated 31/12/2019 is not included in this annual report, but the conclusions only. This is because the full report contains confidential information that may be of interest to the competition. This report was drawn up at the request of the issuer, with the property specialists agreeing to the inclusion of the conclusions in this annual report.

The multiplier depends on the yield that investors require when acquiring in this market. The yield reflects the risks intrinsic to the sector (future voids, credit risk, maintenance obligations, etc.). Where there are unusual factors specific to the property, then an explicit correction is made either, for example:

- Non-recovered charges or taxes in a market where recovery from the tenant is usual;
- Renovation work or deferred repairs necessary at the date of valuation in order to continue to receive the rent;
- Unusual outgoing costs.
- Concession deeds
- Development potential

It is important to understand the distinction between this “capitalisation” approach and the discounted cash flow method where future growth and inflation are explicit. This difference is why discount rates in a discounted cash flow valuation are higher than yields in a static capitalisation approach.

The yields used are based on the valuer’s judgement in comparison with evidence of comparable sales. Factors in the market that determine yield are numerous, and different factors are of importance to different buyers. The following criteria are often taken into account: the quality of the tenant and duration of the lease, the location, the state of repair, the age and the architectural quality of the building and also the efficiency of the building (gross to net ratio/parking ratio).

Ultimately it is supply and demand in the investment market that determines the price. For the financial accounting of a B-REIT and in accordance with the IAS/IFRS norms it is common practice to use the fair value. Following a press release of the Belgian Association of Asset Managers (BEAMA), dated 8 February 2006, the fair value of the Belgian properties can be obtained by subtracting 2,5% transaction costs from properties with an investment value of more than € 2.500.000. For properties with an investment value under € 2.500.000 full registration duties should be subtracted, depending on the region where they are situated.

A/ Properties held as an investment

In the light of all comments mentioned above, we confirm that the investment value of the consolidated Montea property portfolio as at 31st December 2019 amounts to a total of

1.078.819.900 €
(One billion seventy-eight million and eight hundred nineteen thousand and nine hundred Euros);

This amount includes the investment value of the buildings held as an investment in Belgium, The Netherlands and France.

The most likely sale value corresponding to the fair value of this consolidated Montea property portfolio as at 31st December 2019 amounts to a total of

1.029.104.500 €
(One billion twenty-nine million one hundred and four thousand and five hundred Euros);

this amount includes the fair value of the buildings held as an investment in Belgium, The Netherlands and France.

On this basis, the initial yield of the portfolio is 6,23%.

B/ Properties under development

In the light of all comments mentioned above, we confirm that the investment value of the consolidated Montea property portfolio as at 31st December 2019 amounts to a total of

52.811.200 €
(Fifty-two million eight hundred eleven thousand and two hundred Euros);

This amount includes the investment value of the buildings under development in Belgium, The Netherlands and France.

The most likely sale value corresponding to the fair value of this consolidated Montea property portfolio as at 31st December 2019 amounts to a total of

51.815.300 €
(Fifty-one million eight hundred and fifteen thousand and three hundred Euros);

this amount includes the fair value of the buildings under development in Belgium, The Netherlands and France.

C/ Right of use - concession (Belgium)

In the light of all comments mentioned above, we confirm that the most likely sale value, corresponding to the fair value of the right of use of the consolidated Montea property portfolio as at 31st December 2019 amounts to a total of

54.840.000 €
(Fifty-four million eight hundred and fort thousand Euros);

this amount includes the fair value of the right of use (concession properties) of the portfolio in Belgium.

D/ Solar panels

In the light of all comments mentioned above, we confirm that the most likely sale value, corresponding to the fair value of the solar panels of the consolidated Montea property portfolio as at 31st December 2019 amounts to a total of

12.194.700 €
(Twelve million one hundred ninety-four thousand and seven hundred Euros);

this amount includes the fair value of the solar panels of the portfolio in Belgium and The Netherlands.

E/ Solar panels under development

In the light of all comments mentioned above, we confirm that the most likely sale value, corresponding to the fair value of the solar panels under development of the consolidated Montea property portfolio as at 31st December 2019 amounts to a total of

12.189.100 €
(Twelve million one hundred eighty-nine thousand and one hundred Euros);

this amount includes the fair value of the solar panels under development of the portfolio in Belgium and The Netherlands.

The property portfolio comprises:

31/12/2019

INVESTMENT PROPERTIES	Initial Yield	passing rent	Potential rent	ERV	Investment value	Fair value	Net value ('kosten koper')
Belgium	7,17%	34.442.544 €	34.620.414 €	32.545.516 €	480.378.800 €	468.563.500 €	437.593.900 €
The Netherlands	5,53%	24.154.842 €	24.154.842 €	23.943.077 €	436.867.500 €	409.650.000 €	409.650.000 €
France	5,35%	8.642.050 €	9.379.840 €	9.327.363 €	161.573.600 €	150.891.000 €	150.891.000 €
TOTAL	**6,23%**	**67.239.436 €**	**68.155.096 €**	**65.815.956 €**	**1.078.819.900 €**	**1.029.104.500 €**	**998.134.900 €**

UNDER DEVELOPMENT	Initial Yield	passing rent	Potential rent	ERV	Investment value	Fair value	Net value ('kosten koper')
Belgium					20.140.400 €	19.649.200 €	18.309.500 €
The Netherlands					9.382.900 €	9.290.000 €	9.290.000 €
France					23.287.900 €	22.876.100 €	22.876.100 €
					52.811.200 €	**51.815.300 €**	**50.475.600 €**

TOTAL PORTFOLIO	Initial Yield	passing rent	Potential rent	ERV	Investment value	Fair value	Net value ('kosten koper')
Belgium					500.519.200 €	488.212.700 €	455.903.400 €
The Netherlands					446.250.400 €	418.940.000 €	418.940.000 €
France					184.861.500 €	173.767.100 €	173.767.100 €
					1.131.631.100 €	**1.080.919.800 €**	**1.048.610.500 €**

31/12/2019					
Building code	remaining leasehold/ concession duration	right of use (fair value)	IFRS 16 - Concession Cost - Gross	IFRS 16 - Concession Cost - Net	Concession cost
RIGHT OF USE		**54.839.966**	**56.210.966 €**	**54.839.966 €**	**3.556.959 €**
P007 - Grimbergen	39,50	1.557.741 €	1.596.684 €	1.557.741 €	109.810 €
P040 - Brucargo 830	93,00	8.799.461 €	9.019.447 €	8.799.461 €	543.576 €
P043 - Brucargo 765	93,49	1.252.524 €	1.283.837 €	1.252.524 €	93.212 €
P044 - Brucargo 831	42,87	2.717.706 €	2.785.648 €	2.717.706 €	182.116 €
P045 - Evenstuk + extension	55,67	3.964.399 €	4.063.509 €	3.964.399 €	259.257 €
P048 - Hulsdonk	48,50	1.101.788 €	1.129.333 €	1.101.788 €	82.140 €
P049 - Brucargo 738/1	94,00	2.293.822 €	2.351.168 €	2.293.822 €	141.662 €
P075 - Brucargo 738/2	94,00	1.640.906 €	1.681.928 €	1.640.906 €	99.689 €
P047 - DHL Hub	45,62	20.631.450 €	21.147.236 €	20.631.450 €	1.346.178 €
P076 - Bilzen Belron	47,50	4.266.917 €	4.373.590 €	4.266.917 €	280.004 €
P079 - Luik Flexiport	97,00	3.783.723 €	3.878.316 €	3.783.723 €	229.704 €
P078 - WFS	42,87	2.829.530 €	2.900.269 €	2.829.530 €	189.610 €

31/12/2019									
	Installed power	Yearly GPC	Rate per GPC	Start date GPC	End date GPC	Discount rate GPC	Discount rate prod	Total net income at valuation	Investment value
SOLAR PANELS	**6.219,944**	**7.262**	**2.766**					**1.711.783 €**	**12.194.686 €**

31/12/2019		
	Site	Fair value
SOLAR PANELS UNDER DEVELOPMENT		
TOTAL		**12.189.076 €**

Yours sincerely,

Brussels, 10th March 2020

Greet Hex MRICS
Director
Valuation and Consulting
On behalf of Jones Lang LaSalle

7. Organizational structure

The Montea group comprised the following companies as at 31 December 2019:

Montea Management NV
Statutory manager of Montea.

1. Montea Comm. VA
   Registered Office: 27 Industrielaan box 6, B-9320 Erembodegem (Aalst)
   VAT BE0417.186.211

2. Montea SCA[22] (Branch) (100%)
   Registered Office: FR-75008 Paris, 18-20 Place de la Madeleine
   PARIS TRADE AND COMPANIES REGISTER 497 673 145 00023 | VAT FR06497673145

   Montea set up a branch for its real estate activities in France under the name of Montea SCA, which acquired SIIC status as of 24 April 2007. Montea holds shares in eight French companies through this permanent establishment.

   a. SCI[23] Montea France (100%)
   Registered Office: FR-75008 Paris, 18-20 Place de la Madeleine
   PARIS TRADE AND COMPANIES REGISTER 493 288 948 | VAT FR33493288948

   b. SCI 3R (100%)
   Registered Office: FR-75008 Paris, 18-20 Place de la Madeleine
   PARIS TRADE AND COMPANIES REGISTER 400 790 366 | VAT FR44400790366

   c. SCI Sagittaire (100%)
   Registered Office: FR-75008 Paris, 18-20 Place de la Madeleine
   PARIS TRADE AND COMPANIES REGISTER 433 787 967 | VAT FR79433787967

   d. SCI Saxo (100%)
   Registered Office: FR-75008 Paris, 18-20 Place de la Madeleine
   PARIS TRADE AND COMPANIES REGISTER 485 123 129 | VAT FR23485123129

   e. SCI Sévigné (100%)
   Registered Office: FR-75008 Paris, 18-20 Place de la Madeleine
   PARIS TRADE AND COMPANIES REGISTER 438 357 659 | VAT FR48438357659

   f. SCI Socrate (100%)
   Registered Office: FR-75008 Paris, 18-20 Place de la Madeleine
   PARIS TRADE AND COMPANIES REGISTER 481 979 292 | VAT FR16481979292

   g. SCI APJ (100%)
   Registered Office: FR-75008 Paris, 18-20 Place de la Madeleine
   PARIS TRADE AND COMPANIES REGISTER 435 365 945 | VAT FR25435365945

22 Société d'Investissement Immobiliers Cotée.

23 Société Civile Immobilière [investment company that rents out property]

h. SCI MM1 (100%)
Registered Office: FR-75008 Paris, 18-20 Place de la Madeleine
PARIS TRADE AND COMPANIES REGISTER 393 856 463 | VAT FR82393856463

3. SFG BV (100%)
Registered Office: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg | VAT NL853810151B01
Business address: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg

4. Montea Nederland NV (100%)
Registered Office: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg | VAT NL853208785B01
Business address: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg

a. Montea Almere NV (100%)
Registered Office: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg | VAT NL853209625B01
Business address: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg

b. Montea Rotterdam NV (100%)
Registered Office: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg | VAT NL853631712B01
Business address: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg

c. Montea Oss NV (100%)
Registered Office: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg | VAT NL854488522B01
Business address: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg

d. Montea Beuningen NV (100%)
Registered Office: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg | VAT NL854488339B01
Business address: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg

e. Montea ‘s Heerenberg NV (100%)
Registered Office: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg | VAT NL854800232B01
Business address: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg

f. Montea Tiel NV (100%)
Registered Office: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg | VAT NL814882651B01
Business address: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg

g. Europand Eindhoven BV (100%)
Registered Office: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg | VAT NL814882651B01
Business address: EnTrada, Ellen Pankhurstraat 1c, 5032 MD Tilburg

8. Operating and financial review

8.1 Financial condition

8.1.1 Historical figures

For a description of Montea's financial condition (including the changes in the financial condition and the operating results as well as the causes of said changes -- if they are material and insofar as necessary for a proper understanding), reference is made to the sections of Montea's annual financial reports for 2017 and 2018 which are included in this annual report by way of reference.

Financial condition (Annex 1 of Regulation (EC) no. 2019/980, under 7.1)	
Annual finar report 2017	• "Key figures" (p. 32-33) • "Consolidated balance sheet as at 31 December 2017" (p. 123) • "Statement of changes in consolidated shareholders' equity as at 31 Decen 2017" (p. 127)
Annual finar report 2018	• "Key figures" (p. 33-34) • "Consolidated balance sheet as at 31 December 2018" (p. 137) • "Statement of changes in consolidated shareholders' equity as at 31 Decen 2018" (p. 141)
Annual finar report 2019	• "Key figures" (p. 19) • "Consolidated balance sheet as at 31 December 2019" (p. 46) • "Statement of changes in consolidated shareholders' equity as at 31 Decen 2019" (p. 123)

8.1.2 Summary of financial results

8.1.2.1 Condensed consolidated overview of the results before profit appropriation as at 31 December 2019 (in thousands of euros)

ABBREVIATED CONSOLIDATED PROFIT & LOSS ACCOUNT (K EUR) Analytical	31/12/2019 12 months	31/12/2018 12 months
CONSOLIDATED RESULTS		
NET RENTAL RESULT	**65.063**	**49.883**
PROPERTY RESULT	**68.135**	**52.068**
% compared to net rental result	**104,7%**	**104,4%**
TOTAL PROPERTY CHARGES	**-2.047**	**-1.730**
OPERATING PROPERTY RESULT	**66.089**	**50.338**
General corporate expenses	-4.207	-4.224
Other operating income and expenses	-172	-61
OPERATING RESULT BEFORE THE PORTFOLIO RESULT	**61.710**	**46.053**
% compared to net rental result	**94,8%**	**92,3%**
FINANCIAL RESULT excl. Variations in fair value of the hedging instruments	**-11.356**	**-10.239**
EPRA RESULT FOR TAXES	**50.354**	**35.814**
Taxes	**-357**	-89
EPRA Earnings	**49.997**	**35.724**
per share (1)	**3,28**	**2,95**
Result on disposals of investment properties	434	3
Result on disposals of other non-financial assets	0	0
Changes in fair value of investment properties	70.773	31.975
Other portfolio result	0	0
PORTFOLIO RESULT	**71.207**	**31.978**
Changes in fair value of financial assets and liabilities	-12.739	-3.127
RESULT IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**-12.739**	**-3.127**
NET RESULT	**108.465**	**64.575**
per share	**7,12**	**5,34**

- Summary

  The EPRA result increased by 40% from €35.7 million in 2018 to €50.0 million in 2019. The EPRA earnings per share amounted to €3.28 in 2019, an increase of 11% compared with 2018 (€2.95).

  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 €61.7 million, an increase of 34% compared with 2018.

  - The net rental result amounts to €65.1 million, an increase of 30% (or €15.2 million) compared with the same period in 2018 (€49.9 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 2019 and 2018), the level of rental income increased by 3.5%, driven mainly by success in letting vacant units (+ 1.2%), renegotiating existing contracts (+ 0.4%) and the indexing of leases (+ 1.9%).

- The property result amounts to €68.1 million and is up by €16.1 million (or 31%) compared with the same period last year, mainly as a result of the increase in the net rental result, an increase in solar panel income and an increase in chargeable property costs due to higher occupancy rate.
- The property costs and overheads rose slightly, by €0.4 million in 2019 compared with 2018, mainly as a result of a higher subscription tax (calculated as a function of shareholders' equity) leading to an increase in the operating property result before the result on the portfolio of €15.7 million or 34% compared with the same period last year (from €46.1 million in 2018 to €61.7 million in 2019).
- The operating margin[24]* amounts to 90.6% for the fully year 2019, compared with 88.5% in 2018.

❑ The financial result excluding changes in the fair value of financial instruments amounts to -€11.4 million compared with -€10.2 million in 2018.

The net negative financial result as at 31 December 2019 amounts to €11.4 million and has increased slightly by €1.1 million compared with the same period last year, mainly due to the impact of the recognized lease obligations relating to concession land which, pursuant to IFRS 16 of 1 January 2019 is accounted for through the financial result instead of the Net Rental Income. The total financial debt (including bonds and lease debt) as at 31 December 2019 is 99% hedged compared with a hedging ratio of 91% at the end of 2018.

The average financing cost[25]* calculated on the average financial debt amounts to 2.2% for financial year 2019 compared with 2.6% for financial year 2018.

The drop in the average financing cost is due mainly to the further elaboration of the interest rate hedging restructuring programme.

❑ EPRA earnings of €3.28 per share, an increase of 11% compared with 2018.

The EPRA earnings for 2019 amount to €50.0 million, an increase of 40% compared with the same period last year. The EPRA earnings per share rose by 11% to €3.28 in 2019, taking into account a 26% increase in the weighted average number of shares.

❑ Proposed gross dividend of €2.54 per share, an increase of 12% compared with 2018.

Based on the distributable result, Montea will propose a gross dividend of €2.54 per share to the general meeting of shareholders. This represents an increase in the gross dividend per share of 12% compared with 2018.

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

25 * 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.

- The result on the property portfolio[26] amounted to €71.2 million.

  The result on the property portfolio for financial year 2019 amounted to €71.2 million, or €4.68 per share.[27] The increase in value is due to a lowering in yield linked to the market trend, the added value on project developments, and the signing of new rental contracts.

  In the valuation of solar panels, capital gains are entered under a separate equity component. Losses are also recorded under this component unless they are realized or unless the fair value drops under the original investment cost.
  The result on the property portfolio is a non-cash item and has no impact whatsoever on the EPRA earnings.

- The negative change in the fair value of financial instruments amounted to - €12.7

  The negative change in the fair value of financial instruments amounted to -€12.7 or -€0.84 per share at the end of 2019. The negative impact arises out of the change in the fair value of the interest rate hedges taken out as a result of the declining long-term interest rate expectations in the course of 2019.

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

- Net result (IFRS) amounts to €108.5 million, an increase of €43.9 million compared with 2018

  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 2019 (€108.5 million) rises by €43.9 million compared with the previous year thanks to an increase in the EPRA earnings on the one hand and the positive change in the fair value of the investment properties on the other, partially offset by the negative change in the fair value of the financial instruments.

  The net result (IFRS) per share[28] amounts to €7.12 compared with €5.34 in 2018.

26 *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.
27 Calculated as the result on the property portfolio on the basis of the weighted average number of shares
28 Calculated on the basis of the weighted average number of shares.

8.1.2.2 Condensed consolidated balance sheet as at 31 December 2019

	CONSOLIDATED BALANCE SHEET (EUR)	31/12/2019 Conso	31/12/2018 Conso
I.	**NON-CURRENT ASSETS**	**1.161.380.537**	**910.425.883**
II.	**CURRENT ASSETS**	**32.317.252**	**39.050.817**
	TOTAL ASSETS	**1.193.697.790**	**949.476.700**
	SHAREHOLDERS' EQUITY	**680.029.177**	**433.568.523**
I.	**Shareholders' equity attributable to shareholders of the parent company**	680.029.177	433.549.949
II.	**Minority interests**	0	18.574
	LIABILITIES	**513.668.613**	**515.908.177**
I.	**Non-current liabilities**	412.772.382	427.154.510
II.	**Current liabilities**	100.896.231	88.753.667
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1.193.697.790**	**949.476.700**

On 31/12/2019, the total assets (€1,193.7 million) consisted mainly of investment properties (91% of the total), solar panels (1% of the total), and developments (5% 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.

Value and composition of the property portfolio as at 31/12/2019

Montea's total property portfolio amounts to €1,159.3 million, consisting of the valuation of the property portfolio buildings, inclusive of the buildings held for sale (€1,083.1 million), the fair value of current developments (€64.0 million) and the fair value of the solar panels (€12.2 million).

	Total 31/12/2019	Belgium	France	The Netherlands	Total 31/12/2018
Real estate portfolio - Buildings (0)					
Number of sites	69	33	16	20	63
Warehouse space (sqm)	1.073.248	624.873	157.684	290.691	1.028.383
Office space (sqm)	103.334	58.064	15.041	30.229	95.548
Land space - rent (sqm)	163.010	6.512	0	156.498	96.168
Total space (sqm)	**1.339.593**	**689.449**	**172.725**	**477.418**	**1.220.099**
Real estate portfolio - Land					
Development potential (sqm) - rent	753.542	32.562	0	720.980	546.653
Development potential (sqm) - portfolio	368.743	191.907	112.204	64.632	133.655
Development potential (sqm) - in research	0	0	0	0	220.000
Development potential (sqm) - in option	224.137	79.137	0	145.000	550.419
Total surface - development potential (sqm)	**1.346.422**	**303.606**	**112.204**	**930.612**	**1.450.727**
Fair value (K EUR)	1.083.085	522.544	150.891	409.650	870.423
Investment value (K EUR)	1.134.150	535.709	161.574	436.868	912.499
Annual contractual rents (K EUR)	**67.217**	**34.421**	**8.642**	**24.155**	**61.205**
Gross yield (%)	6,21%	6,59%	5,73%	5,90%	7,03%
Gross yield on 100% occupancy (%)	6,28%	6,61%	6,22%	5,90%	7,13%
Un-let property (m²) (1)	9.373	1.186	8.187	0	10.516
Rental value of un-let property (K EUR) (2)	850	112	738	0	876
Occupancy rate	99,3%	99,8%	95,3%	100,0%	99,1%
Real estate portfolio - Solar panels (3)					
Fair value (K EUR)	12.195	12.108	0	87	13.016
Real estate portfolio - Developments (4)					
Fair value (K EUR)	64.004	27.783	22.876	13.345	28.395

(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 1,339,593 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 1,346,422 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 670,000 m²) on average.

- The gross property yield on the total of the investment properties amounts to 6.3% on the basis of a fully let portfolio, compared with 7.1% on 31/12/2018. The gross yield (taking into account the current vacancy rate) amounts to 6.2%.

- The contractual annual rental income (excluding rent guarantees) amounts to €67.2 million, an increase of 10% compared with the figure as at 31 December 2018, due mainly to the growth of the property portfolio.

- The occupancy rate amounts to 99.3% as at 31/12/2019 compared with 99.1% at the end of December 2018. The current vacancy rate is in France, at the site in Le Mesnil-Amelot previously let to Autoclick and Facilit'Air. The Belgian and Dutch portfolios were fully (100%) occupied at the end of December 2019.

- The fair value of the current developments amounts to €64.0 million and consists of:

  - the site located in Senlis (FR) (see section 1.2.2.).
  - the site located on the Tyraslaan, Vilvoorde (BE)
  - the site located at Saint-Laurent Blangy (FR) (see section 1.2.3.2).
  - the construction of a logistics hub in Meyzieu (FR) (see section 1.2.3.2.).
  - the site located at Schiphol Airport (NL) (see section 1.2.3.3.)
  - the site located in Lummen (BE) (see section 1.2.3.3.)
  - the site located in Etten-Leur (NL) (see section 1.2.3.3.).
  - solar panel investments (BE+NL) (see section 1.2.4.1.)

- The fair value of the €12.2 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).

Composition of shareholders' equity and liabilities

- The total liabilities consist of the shareholders' equity (€680.0 million) and the total debt (€513.7 million).

  This total debt (€513.7 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 December 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 €48.5 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 €23.0 million; and
  - other debts and accrued charges[29] and deferred income amounting to €41.3 million.

  The weighted average maturity of the financial debts (credit lines, bond loans and lease obligations) amounts to 3.9 years as at 31 December 2019. The average term of interest rate hedging is 7.4 years at the end of December 2019.

[29] The accrued charges and deferred income comprise largely rents already invoiced in advance for the next quarter.

The average cost of borrowings was 2.2% in 2019 (compared with 2.6% in the same period last year). The interest coverage ratio[30]* is equal to 5.5x (compared with 4.5x in 2018).

The coverage ratio amounted to 99.1% as at 31 December 2019 (compared with 90.8% as at 31 December 2018).

- The debt ratio[31] of Montea amounted to 39.4% at the end of 2019 (compared with 51.3% at the end of 2018).

  Based on this current debt ratio (39.4% as at 31/12/2019), the investment potential would be approximately €873.1 million without exceeding the maximum debt ratio of 65% (see table below).[32]

in euro	31/12/2019	Investment potential	Balance sheet after investment potential
Investment properties	1.159.284.165	873.070.848	2.032.355.012
Other assets	34.413.625		34.413.625
TOTAL ASSETS	**1.193.697.790**	**873.070.848**	**2.066.768.637**
Own capital	**680.029.177**	**-**	**680.029.177**
Liabilities	**513.668.613**	**873.070.848**	**1.386.739.461**
Non-current liabilities	**412.772.382**	**873.070.848**	**1.285.843.229**
Provisions	-		-
Other non-current financial liabilities	23.031.021		23.031.021
Deferred taxes - liabilities			-
Other non-current liabilities	389.741.361	873.070.848	1.262.812.209
Current liabilities	**100.896.231**	**-**	**100.896.231**
Provisions			-
Other current financial liabilities	-		-
Accruals	20.533.593		20.533.593
Other current liabilities	80.362.639		80.362.639
TOTAL LIABILITIES	**1.193.697.790**	**873.070.848**	**2.066.768.637**
Debt ratio	**39,4%**		**65,0%**

The above amounts do not take into account any changes in the value of the property portfolio. These possible change may also have a significant impact on the debt ratio.

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%. As a result, Montea has an investment potential of approximately €600 million before reaching a debt ratio of 60%.

30 *The interest coverage ratio is calculated by dividing the sum of the operating result before the result on the portfolio, together with the financial revenues, by the net revenues.

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

32 This calculation does not take into account the EPRA result of the future periods, the changes in the fair value of the investment properties or the possible changes in accrued charges and deferred income, provisions for risks and deferred taxes on liabilities.

in euro	31/12/2019	Investment potential	Balance sheet after investment potential
Investment properties	1.159.284.165	615.862.516	1.775.146.680
Other assets	34.413.625		34.413.625
TOTAL ASSETS	**1.193.697.790**	**615.862.516**	**1.809.560.305**
	-		
Own capital	**680.029.177**	**-**	**680.029.177**
	-		
Liabilities	**513.668.613**	**615.862.516**	**1.129.531.129**
Non-current liabilities	**412.772.382**	**615.862.516**	**1.028.634.897**
Provisions	-		-
Other non-current financial liabilities	23.031.021		23.031.021
Deferred taxes - liabilities	-		-
Other non-current liabilities	389.741.361	615.862.516	1.005.603.877
Current liabilities	**100.896.231**	**-**	**100.896.231**
Provisions	-		-
Other current financial liabilities	-		-
Accruals	20.533.593		20.533.593
Other current liabilities	80.362.639		80.362.639
TOTAL LIABILITIES	**1.193.697.790**	**615.862.516**	**1.809.560.305**
Debt ratio	**39,4%**		**60,0%**

Based on the current equity, the maximum authorized debt ratio of 65% would be exceeded only in the event of a negative change in the fair value of the investment property of -€469.6 million. This corresponds to a 40.5% decrease in the current portfolio.

in euro	31/12/2019	Investment potential	Balance sheet after investment potential
Investment properties	1.159.284.165	- 469.640.519	689.643.646
Other assets	34.413.625		34.413.625
TOTAL ASSETS	**1.193.697.790**	**- 469.640.519**	**724.057.271**
	-		
Own capital	**680.029.177**	**- 469.640.519**	**210.388.658**
	-		
Liabilities	**513.668.613**		**513.668.613**
Non-current liabilities	**412.772.382**	**-**	**412.772.382**
Provisions	-		-
Other non-current financial liabilities	23.031.021		23.031.021
Deferred taxes - liabilities	-		-
Other non-current liabilities	389.741.361		389.741.361
Current liabilities	**100.896.231**	**-**	**100.896.231**
Provisions	-		-
Other current financial liabilities	-		-
Accruals	20.533.593		20.533.593
Other current liabilities	80.362.639		80.362.639
TOTAL LIABILITIES	**1.193.697.790**	**- 469.640.519**	**724.057.271**
Debt ratio	**39,4%**		**65%**

- The EPRA NAV[33]* on 31/12/2019 amounted to €44.54 per share (compared with €34.63 per share as at 31/12/2018). This increase is the result of the growth in EPRA earnings, the impact of the capital increase of Q1/2019 and the positive revaluation of the portfolio, partially offset by the negative changes in the fair value of the financing hedging instruments in 2019. The EPRA NNNAV per share amounted to €43.27 on 31 December 2019 (compared with €34.16 per share on 31/12/2018).

8.1.3 Conclusions for financial year 2019

On the financial front, 2019 was characterized primarily by good operating results for Montea:

- The EPRA earnings rose by 40% compared with the same period the previous year.
- The EPRA earnings per share amounted to €3.28 compared with €2.95 per share for the same period the previous year.
- An operating margin[34] of 90.6% compared with 88.5% in 2018.

8.1.4 Appropriation of the result

On the basis of the results as at 31 December 2019, the Board of Directors of Montea Management NV is to propose to the General Meeting of Shareholders on 19 May 2020 to distribute a gross dividend of €2.54 gross per share, which corresponds to a net dividend of €1.78 per share.

8.2 Operating results

For a description of the main factors, including unusual or infrequent events or new developments, that have a material effect on Montea's revenues, including the extent to which said revenues were affected, and, where applicable, a description of the reasons for material changes in net sales or revenues that occurred, cf. the following sections of Montea's annual financial reports for the financial years 2017 and 2018, which are incorporated by way of reference in this annual financial report and in the present annual financial report.

[33] * 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.

[34] See section 18.12.

Operating results (Annex I of Commission Delegated Regulation (EU) no. 2019/980, under 7.2)	
Annual financial re 2017	• "Key figures" (p. 32-33) • "Consolidated statement of comprehensive income before appropriation of profit as a December 2017" (p. 124) • "Consolidated overall result before appropriation of profit as at 31 December 2017" (p. • "Consolidated cash flow statement as at 31 December 2017" (p. 126)
Annual financial re 2018	• "Key figures" (p. 36-37) • "Consolidated statement of comprehensive income before appropriation of profit as a December 2018" (p. 147) • "Consolidated overall result before appropriation of profit as at 31 December 2018" (p. • "Consolidated cash flow statement as at 31 December 2018" (p. 149)
Annual financial re 2019	• "Key figures" (p. 20-21) • "Consolidated statement of comprehensive income before appropriation of profit as a December 2019" (p. 138) • "Consolidated overall result before appropriation of profit as at 31 December 2019" (p. • "Consolidated cash flow statement as at 31 December 2019" (p. 140)

9. Capital resources

9.1 General financing policy

Montea's total capital amounts to €321,648,192.51 at 31 December 2019 and is represented by 15,782,594 shares listed on both Euronext Brussels and Euronext Paris. All issued shares are fully paid up and have no nominal value. The shares are registered and dematerialised and each share entitles its holder to one vote. Montea held 15,349 of its own shares as at 31 December 2019.

The Statutory Manager is authorised to increase the share capital on one or more occasions up to a maximum amount of €240,762,770.66 on the dates and in accordance with the terms that he shall determine, in accordance with Article 603 of the Companies Code (new Article 7:184 ff. of the Companies and Associations Code). In the event of a capital increase accompanied by a payment or entry in the accounts of a share premium, only the amount subscribed to the capital will be deducted from the permanent usable amount of the authorized capital. This authorization is granted for a period of five years from the publication of the minutes of the extraordinary general meeting of shareholders of 15 May 2018, i.e. 5 June 2018. For each capital increase, the Statutory Manager will determine the price, the issue premium, if any, and the terms and conditions of issue of the new securities, unless the general meeting of shareholders should decide itself. The capital increases thus decided by the Statutory Manager may be carried out by subscription in cash or by contributions in kind in compliance with the relevant legal provisions, or by incorporation of reserves or issue premiums with or without the creation of new securities. The capital increases may give rise to the issue of shares with or without voting rights. Such capital increases may also assume the form of the issue of convertible bonds or subscription rights – which may but need not be attached to another movable asset - which may give rise to the creation of shares with or without voting rights. The authorized capital has been used four times since 5 June 2018, i.e. a first time on 21 September 2018 for the capital increase of €16,247,262.08 for the (indirect) contribution in kind of the Tiel site in the Netherlands;[35] a second time on 5 March 2019 for the capital increase of €58,036,289.04 for the public offering ;[36] a third time on 21 May 2019 for the capital increase in the amount of €1,915.72 for the merger with Bornem Vastgoed; and a fourth time on 12 June 2019 for an optional dividend in the amount of €2,445,722.28.[37]

The financing cost is the largest cost item in Montea's result. Montea accordingly manages the cost of its financing proactively. First of all, the Company wants to guarantee that its various financing operations are available over as long a period as possible. Furthermore, it strives for variable rate financing, most of which is covered by hedging instruments.

This policy is based on the fact that it provides protection against disruptive fluctuations in economic cycles.

35 The total capital increased amounted to €41,239,983.68 of which €16.247.262,08 was allocated to share capital and €24.992.721,60 to issue premium.

36 The total capital increased amounted to €160.041.189,60 of which €58.036.289,04 was allocated to share capital and €102.004.900,56 to issue premium.

37 The total capital increased amounted to €8.733.076,63 of which €2.445.722,28 was allocated to share capital and €6.287.354,35 to issue premium.

The cost of financing may rise in times of an economic upturn. This will in principle be offset by higher operating income (such as higher occupancy and higher inflation). This offset is rather limited, however, which is why a hedging policy was adopted for most of the debt.

The main characteristics of Montea's financial structure as at 31/12/2019 are as follows:

- total liabilities amount to €513.7 million, consisting of
- €291.3 million in drawn credit lines with 8 financial institutions. Montea has €321.7 million of contracted credit lines as at 31 December 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 €48.5 million, consisting mainly of the recognition of a lease obligation relating to 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 current hedging instruments of €23.0 million; and
- other debts and accrued charges[38] and deferred income amounting to €41.3 million.
- a consolidated debt ratio of 39.4%;
- a weighted average duration of financial debt of 3.9 years;
- a weighted average duration of the hedging instruments of 7.4 years;
- a policy of hedging against interest rate risk that makes it possible to limit the impact of sudden major increases in short-term interest rates (hedging rate of 99.1% as at 31 December 2019);
- an average financing cost on the total financial debt in 2019 (margin and hedging costs included) of 2.2% at 31 December 2019;
- an interest coverage ratio[39]* of 5.5x as at 31 December 2019.

[38] The accrued charges and deferred income comprise largely rents already invoiced in advance for the next quarter.

[39] * The interest coverage ratio is calculated by the sum of the operating result before the result on het portfolio, together with the financial revenues, divided by the net interest costs.

9.2 Cashflow

The cashflow overview as at 31 December 2019 is explained below:

CONSOLIDATED CASH FLOW STATEMENT (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR (A)	**4.634**	**3.436**
Net result	**108.465**	**64.575**
Financial cash elements (not dedectable of the net profit) to become the operating result	**11.356**	**10.239**
Received interests	-57	-91
Payed interests on finances	11.413	10.330
Received dividends	0	0
Taxes (dedected from the net result) to become the operating result	**357**	**89**
Non-cash elements to be added to / deducted from the result	**-58.570**	**-28.567**
Depreciations and write-downs	**255**	**373**
Depreciations/write-downs (or write-back) on intangible and tangible assets (+/-)	256	205
Write-downs on current assets (+)	-1	157
Write-back of write-downs on current assets (-)	0	11
Other non-cash elements	**-58.825**	**-28.941**
Changes in fair value of investment properties (+/-)	-70.773	-31.975
IFRS 9 impact (+/-)	12.739	3.127
Other elements	0	0
Realized gain on disposal of investment properties	-434	-3
Provisions	0	0
Taxes	-357	-89
NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS (B)	**61.608**	**46.336**
Change in working capital requirements (C)	**3.294**	**10.143**
Movements in asset items	**7.406**	**-6.652**
Trade receivables	-7	13
Other long-term non-current assets	2.194	-1.235
Other current assets	4.681	-5.119
Deferred charges and accrued income	537	-311
Movements in liability items	**-4.112**	**16.795**
Trade debts	-4.302	9.929
Taxes, social charges and salary debts	-1.626	-681
Other current liabilities	101	4.270
Accrued charges and deferred income	1.714	3.277
NET CASH FLOW FROM OPERATING ACTIVITIES (A)+(B)+(C) = (A1)	***69.536***	***59.915***
Investment activities	**-136.504**	**-175.075**
Acquisition of intangible assets	-168	-313
Investment properties and development projects	-136.027	-174.246
Other tangible assets	-195	-84
Solar panels	-548	-436
Disposal of investment properties	434	3
Disposal of superficy	0	0
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B1)	**-136.504**	**-175.075**
FREE CASH FLOW (A1+B1)	**-66.968**	**-115.160**
Change in financial liabilities and financial debts	**-51.704**	**93.052**
Increase (+)/Decrease (-) in financial debts	-58.621	85.326
Increase (+)/Decrease (-) in other financial liabilities	12.845	-1.521
Increase (+)/Decrease (-) in trade debts and other non-current liabilities	-5.928	9.248
Change in other liabilities	**0**	**0**
Increase (+)/Decrease (-) in other liabilities	0	0
Increase (+)/Decrease (-) in other debts	0	0
Change in shareholders' equity	**137.717**	**36.981**
Increase (+)/Decrease (-) in share capital	58.647	24.195
Increase (+)/Decrease (-) in share premium	108.292	34.250
Increase (+)/Decrease (-) in consolidation differences	0	0
Increase (+)/Decrease (-) in minority interests	-19	-100
Dividends paid	-28.961	-21.375
Increase (+)/Decrease (-) in reserves	-242	10
Increase (+)/Decrease (-) in changes in fair value of financial assets/liabilities	0	0
Disposal of treasury shares	0	0
Dividend paid (+ profit-sharing scheme)	**0**	**0**
Interim dividends paid (-)	0	0
Financial cash elements	**-11.356**	**-10.239**
NET FINANCIAL CASH FLOW (C1)	**74.658**	**119.794**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (A1+B1+C1)	**7.690**	**4.634**

9.3 Financing structure

The figures for capitalization and debt burden have been taken from the financial statements prepared in accordance with IFRS, as adopted by the EU, for the period ending on 31 December 2019.

This information should be read in conjunction with the financial statements and related notes.

- Capitalisation at 31 December 2019

On 31 December 2019, the consolidated shareholders' equity amounted to €680,029,176.79.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (EUR x 1.000)	Share capital	Share premiums	Reserves	Result	Deduction of transfer rights and costs	Minority interests	Shareholders' equity
Explanation	29	29	30	31	30	32	
ON 31/12/2018	**256.063**	**100.891**	**12.020**	**64.575**	**0**	**19**	**433.568**
Elements directly recognized as equity	**58.920**	**108.292**	**-237**	**0**	**0**	**-19**	**166.957**
Capital increase	58.647	108.292	0	0	0	0	166.939
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	0	0	0	0	0	0	0
Positive change in value of solar panels (IAS 16)	0	0	-242	0	0	0	-242
Own shares	0	0	0	0	0	0	0
Own shares held for employee option plan	273	0	0	0	0	0	273
Minority interests	0	0	0	0	0	-19	-19
Corrections	0	0	5	0	0	0	5
Subtotal	**314.983**	**209.183**	**11.783**	**64.575**	**0**	**0**	**600.525**
Dividends	0	0	-28.961	0	0	0	-28.961
Result carried forward	0	0	64.575	-64.575	0	0	0
Result for the financial year	0	0	0	108.465	0	0	108.465
ON 31/12/2019	**314.983**	**209.183**	**47.397**	**108.465**	**0**	**0**	**680.029**

- Debt as at 31 December 2019

The Company takes care to undergo the necessary financing in a timely manner. The balance between the cost of the financing, the term and the diversification of the sources of financing is always paramount in this process.

Montea's total financial debt as at 31 December 2019 amounted to €451.1 million (€389.7 million long-term and €61.3 million short-term):

- a total amount of credit lines drawn of €291.3 million. On 31/12/2019, Montea had confirmed bilateral credit lines with eight financial institutions totalling €321.7 million, of which 90.6% has been drawn. The weighted average term of these credit lines on that same date was still 4.0 years.
- a total amount of leasing debts of €48.5 million, of which €47.5 million consists mainly of the recognition of the lease obligations on the concession land, pursuant to IFRS 16.
- a total amount of €109.6 million relating to outstanding bond loans. Montea did not enter into any new bond loans in 2019. On 31/12/2019, the weighted average term of the current bond loans was still 3.5 years.
- a total amount of €1.6 million in deposited guarantees.

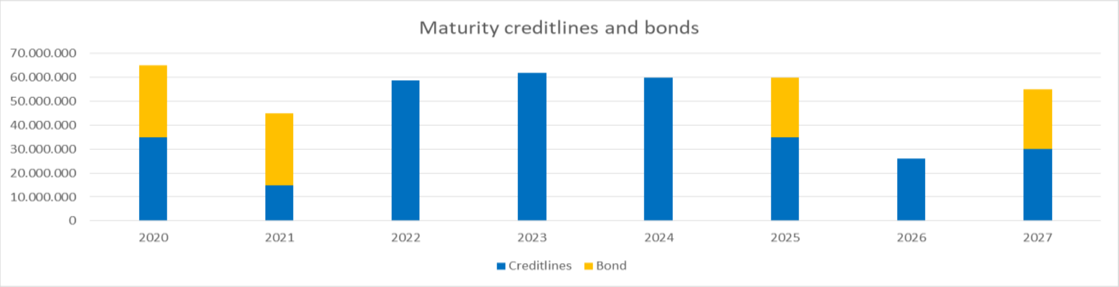
The weighted average term of all financial debts (credit lines, bond loans and lease obligations) together amounted to 3.9 years as at 31 December 2019.

FINANCIAL DEBTS (EUR x 1.000)	31/12/2019	31/12/2018	31/12/2017
NON-CURRENT FINANCIAL DEBTS	**389.741**	**416.969**	**374.543**
Credit institutions	261.667	305.000	262.900
Bond	79.648	109.491	109.335
Securities and bank guarantees deposited	1.641	1.431	1.172
Financial leasing	943	1.047	1.136
Others	45.844	0	0
- Other leasings	0	0	0
- Other rental guarantees	0	0	0
- Provisions property income claiming more than 1 year	0	0	0
- Waived property income claiming more than 1 year	0	0	0
- Other	45.844	0	0
CURRENT FINANCIAL DEBTS	**61.340**	**45.085**	**2.273**
Credit institutions	29.600	45.000	2.000
Bond	30.000	0	0
Financial leasing	92	85	273
Others	1.648	0	0
- Other leasings	0	0	0
- Other rental guarantees	0	0	0
- Provisions property income claiming more than 1 year	0	0	0
- Waived property income claiming more than 1 year	0	0	0
- Other	1.648	0	0
TOTAL	**451.082**	**462.054**	**376.816**

The investment commitments as at 31 December 2019 referred to in Section 6.5.2 can be financed by the credit lines not yet drawn.

The Company is committed to maintaining a debt ratio of 55%. Its debt ratio may not legally exceed 65%. Montea has concluded covenants with financial institutions whereby the consolidated Debt Ratio may exceed 60%. The terms and conditions of the Bonds stipulated a maximum consolidated Debt Ratio of 65%.

As at 31 December 2019, the table below shows the year in which the credit lines and the bond loans mature. The Company always makes sure that not all debts come to maturity in the same year.



The foregoing notwithstanding, the Company has not granted a mortgage, commercial pledge or power of attorney to establish either a mortgage mandate or a pledge on the goodwill.

Interest rate risk hedging

As already mentioned, Montea pursues a financing policy that covers a large part of its financial debt. On 31/12/2019, 99.1% of the variable rate financial debt was covered by hedging instruments.

On 31/12/2019, the Company had concluded a total of €312.5 million in interest rate swap and interest rate cap hedging contracts.

The weighted average term of the interest rate hedges amounted to 7.4 years as at 31 December 2019.
For a description of Montea's hedging instruments, cf. Section 18.8 (Note 17: Changes in fair value of financial assets and liabilities) of this annual financial report.

9.4 Financing of investments

The future investment commitments will be financed with contracted credit lines that are still available. Taking into account a debt ratio of 39%, Montea has a sufficient buffer to raise additional debt in the form of credit lines, bond loans and/or through a commercial paper programme.

10. Regulatory environment

Montea is a public regulated real estate company (openbare gereglementeerde vastgoedvennootschap / société immobilière réglementée publique) incorporated under Belgian law, specializing in the development and management of logistics real estate in Belgium, France and the Netherlands. Montea has been listed on Euronext Brussels since October 2006 and on Euronext Paris since December 2006. Montea's activities as an RREC were launched on 1 October 2006 by bringing together several real estate portfolios. The company is subject to the RREC Aact and the RREC RD.

Its permanent establishment in France is accredited as an SIIC (Société d'Investissements Immobiliers Cotée) [Listed real estate investment company].

In September 2013, Montea filed an application of the tax regime of the 'Fiscale Beleggingsinstelling' (hereinafter referred to as FBI) as referred to in article 28 of the Corporate tax Act 1969 for its real estate investments in the Netherlands. Montea has structured its Dutch real estate investments as public limited companies under Dutch law. As at the date of this Annual Financial Report, the Company's Dutch subsidiaries have not yet received a final decision from the Dutch tax authorities approving the FBI status.

For information on governmental, economic, budgetary, monetary or political policies or factors that have or may have, directly or indirectly, a material impact on Montea's business, cf. also the "Risk factors" section of Montea's annual financial reports for financial years 2017 and 2018, which are included in this annual financial report by way of reference.

10.1 The regulated real estate company in Belgium

The regulated real estate company (RREC) introduced by the RREC Act makes it possible to create in Belgium companies for investment in real estate, as they exist in many other countries: Real Estate Investments Trusts (REITs) in the United States, Fiscale Beleggingsinstellingen (FBI) in the Netherlands, G-REITs in Germany, Sociétés d'Investissements Immobiliers Cotées (SIIC) in France and UK-REITs in the United Kingdom. The statute of RREC is subject to the RREC Act and the RREC RD.

The main characteristics of the regulated real estate company are as follows:

- must be incorporated in the form of a public limited company or a limited partnership;
- be listed on the stock exchange, with at least 30% of the shares being distributed on the market;
- is supervised by the Financial Services and Markets Authority (FSMA);
- may carry out all activities relating to the creation, conversion, renovation, development, acquisition, sale, management and operation of immovable property;
- cannot (directly or indirectly) act as a construction promoter;
- risk-spreading: no more than 20% of the Company's consolidated assets may be (i) invested in real estate constituting a single property or (ii) in "other real estate" as defined in Article 2, 5°, vi to xi of the RREC Act;

- the (non-consolidated and consolidated) debt ratio is limited to 65% of the (non-consolidated and consolidated) assets; the issuing of securities and mortgages is limited to 50% of the total fair value of the properties of the RREC and its subsidiaries and to 75% of the value of a particular property;
- very strict rules on conflicts of interest;
- quarterly assessment of the assets by an independent real estate expert;
- recognition of buildings at fair value; no depreciation;
- the results (rental income and capital gains on sales less operating costs and financial charges) are exempt from corporate income tax as far as the RREC is concerned (but not its subsidiaries); however, rejected expenditures and abnormal and gratuitous benefits are taxed;
- at least 80% of the amount of the adjusted statutory result[40] and the net capital gains on the sale of real estate not exempted from the distribution obligation must be distributed on a compulsory basis;
- any reduction in the debt ratio during the financial year may, however, be deducted from the amount to be distributed;
- withholding tax of 30%, in full discharge for natural persons residing in Belgium. Withholding tax on dividends from regulated real estate companies, implemented by amending Article 269 of the Income Tax Code 1992 in accordance with article 94 of the Programme Act of 25 December 2016 (Belgian Official Gazette of 29/12/2016). This amendment applies to income granted or made payable as of 1/1/2017. The withholding tax on dividends used to be 27%.

Companies which obtain a licence as a regulated real estate company or merge with a regulated real estate company are subject to a tax (exit tax), which is equivalent to a liquidation tax, on the net deferred capital gains and on the exempted reserves of 12.50% (plus 2% additional crisis contribution, or a total of 12.75%). As of 2020, this exit tax will amount to 15.00%.

10.2 The “Société d’investissements immobiliers Cotée” (SIIC) in France

Montea also has a branch in France with the status of SIIC (Société d'Investissements Immobiliers Cotée) and is also listed on the second market of Euronext Paris, its second listing after Euronext Brussels. In France, Montea opted for SIIC status in 2007 in order to benefit from the advantages associated with the status of initially SICAFI (now RREC). The tax characteristics of the RREC and the SIIC are quite similar: for example, they are both exempt from corporate tax on annual income and on capital gains. On the other hand, profits from activities other than the letting or sale of real estate (e.g. dividends) are subject to corporate tax.

When RREC or SIIC status is obtained, the company is subject to a one-off discharging tax called an "exit tax". This tax is calculated on the basis of the difference between the investment value of the portfolio and the fiscal accounting value of the real estate. The exit tax applicable to SIIC is 16.5%. Payment of the exit tax for SIIC is spread over four years, with a first 15% instalment being paid at the end of the first year. In Belgium, at least 80% of the operating result has to be paid out. In France, this percentage amounts to 85%, but after deducting write-downs.

[40] Calculated on the basis of the chart mentioned in Annex C of the RREC RD.

The provisions relating to the distribution of capital gains on the sale of real estate differ substantially, however. In Belgium, at least 80% must be distributed if the profit is not reinvested. For the SIIC, on the other hand, at least 60% of capital gains must be distributed at the end of the second year after they are made. Furthermore, dividends from subsidiaries exempt from corporate tax must be distributed in full in the financial year following the one in which they were received. With regard to the shareholding structure, the "free float" of regulated real estate companies, i.e. the number of shares not held on a fixed basis, must be at least 30%. In France, it must be 40%. There is no maximum debt ratio for the SIIC. For regulated real estate companies, the maximum debt ratio is 65%.

10.3 The Fiscale BeleggingsInstelling (FBI)

In September 2013, Montea filed for the application of the tax regime of the 'Fiscale Beleggingsinstelling' (hereinafter FBI) as referred to in Section 28 of the Corporation Tax Act 1969 for its property investments in the Netherlands. Montea has structured its Dutch property investments as Dutch limited liability companies (NVs). Together with Montea Nederland NV, these entities formed a tax unit for the purposes of corporate income tax until 31 December 2018. After that date, Montea Nederland NV and its subsidiaries will be subject to independent taxation, each opting for FBI status. Montea Tiel NV (incorporated on 31 December 2018) has never been included in the tax group for corporate income tax purposes. This company has been subject to independent taxation since it was incorporated and has also opted for FBI status. The FBI is subject to corporate income tax in the Netherlands at a 0% rate. Montea's Dutch subsidiary, Montea Nederland NV, and its subsidiaries have not yet received a final decision from the Dutch tax authorities approving the FBI status to date.

The main characteristics (legal requirements) of the FBI are:

- the legal form must be a private limited company (BV), a public limited liability company (NV), a common account fund or similar body established under the law of, inter alia, an EU Member State;
- the object and actual activities of the company consist (exclusively) of the investment of assets;
- the company must comply with two financing limits:
- real estate investments may be financed with borrowed capital up to a maximum of 60% of the book values for tax purposes;
- other investments may be financed only with borrowed capital for 20% of the book values for tax purposes;
- the company must comply with an annual breakthrough obligation. This entails that the company must make its full operating profit available to shareholders within eight months as of the end of the financial year;
- the profit to be made available by the company must be distributed equally among all shares;
- for unlisted companies or companies which do not (or their managers do not) have a licence under the Financial Supervisory Act (known by the initials WFT in Dutch),the following shareholder requirements apply:
    - 75% or more of the shares must be held by natural persons, or by entities that are not subject to any form of tax levied on profits, or by investment institutions that are similar to Dutch FBIs in nature and set-up;
    - the shares may not be held for 5% or more (in-)directly by natural persons;
    - the interest in the company may not be held for 25% or more by bodies established in the Netherlands which have structured their interests through foreign entities.

11. Trend information

11.1 General

Montea is a public regulated real estate company (RREC), specializing in the development, acquisition and management of logistics real estate in Belgium, France and the Netherlands. The company is a reference player in these markets. Montea's real estate portfolio includes quality buildings located close to airports, railways, waterways and motorways.

In the year 2020, Montea will use its expertise and experience to continue its growth. The focus will be on the build-to-suit projects, cooperation with other real estate developers and other partners such as landowners as well as sale and rent back transactions.

The logistics business is registering real growth in the countries in which Montea operates, mainly due to new trend information such as e-commerce. Montea is exploring the possibility of investing in new logistic solutions and is constantly analysing the logistic needs of its current customers and potential customers. There is no new trend information for the period from the closing of the last financial year (31 December 2019) to the date of this annual financial report.

For a discussion of the logistics real estate market in Belgium, the Netherlands and France cf. the property report in Section 6.6.

12. Profit forecasts or estimates

12.1 General

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 rent 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 (99.3%), and a long term of leases on the first due date (8 years).

Thanks to its current position (as developer and finial 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.

In 2020-2021, Montea will focus further on the growth of its portfolio (external growth), on improving the quality of the buildings (internal growth) and on the diversification of its income.

External growth

Montea will capitalise on its expertise and experience in order to continue its external growth in 2020. Thus, priority will go to:

- Sale & rent back projects, in which Montea acquires property from companies that wish to divest their property. Montea's initial experience in these projects came with the acquisition of the logistics property of Bas Logistics in Etten-Leur (2017), Noukies in Saintes (2017), De Kellen B.V. in Tiel (2018), Currie Solutions in Tiel (2019), Mondial Air Fret in Bouygues, and Energie Services in Le-Mesnil-Amelot (2019).
- Build-to-suit projects, in which Montea goes looking with an end-user for the ideal logistics solution in an "open book" relationship. Montea gained the necessary experience in these projects with the construction of a new distribution centre for Metro and CdS in Vorst, Movianto in Erembodegem (BE), Vos Logistics in Oss, DocMorris in Heerlen (NL), Bakkersland in Aalsmeer (NL) and Isero in Waddinxveen (NL)
- Collaboration with other property players, such as developers, land-owners and industrial parties, in which Montea uses its knowledge and experience in the logistics market to become involved in the development process at an earlier stage and hence realize part of the development margin.
- Prospection relating to the acquisition or purchase of portfolios or buildings that are not part of the core investments and priorities of various investment groups.

Internal growth and quality improvement

In addition to external growth, Montea will focus on enhancing its existing portfolio. Montea sees 2 major opportunities:

- Development of the land bank, in which Montea will work actively on marketing the remaining land in the portfolio. Montea currently holds a total landbank of 1,346,422 m² in development potential, of which 753,542 m² let land in portfolio, 368,743 m² non-let land in portfolio, and 224,137 m² under option. This landbank is expected to result in ca. 50% leasable floorspace on average (ca. 670,000 m²).
- Improvement of the quality of the portfolio, in which Montea carries out full monitoring of its portfolio. The aim here is to have a clear view of the possible rises in value that can be created by a concerted adjustment/improvement of its products to the expectations and requirements of the market, without losing sight of sustainability.

12.2 Specific outlook for Montea

- Investment pipeline

With the expansion of the teams in the three countries in 2019 and the set-up of different partnerships, Montea will stay on the strong growth course embarked on in recent years.

This growth will be generated in the current geographic home markets in particular through:
- a combination acquiring 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 to achieve 25% portfolio growth over the next 2 years resulting in a total property portfolio of €1,450 million by the end of 2021. 61% of this growth (€178 million) has already been identified:
  - Investment budget of €21 million in projects under construction expected to be completed in 2020 (see section 6.3.4.2).
  - Investment budget of €147 million for future development projects expected to be completed after 2020 (see section 6.3.4.3).
  - Investment budget of €10 million of solar panel projects in Belgium and the Netherlands (see section 6.3.5)

The above amounts, still to be invested, will make an effective contribution to portfolio growth without taking into account investments already made in 2019 for these projects. If the latter investments are included, the total investment budget for these projects amounts to €230 million.

- 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 2018), average term of leases to the first termination option (8.5 years at the end of 2018) and the average age of the buildings (< 7 years at the end of 2018). 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%.
Montea also expects to maintain 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 an average debt cost of 2.2% per year maximum on the basis of a hedging rate of over 80%.

- 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 growth in EPRA earnings per share, i.e. by 10% compared with 2019 from €2.54 to €2.80 in 2021, on the basis of a pay-out ratio of 80%.

12.3 Assumptions about the EPRA earnings forecasts

In the outlook we describe the expected results concerning the consolidated EPRA earnings and the consolidated balance sheet for financial year 2020 and 2021 on the basis of figures as indicated in the annual report as at 31 December 2019, the known information after the balance sheet data, and the calculated forecasts on the basis of the development of the property, economic and financial markets.

These forecasts and estimates may not be interpreted as a certainty, because the activities of Montea and the market in which it is active are subject to uncertainties and risks, and consequently this forward-looking information does not constitute any commitment for the company. There is a possibility that the expectations will not be reached.

12.4 Assumptions

Montea applies the usual accounting methods used for the preparation of the consolidated financial statements as at 31 December 2019 in accordance with IFRS as applied by the European Union and implemented by the RREC RD.

The assumptions are rather conservative yet realistic.

In the charting the 2020-2021 outlook, the following elements were taken into account to determine the investment properties:

- an investment budget of €21 million in projects under construction, expected to be completed in 2020 (see section 6.3.4.2)
- an investment budget of €147 million of future development projects expected to be completed after 2020 (see section 6.3.4.3)
- an investment budget of €10 million for solar panel projects in Belgium and the Netherlands (see section 6.3.5)
- an additional total ambition of €113 million.

12.5 Assumptions about factors that Montea can influence directly

Net rental income

The net rental income is estimated on the basis of the current contracts, taking into account the assumption used, pegged to the index (see below) of the leases that are applied for each contract separately, taking into account the anniversary date of the contract. Conservative estimates for re-letting (extension or renewal) are made on an individual basis for leases with a termination option in 2020 or 2021.

The investments made in 2019 have only a limited impact on the net rental result of 2019, but contribute for a full year to the net rental result of 2020 and 2021.

The net rental result also takes into account the announced investments:

(i) Investments to be completed in 2020 (category 1. described above) contribute to the net rental result one month after the expected completion date on average.

(ii) Investments expected to be completed after 2020 (category 2. described above) contribute in part to the net rental result depending on an expected completion date.

(iii) Investments in solar panel projects (category 3. described above) do not contribute to the net rental result; the revenues linked to these investments are included under 'Other rent related operating income'.

(iv) Additional ambition of €113 million (category 4. described above) does not contribute to the net rental result of 2020-20201. The majority of Montea's investments are build-to-suit developments that contribute to the net rental result only after a development period. It is assumed here that completion will not take place until 2022. The investments do contribute to the financial result nonetheless because they already generate intercalary interest.

Other rent-related operating revenues and expenditures

This section comprises the rental charges borne by the owner as well as the passing on of those rental charges to the tenants. For existing projects and known investments, these revenues and expenditures are recognised in accordance with the lease. As no rents are provided for the investments under the additional ambition, no other operating costs and revenues are included for these investments.

Furthermore, this section includes income from solar panels that are estimated conservatively for the existing portfolio. The investments in solar panels included in 2020 and 2021 (category 3. described above) generate revenue as of the expected delivery date in Belgium and the Netherlands.

The property management fee charged by Montea to its customers is also included in this section. Here, due account is taken of the new contracts concluded in 2020 and 2021 linked to identified investments.

Property costs

These costs comprise primarily brokerage commissions, internal management fees and costs relating to vacant properties. These were estimated for 2020 and 2021 on the basis of the current portfolio (according to the conservative extension or reletting assumptions, cf. net rental income).

Company overheads

These costs comprise chiefly:

- The rental of offices in France and the Netherlands;
- Marketing costs, financial and commercial communication;
- Estimated fees payable to advisors such as property experts, lawyers, tax experts, IT costs and auditor’s fees;
- The annual subscription fee payable for Regulated Real Estate Companies;
- Fee payable for listing on Euronext Brussels and Euronext Paris, fee for the FSMA and the costs for the liquidity agreement with RDC;
- The internal operating expenses of Montea, i.e. the remuneration of the Statutory manager and labour costs, exclusive of internal management fees; and
- The annual depreciation charge on the investments excluding property investments (furniture, rolling stocks and intangible fixed assets).

Recurrent overheads are included in the budget on the basis of the actual estimates per cost category. For non-recurrent overheads, the actual costs for 2018 are included at a rate of 2% after indexing. Marketing and personnel costs are provided on the basis of the best approximate estimate.

Interest charges

The interest charges are estimated on the basis of the evolution of the average financial debt:

- the actual outstanding financial debt as at December 31, 2019 of €451.1 million, consisting of €291.3 million of outstanding credit lines, €109.6 million of outstanding bond loans, €48.5 million of finance lease debt, €1.6 million of cash guarantees received ;
- the expected changes in the financial debt in 2020 and 2021; the drawing of already contracted and new credit lines to finance current and new investments and the repayment of bonds maturing and being refinanced.

The overall average financing cost for 2020/2021 is calculated at a maximum of 2.2% (compared to 2.2% for the full year 2019) taking a hedging ratio of at least 80% into account.

The total financial cost is lowered with an estimated amount of capitalized interest calculated on the current project developments and the ambition in 2020 and 2021 (expected to consist of build-to-suit projects). In this way, the calculated interim interest is neutralized in the financial cost accounting and included in the investment cost of the project on the asset side of the balance sheet until it is delivered and thus starts to generate rental income.

Taxes

This item comprises the annual corporate tax payable. The taxable base of Montea is almost nil, given the fiscal transparency that Montea enjoys. The taxable base of the regulated real estate company is for that matter limited to the so-called “rejected expenses,” other than impairments and capital losses on shares, and the receivable ‘exceptional and gratuitous advantages’ (RREC (Belgium), SIIC (France), FBI (Netherlands). The relevant dividend tax is estimated in this section on an estimate of the taxable base of the fiscal entity Montea SCA (branch in France) and the fiscal entity Montea Nederland.

Furthermore, an estimate is made based on the estimated local results for the other companies, which are direct subsidiaries of Montea, but do not qualify as SIIC (France) or FBI (Netherlands).

12.6 Assumptions about factors that Montea cannot influence directly

An indexation level in 2020 and 2021 based on economic consensus expectations is taken into account in the development of rental income. Montea limits the potential impact of inflation by including a clause indexing the current rent in its leases, and by concluding IRS hedging contracts for most of the financing at a variable interest rate.

The interest rates are calculated on the basis of a 3-month Euribor rate of 0.0%.

The changes in fair value of the hedging instruments do not constitute a cash item and therefore have no impact on the EPRA earnings. Consequently, no assumptions have been made concerning this item.

The same reasoning applies to the variations in the fair value of the property portfolio.
Furthermore, the outlook may be influenced by market, operational, financial and regulatory risks.

12.7 Forecasts of EPRA earnings

On the basis of the foregoing assumptions and current forecasts for 2020 and 2021, Montea expects an increase in EPRA earnings per share to €3.60 per year in 2021 (an increase of 10% compared with 2019).

(EUR x 1.000) POST-MONEY	31/12/2021 12 months	31/12/2019 12 months
Net rental result	73.807	65.063
Property result	79.165	68.135
TotalProperty charges	-2.539	-2.047
OPERATING PROPERTY RESULT	**76.626**	**66.089**
General corporate expenses	-4.643	-4.207
Other operating income and expenses	-73	-172
OPERATING RESULT BEFORE PORTFOLIO RESULT	**71.910**	**61.710**
Result on disposal of investment properties	-	434
Result on disposal of other non-financial assets	-	-
Changes in fair value of investment properties	-	70.773
OPERATING RESULT	**71.910**	**132.917**
Financial result	-12.884	-24.095
PRE-TAX RESULT	**59.026**	**108.822**
Taxes	-978	-357
NET RESULT	**58.049**	**108.465**
EPRA RESULT (1)	**58.049**	**49.997**
Number of shares in circulation entitled in the result of the period	16.205.520	15.782.594
Weighted average of number of shares of the period	16.114.624	15.229.606
NET RESULT PER SHARE (2)	**3,58**	**6,87**
EPRA RESULT PER SHARE (2)	**3,58**	**3,17**
EPRA RESULT PER SHARE (3)	**3,60**	**3,28**

(1) The EPRA Result is equal to the Net Result excluding the impact of the result on the portfolio (code XVI, code XVII and code XVIII of the income statement) and the impact of the variation on interest rate hedging instruments "

(2) EPRA Result and Net Result per share calculated on the basis of the number of shares in circulation participating in the result of the period

(3) EPRA Earnings per share based on the weighted average number of shares for the period

12.8 Forecast of consolidated balance sheet

The following assumptions were made when drawing up the projected consolidated balance sheet:

Montea targets a growth in its property portfolio to €1,450 million.

The projected EPRA earnings, a dividend pay-out ratio of 80% and a historically low debt ratio at the end of 2019 were taken into account for the development of the shareholders' equity/borrowed capital.. The projected investments can be financed fully by borrowed capital which leads to a projected debt ratio of ca. 47.6% at the end of 2021.

in euro	31/12/2019	31/12/2021
Investment properties	1.159.284.165	1.451.258.735
Other assets	34.413.625	37.439.460
TOTAL ASSETS	**1.193.697.790**	**1.488.698.195**
Own capital	**680.029.177**	**736.381.884**
Liabilities	**513.668.613**	**752.316.311**
Non-current liabilities	**412.772.382**	**707.772.786**
Provisions	-	-
Other non-current financial liabilities	23.031.021	23.031.021
Deferred taxes - liabilities		-
Other non-current liabilities	389.741.361	684.741.766
Current liabilities	**100.896.231**	**44.543.525**
Provisions		-
Other current financial liabilities	-	-
Accruals	20.533.593	20.533.593
Other current liabilities	80.362.639	24.009.932
TOTAL LIABILITIES	**1.193.697.790**	**1.488.698.195**
Debt ratio	**39,4%**	**47,6%**

12.9 Dividend forecast

The pay-out policy is determined by the Board of Directors of Montea and proposed after the end of the financial year to the annual general meeting of shareholders. On the basis of the forecasted EPRA earnings of 2019 Montea expects a further rise of the dividend in line with the increase in EPRA earnings per share, i.e. 10% compared with 2019, which will lead to a gross dividend per share of €2.80 per share and a pay-out ratio of nearly 80%.

12.10 Statement

Montea declares that the profit forecast was drawn up and prepared on a basis which is (i) comparable with that of the historical financial information, and (ii) in line with its accounting policy.

12.11 Auditor's report on the outlook for 2020

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Statutory auditor's report on the consolidated financial forecasts of Montea Comm VA

As a statutory auditor of the company and applying the EC regulation n° 809/2004 of the European Commission of 29 April 2004, we have prepared the present report on the forecasts of the consolidated balance sheet and the consolidated statement of profit & loss of Montea Comm VA ("the consolidated financial forecasts") for the accounting year 2021, and included in chapter 12 of the annual report as approved on 11 February 2020 by the Statutory Manager of the Company.

The assumptions included in paragraph 12.3, 12.4, 12.5 and 12.6 result in the following EPRA result for the accounting year 2021:

Date: 1 January 2021 - 31 December 2021

EPRA result: 58.0 Million euro

Management's responsibility

It is the management's responsibility to prepare the profit forecast, together with the material assumptions upon which it is based, in accordance with the requirements of EU Regulation n° 809/2004.

Auditor's responsibility

It is our responsibility to provide an opinion on the forecasts as required by Annex I, item 13.2 of the EU Regulation n° 809/2004. We are not required nor do we express an opinion on the possibility to achieve that result or on the assumptions underlying these forecasts.

We performed our work in accordance with the auditing standards applicable in Belgium, as issued by the Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises including related guidance from its research institute and on the International Standard on Assurance Engagements 3400 relating to the examination of prospective financial information. Our work included an evaluation of the procedures undertaken by management in compiling the forecasts and procedures aimed at verifying the consistency of the methods used for the forecasts with the accounting policies normally adopted by Montea Comm VA. We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to provide us with reasonable assurance that the forecasts have been properly compiled on the basis stated.

Since the forecasts and the assumptions on which they are based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the forecasts. Any differences may be material.

Besloten Vennootschap
Société à responsabilité limitée
RPR Brussel - RPM Bruxelles - BTW-TVA BE 0446.334.711 - IBAN N° BE71 2100 9059 0069
* handelend in naam van een vennootschap/agissant au nom d'une société

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Statutory auditor's report of 17 April 2020 on the consolidated financial forecasts of Montea Comm VA

Opinion

In our opinion:

(i) the forecasts have been properly compiled on the basis stated; and

(ii) the basis of accounting used for these forecasts is consistent with the accounting policies of Montea Comm VA.

Brussels, 17 April 2020

Ernst & Young Réviseurs d'Entreprises SRL
Statutory auditor
Represented by

Joeri Klaykens (Signature)

Joeri Klaykens*
Partner
* Acting on behalf of a SRL

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13. Corporate governance statement

This corporate governance statement contains the most important rules that Montea has adopted from the legislation and the recommendations on corporate governance and the way these have been applied in 2019.

Montea is thus incorporating the provisions recorded in the Belgian Corporate Governance Code 2009 (www.corporategovernancecommittee.be). Should it deviate from this, it shall include this deviation in this corporate governance statement, pursuant to Article 96, §2 of the Belgian Companies Code (now Article 3.6, §2 of the Companies and Associations Code. This takes into account the size of the company and the nature of its activity.

Montea has applied the Corporate Governance Code 2020 since 1 January 2020 (available at www.corporategovernancecommittee.be). However, this does not entail any material changes to Montea's corporate governance practices.

The applicable legislation includes not only the Companies Code, but also the RREC Act and the RREC RD. This statement of corporate governance is part of this annual report, pursuant to Article 96, §2 of the Companies Code.

Montea itself has assumed the form of a limited partnership and has only one managing director appointed pursuant to the articles of association (the Statutory Manager). This Statutory Manager, Montea Management NV, assumes the form of a public limited company. As a managing partner, it is jointly and severally liable for all of Montea's commitments.

13.1 Statement on the corporate governance code

13.1.1 Corporate Governance Code 2009

The Company and its Statutory Manager respect the provisions of the Belgian Corporate Governance Code 2009 and the legal recommendations on corporate governance by applying these within the organisation of the management of the Statutory Manager. As managing body of the Statutory Manager of the company, it is the Board of Directors of Montea Management NV, which collegially takes decisions concerning the values and the strategies of Montea, on the principal policy lines and its willingness to take risk.

The structure of the general partnership by shares is thus considered as transparent in terms of corporate governance.

In the corporate governance charter as last amended on 11/02/2020 (see www.montea.com/investor-relations/corporate information) and in this corporate governance statement, the term "board of directors" refers to the board of directors of Montea's Statutory Manager, Montea Management NV.

The Company has so far complied with the provisions of the Corporate Governance Code with the exception of the following provisions:

- pursuant to provision 4.6 of the Corporate Governance Code 2009, the mandate of director shall not be more than four years. This limit may be waived in order to make some rotation in the board of directors. This exception applies on the one hand for the Managing Director appointed on 17/05/2016 for six years, to enable him to implement a long-term strategy and, on the other hand, this applies also for the Chairman of the Board of Directors appointed on 19/05/2015 for six years to ensure the continuity of policy.
- in view of the limited size of the company, the Board of Directors of the company's Statutory Manager has decided not to establish a separate appointments committee. The duties of the appointments committee will be handled by the remuneration committee, in the remuneration and appointments committee;
- Pursuant to provision 2.9 of the Belgian Corporate Governance Code 2009, the Board of Directors of the Statutory Manager must appoint a secretary who advises the Board on all governance matters. This has not happened as yet, given the limited staff and limited complexity of the company's organisation. However, an agreement was closed with a lawyer, if necessary, to provide advice in governance matters and in the application of corporate governance rules.

13.1.2 Potential changes to corporate governance as a result of the new Corporate Governance Code 2020

Montea has applied the Corporate Governance Code 2020 since 1 January 2020 (posted for consultation at www.corporategovernancecommittee.be). This does not entail any potential material changes to Montea's corporate governance practices either.

The Company complies with the provisions of the Corporate Governance Code 2020, with the exception of the following provisions:

- As mentioned above, Montea deviates from the Recommendation that a director's mandate does not exceed four years (recommendation 5.6 of the Corporate Governance Code 2020).
- Contrary to provisions 7.1 to 7.3 of the Corporate Governance Code 2020, the Company does not currently have a remuneration policy approved by its general meeting. As the new legal provisions on the remuneration policy had not been approved yet at the time Montea was preparing its next general meeting of shareholders, the company has decided not to submit its remuneration policy to the general meeting of shareholders of 2020. Said policy will however be submitted to the general meeting of shareholders of 2021;
- The remuneration of the non-executive directors is not paid in part with Company shares, which constitutes a deviation from Recommendation 7.6 of the Corporate Governance Code 2020;

- The Company has not set a minimum threshold in terms of shares to be held by the members of the executive management as recommended by Recommendation 7.9 of the Corporate Governance Code 2020. The aim of this recommendation is to align the interest of the non-executive directors with the long-term shareholders' interest. Montea already sufficiently met this concerns because, on the date of this annual financial report, more than half of the non-executive directors are de facto representatives of major shareholders of the Company. Therefore, there is no immediate need to partially pay in shares these non-executive directors, nor the independent directors;
- The Company has not established a minimum threshold in terms of shares to be held by the members of the executive management as recommended by Recommendation 7.9 of the Corporate Governance Code 2020. Montea believes that this is not required because of the share purchase plan which is in favour of certain members of the management and designated by the Board of Directors upon recommendation of the Remuneration and Nomination Committee (see section 14.4.4 of this annual financial report);
- The contracts of the executive management do not provide any right of clawback of variable remuneration granted on the basis of incorrect financial data, which constitutes a deviation from Recommendation 7.12 of the Corporate Governance Code 2020. When concluding any future contracts, this recommendation will be taken into account. However, Montea does not wish to amend existing contracts for this specific point;
- Contrary to recommendation 8.7 of the Corporate Governance Code 2020, the Company has not entered into any relationship agreement with one of its major shareholders. On date of this annual financial report, the De Pauw family (largest shareholder of Montea) has two representatives on the board of directors, which means that it is closely involved with Montea's policy. The Company believes that such a relationship agreement is currently not appropriate.

13.2 Description of the internal audit and risk management system

13.2.1 General

The board of directors of the Statutory Manager is responsible for assessing the risks that are characteristic of the Company and also for assessing the effectiveness of internal auditing.
In turn, the Company's executive management is responsible for putting in place a system for monitoring risk management and the effectiveness of internal auditing.
Montea organises the way the Company's internal auditing and risks are managed by:

- defining its audit environment (general legal, financial and operational context);
- identifying and ranking the main risks[41] to which the Company is exposed;
- analysing the extent to which the Company manages these risks.

As part of this process, special attention is also paid to the reliability of the reporting and financial communication process.

13.2.2 The audit environment

- The risk culture

[41] For a description of these risks, cf. Chapter 3: Risk factors.

Montea conducts itself responsibly in order to generate steady and recurrent revenue. Montea adopts a cautious approach regarding its investment policy and will avoid any speculative projects.

- A clear description of the Company's purpose

  Montea is a leading RREC, listed on the stock exchange, which specialises in logistics property. Montea has set itself the aim of building up a diversified property portfolio that generates stable and recurrent income. In doing so, Montea allows itself to be guided by the interests of the logistics world in Belgium, France and the Netherlands.

- A definition of the role of the various management bodies

  Montea has a Board of Directors, an audit committee, a remuneration and appointments committee and three investment committees. The audit committee has the specific task of handling the company's internal auditing and risk management. Montea is assisted by third parties (EY, Primexis and ARAB/Deloitte in Belgium, France and the Netherlands) for accounting and tax matters, with only material support from these parties (this is in no way a delegation of management tasks).

- Company organization
  The Company is organised into various departments, which are shown in an organisation chart. Each person within the organisation is aware of what powers and responsibilities have been allocated to them.

- Measures to ensure sufficient capabilities
  The Company makes sure that the following have sufficient skills and capabilities:
  - directors (see below): in view of their experience the directors have the skills they need to carry out their mandate, including in the area of accountancy and general financial matters, legal matters and knowledge of the logistics market;
  - executive management and staff: carrying out the various functions within the Company is assured by:
    - ✓ a recruitment process based on carefully defined employee profiles;
    - ✓ An assessment policy and appropriate remuneration based on achievable and measurable objectives;
    - ✓ Appropriate training for all positions within the Company.

13.2.3 Risk analysis and audits

The person, in charge of the company's risk management, draws up a list of all risks that are evaluated by the audit committee twice a year. These risks are discussed in the chapter on "Risk factors" in this report.

The Company's specific audit processes can be subdivided into the following categories:

Audits based on statutory requirements:

  Every transaction involving the purchase or sale of property can be traced in terms of origin, the parties involved, the nature of the transaction and the time it was carried out, by using official notarial instruments.

- Audits based on internal procedures:

  - any purchase, sale and lease contract is signed by the permanent representative of the Statutory Manager and at least one of the Statutory Manager's directors;
  - incoming invoices are approved by at least 2 people (the person responsible and the manager of each department).
  - outgoing payments are approved by 2 at least people.
- Audits on financial matters:
  - the Company is assisted by an external adviser on accounting matters and tax practices;
  - an overview is systematically drawn up of any discrepancies in the actual costs and income, compared with the budget and compared with the actual costs and income of the previous year;
  - ad hoc samples are taken according to their material importance.
- Audits in the area of the main financial risks, such as:
  - consulting external database in relation to the creditworthiness of customers;
  - the proactive monitoring of interest rate risks.

13.2.4 Financial information and communication

General communication within the Company is tailored to the size of the Company. It is based mainly on general staff communication, internal work meetings and general e-mail traffic.

The process of financial information is based on retroplanning made on a quarterly, half-yearly and annual basis. The internal accounting team (local in the 3 countries) provides the accounting figures. These figures are consolidated and verified by the controlling team, which reports to the CFO.

13.2.5 Supervision and assessment of internal auditing

The quality of internal auditing is assessed during the course of the financial year by:

- the audit committee;
- the Auditors as part of their semi-annual and annual audit of the financial figures;
- the person responsible for internal audit: an internal audit programme has been approved in the audit committee. The internal audit function at Montea has been delegated for a term of three years (as of 23 September 2017) to an external contractor BDO Bedrijfsrevisoren CVBA, represented by Mr Koen Claessens. The final responsibility for the internal audit lies with the effective manager Jo De Wolf.

13.3 Administrative, management and supervisory bodies and senior management

13.3.1 General

In accordance with the Companies and Associations Code Code and its articles of association, Montea is managed by a statutory Manager/Partner, Montea Management NV ("Montea Management" or the "Manager"), a company that is jointly and severally liable, without limitation, for all commitments made by Montea and which itself is represented by its permanent representative, Mr Jo De Wolf. On June 23, 2016 Montea Management was reappointed as statutory manager of Montea for a period of ten years.

Montea Management is managed by a Board of Directors that is made up in such a way that Montea can be run in accordance with article 4 of the RREC Act and has at least three independent directors in the sense of article 526c of the Companies Code (now Article 7:87 of the Companies and Associations Code) pursuant to recommendation 3.5 of the Corporate Governance Code 2020, in accordance with the requirements of the RREC Act and the RREC RD.

The structure of the partnership limited by shares is totally transparent. This means that all of the rules of the RREC Act and the RREC RD apply to its management body, the Statutory Manager and the directors of the Statutory Manager.

In this regard, Montea has expanded the principles in the area of corporate governance to the directors of the Statutory Manager.

Montea's corporate governance structure can be shown diagrammatically as follows:

- the management bodies, on two levels:
  - the Statutory Manager, Montea Management NV, represented by its permanent representative, Mr Jo De Wolf;
  - the board of directors and the individuals to whom the day-to-day management of Montea Management NV is entrusted;
- the supervisory bodies:
  - internal: supervision of the day-to-day management by the effective managers, supervision by the compliance officer and the person tasked with the risk management of the company and the person tasked with the internal audit;
  - external: the auditors and the FSMA.

The individuals who form part of the company's Board and Statutory Manager have their business address at Montea's registered offices (solely for matters relating to Montea).

13.3.2 Board of Directors

13.3.2.1 Composition

(i) Appointment

The members of the Board are appointed by the General Meeting of Montea Management NV by a simple majority from a list of candidates presented by the Board of Directors on the advice of the Renumeration and Appointments Committee. With the exception of one share held by Jo De Wolf, the General Meeting of the Statutory Manager is composed of the five children of the late Mr Pierre De Pauw, who each hold 20% of the shares.

The members of the Board of Directors are all natural persons.

The directors are in principle appointed for a maximum period of four years, but, contrary to recommendation 4.6. of the Belgian Corporate Governance Code 2009 (and Recommendation 5.6 of the Belgian Corporate Governance Code 2020), this limit may be waived in order to make a certain rotation within the board.

Nominations for appointments or renewal of appointments, or the non-renewal or the resignation of directors will be submitted in advance to the FSMA for approval and/or communication purposes pursuant to article 14, §4, paragraph 4 of the RREC Act.

The appointment process is led by the Chairman of the Board of Directors. Nominee directors or candidates for reappointment as director are nominated by the board of directors to the shareholders of the Statutory Manager on recommendation of the Remuneration and Appointments Committee.

Before any new appointment, an evaluation is made of the skills, knowledge and experience already present on the Board and for which there remains a need. This ensures the necessary diversity and complementarity of the diverse backgrounds and skills of the directors. A profile of the required role is detailed.

Non-executive directors are made aware of the extent of their duties at the time of their candidacy nomination.

(ii) Qualifications requirements

The members of the Board of Directors are evaluated on the basis of the following criteria:

- knowledge of the sector of transport and logistics;
- knowledge of the operation of seaports and of the contacts with their operators;
- knowledge of the construction industry and of the market for logistics property;
- knowledge of the logistical flows of goods;
- experience as a director of a listed (real estate) company;
- general financial knowledge and knowledge of accounting legislation including the IFRS rules.

Non-executive directors may not hold more than five (5) directorships in listed companies simultaneously. Any changes to their other commitments outside Montea are to be reported to the Chairman and the Renumeration and Appointments Committee in a timely manner.

In accordance with article 13 of the RREC Act, at least three directors must be independent in the sense of article 526c of the Companies Code (now Article 7:87 of the Companies and Associations Code pursuant to Recommendation 3.5 of the Corporate Governance Code 2020). . At the present time, the following directors comply with these independence criteria:

- Ciska Servais;
- Sophie Maes;
- Philippe Mathieu.

(iii) Composition

The Board of Directors is made up of eight members. The composition of the Board of Directors was as follows on 31 December 2019

Name	Capacity/Position	Start of mandate	End of mandate
Dirk De Pauw	Executive director and since 1/10/2014 also chairman of the board of directors	01/10/2006	18/05/2021
Jo De Wolf	Managing director, Chief Executive Officer (CEO).	30/09/2010	17/05/2022
Peter Snoeck	Non-executive director	01/10/2006	18/05/2021
Philippe Mathieu	Independent, non-executive director	15/05/2018	18/05/2021
Jean-Marc Mayeur	Non-executive director	15/05/2012	18/05/2021
Ciska Servais	Independent, non-executive director	21/05/2013	18/05/2021
Sophie Maes	Independent, non-executive director	03/10/2013	19/05/2020
Greta Afslag	Non-executive director	16/05/2017	19/05/2020

A request will be made at the general meeting of shareholders of Montea Management NV on 19 May 2020 to extend the term of office of Sophie Maes by 2 years until the annual general meeting of 2022 and the term of office of Greta Afslag by 1 year until the annual general meeting of shareholders of 2021.

The Board currently has three female members, which means that more than 1/3 of the directors have a different gender.

(iv) Curricula`Vitae

A brief curriculum vitae of each of the directors or, in case of the companies being directors, of their permanent representatives, is provided below with report of the other mandates they have fulfilled in the course of the past five years as members of the administrative, management or supervisory bodies in other companies (with the exception of the subsidiaries of the Company).

Dirk De Pauw
Chairman of the board of directors and of the investment committees
Start of mandate: 1/10/2006 - Reappointed till 18/05/2021

Dirk De Pauw, born in 1956, is one of the founding shareholders of Montea. He received his diploma in accounting and business management from the INHUS in Ghent, followed by additional training at the Vlerick Leuven Gent Management School.

a) Mandates that have lapsed in the past five years: until 29 February 2020 Dirk De Pauw was the effective leader of Montea Comm. VA, pursuant to Article 14 of the REEC Act.
b) Current mandates:

Since 1982 he has been managing director of CLIPS NV in Asse and since 22 February 2018 director at Project Planning Degroote CV. The latter mandate was exercised by DDP Management BV with Dirk De Pauw as permanent representative.
Since 22/02/2018 director of DDP Management, represented by Dirk De Pauw, at Project Planning Degroote CV.
Dirk De Pauw is Chairman of the Board of the Statutory Manager of Montea and chairman of the Company's investment committees.

Jo De Wolf
Executive director and CEO
Start of mandate: 30/09/2010 - Reappointed till 17/05/2022[42]

Jo De Wolf, born in 1974, holds a Master's degree in Applied Economics from KU Leuven, an MBA from the Vlerick Leuven Ghent Management School and pursued the Master's Real Estate programme at the KU Leuven.

a) Mandates that have lapsed in the past five years: none.
b) Current mandates:
Jo De Wolf, was appointed as effective leader of Montea Comm. VA, in accordance with Article14 of the RREC Act.
Since May 2011: Director of BVS-UPSI (Professional Association of Property Sector).
Since December 2016: Director of Good Life Investment Fund.
Since January 2011: Permanent representative of Lupus AM BV, chairman of the board (as well as independent director) of Premier Development Fund 2 BV.

Peter Snoeck
Non-executive director
Start of mandate: 1/10/2006 - Reappointed till 18/05/2021

Peter Snoeck, born in 1957, received his diploma in industrial engineering in electromechanics in Ghent. He then studied business management at the KUL (Katholieke Universiteit Leuven) and pursued training to become a realtor.

a) Mandates that have lapsed in the past five years: none
b) Current mandates:
From 2006 to 2018, Peter Snoeck was the executive director of the Statutory Manager of Montea. He was appointed as non-executive director in 2018.
Peter Snoeck is also director of DBS projects NV and Immo-Lux NV.

Philippe Mathieu
Independent, non-executive director
Start of mandate: 15/05/2018 - appointed till 18/05/2021

42 In previous annual reports, the end date of the mandate of Jo De Wolf BVBA was incorrectly stated.

Philippe Mathieu was born in 1967. He earned a degree in Applied Economics (Catholic University of Leuven) and a Master's degree in Business Administration (MBA) in 1989.

a) Mandates that have lapsed in the past five years:
Econopolis Strategy Nv, Epi BV, Kyra I Comm.VA, ECS Corporate NV, Arkafund NV, ICPG BV, Sapim NV, Arco Information NV and Papillon d'Or NV.
b) Current mandates:
Chairman of the Board of Directors of ECS Corporate NV (via Sobelder NV), Chairman of the Boards of Directors of ECS European Containers NV, 2XL NV and ECS Technics BV (through ECS Corporate NV), Director at De Warande VZW, Managing Director at Sobelder NV and since 2018 Director at Montea.

Jean-Marc Mayeur
Non-executive director
Start of mandate: 15/05/2012 - Reappointed till 18/05/2021

Jean-Marc Mayeur, born in 1970, earned a degree in Commercial Engineering (Solvay Business School – ULB).

a) Mandates that have lapsed in the past five years: Retail Estates
b) Current mandates:
Federale Management since 2012.
Federale Invest since 2013.
Since 2012 director of various real estate subsidiaries investing in student rooms and in nursing homes and merged in 2017 in Federal Real Estate Investment Management.
The Hype since 2017, a joint venture between Federal Real Estates and Eaglestone. LEAPPP since 2017, a joint venture between Federale an Willemen.

Since 2018: The Artist (joint-venture with Eaglestone Group), Senior Island NV (real estate subsidiary of Federale in Belgium), Rosenstein NV (real estate subsidiary of Federale in Luxembourg).

Other mandates: Kampoos SA, UCG Real Estate SA, EXCH 404 Sarl and Campus Koekelberg SA. Since May 2012 he has represented Federale Verzekering as Chief Investment Officer as a director of Montea.

Ciska Servais
Independent, non-executive director
Start of mandate: 21/05/2013 - Reappointed till 21/05/2021

Ciska Servais, born in 1965, has a degree in Law, a Master's degree in International Legal Cooperation and a special diploma in Environmental Sciences.

a. Mandates expiring in the past five years: nihil
b. Current mandates:
CFE NV (construction company; listed on the stock exchange), Astrea BV CVBA (Law firm; not listed on the stock exchange) and Symbiosis (foundation of public utility; not listed on the stock exchange).

Sophie Maes
Independent, non-executive director
Start of mandate: 03/10/2013 - Reappointed till 21/05/2020

Sophie Maes, born in 1957, has a degree in Commercial and Financial Sciences.

a. Mandates that have lapsed in the past five years:
   - Mandates in her own name: Espace Belliard NV, Alides NV, Fonsny NV, R. Maes NV, MAPP SCI, Imco SCI, Alides Projects NV, Krekelendries NV, Immo Spa NV, ACS Technics NV, Building Hotel Maes NV, Aedifica NV, Investissement Leopold SA, ACS Technics NV; Stocznia Cesarska Development SpZoo; Stocznia Cesarska Management SpZoo.
   - Mandates of the company Insumat NV: Aedifica NV, Aalterpaint NV, Alides Projects NV, Paestum NV, Investera NV; Investpool NV, ACS Technics NV, Alides Properties NV, Espace Belliard NV, Fonsny NV; Immo Spa NV; Krekelendries NV; R. Maes NV, VIA NV, VINEA NV, Rinkkaai NV, NV,Gdansk Development Holding NV, Parkrand,Edegem NV, Prins Boudewijn NV, Piper NV, Spitfire NV, Alides Lux SPRL.

b. Current mandates:
   - In her own name: Director of Insumat NV, Promotion Leopold NV, Profin BV, Algemene Bouw Maes NV, P+eState CV, Voka – Kamer van Koophandel Oost-Vlaanderen, VOKA Vlaams Economisch Verbond VZW, BVS-UPSI, BNP Paribas Fortis Bank (Advisory Board).
   - Of the company Insumat: Director at Alides REIM NV, Building Hotel Maes NV.

Greta Afslag
Non-executive director
Start of mandate: 16/05/2017 – Appointed till 19/05/2020

Greta Afslag, born in 1962, earned a Master's degree in Applied Economics from the Catholic University of Leuven.

a) Mandates that have lapsed in the past five years: director of Belins invest, investment company.
b) Current mandates:
   Since 1998 director of VDL Interass, insurance broker.
   Since 2017 director at Montea.

13.3.2.2 Remit

Montea Management NV acts, in carrying out its duties in the capacity of Statutory Manager, in the exclusive interest of Montea. The Board of Directors of Montea Management NV has the following specific duties in this context:

- defining the strategy of Montea, its risk profile and in particular defining the sectors and the geographical area in line with the relevant legal requirements;
- approval of investment decisions in line with relevant legal requirements;
- monitoring and approval of periodic financial information;
- oversight of the executive management, particularly in light of strategy monitoring;
- approval of public information;
- proposal of profit distribution;

- other duties expressly assigned to the Statutory Manager (strategy and budget, annual, quarterly and half-yearly accounts, use of the authorized capital, approval of the merger/demerger reports, convening of the Ordinary and Extraordinary General Meetings, organising the decision-making bodies and appointing their members).

13.3.2.3 Activity report of the Board of Directors

The board of directors met on six occasions and also on 3 occasions via teleconferencing in 2019.[43] Special ad hoc meetings of the board were held via teleconferencing in between where necessary in the company's interests. The directors attended as shown in the table below:

Name	Position	Start of first mand	End of mandate	Attendance 2019
Dirk De Pauw	Chairman and executive director	October 2006	May 2021	9/9
Jo De Wolf	Managing director	September 2010	May 2022	9/9
Philippe Mathieu	Independent, non-executive director	May 2018	May 2021	9/9
Peter Snoeck	Non-executive director[44]	October 2006	May 2021	8/9
Jean-Marc Mayeur	Non-executive director	May 2012	May 2021	9/9
Ciska Servais	Independent, non-executive director	May 2013	May 2021	9/9
Sophie Maes	Independent, non-executive director	October 2013	May 2020	8/9
Greta Afslag	Non-executive director	May 2017	May 2020	9/9

The issues addressed at the Board of Directors' meetings include the following issues:

- review and discussion of the reports from the remuneration and appointments committee;
- review and discussion of the reports from the audit committee;
- review and discussion of the reports from the investment committees;
- deliberation and decisions regarding investments and divestments on the advice of the investment committees;
- deliberation and decisions regarding the quarterly, half-yearly and annual consolidated and statutory financial statements and press releases;
- discussion and approval of the annual budget;
- evaluation and monitoring of the strategy set;
- deliberation and decisions regarding the launch of a new offering of €160 million maximum on 20 February 2019;
- deliberation and decisions regarding a capital increase in connection with the optional dividend on 21 May 2019;;
- deliberation and decisions on capital increase by merger with Bornem Vastgoed NV on 21 May 2019.

[43] An additional fixed annual fee of €4,000 for independent directors for attending board meeting via teleconferencing and other duties has been paid since 2019.

[44] Peter Snoeck was executive director until 30/06/2018.

13.3.2.4 Operation of the Board of Directors

In order to optimise the operation of the Board of Directors, it has established two advisory committees within itself and answerable to it:

- the Audit Committee
- the Remuneration Committee, which also functions as an Appointments Committee given the limited size of the Company.

The board of directors assesses the effectiveness of its committees.

After each committee meeting the Board of directors receives a report on that committee's findings and recommendations. In between, ad hoc information is provided to the directors and each director may request information at all times through the Chairman of the Board of Directors.

Individual directors and the committees may at any time, through the Chairman of the Board of Directors, request the Board of Directors to call upon external experts (legal advisors, tax advisors etc., in accordance with Article 4.11 of the Belgian Corporate Governance code 2009) under the aegis of the company. These external experts may be appointed in the light of new purchases, divestments and new regulations on environmental and legal matters. The Board of Directors is obliged to examine such questions from a director or committee if they are approved by a majority of the directors.

In addition, the Board of Directors is advised on investment projects by three investment committees, of which the composition is determined by the Board.

Given the size of the company, its activities and the efficiency of its decision-making process, there is no need to formally designate a secretary.

13.3.2.5 Chairman of the Board of Directors

The Chairman of the Board is chosen by the Board of Directors from amongst its members. The Chairman is appointed on the basis of his knowledge, skills, experience and mediation abilities.

The post of Chairman may not be combined with that of CEO. The Chairman has the special duty to:

- promote the leadership and proper functioning of the Board of Directors;
- act as intermediary between the Board and the CEO;
- ensure that the directors and its committees have accurate, timely and clear information for the meetings and if necessary, between the meetings. In this context, the agenda of the Board and its committees is set at the beginning of each calendar year;
- chair, lead and ensure the smooth running of the shareholders' meetings.

13.3.2.6 Professional development of directors

The professional development of directors is guaranteed by:

- on the one hand, the personal development of each director in their own field of expertise by attending various seminars and the change in the property market;
- and on the other, by the organisation of various in-house trainings and seminars.

In 2019, Montea held informal training sessions about developments on the logistics property market among other topics.

13.3.2.7 Evaluation of directors

The evaluation of the directors is done at different levels:

- the Board of directors performs an annual evaluation of its size, composition, functioning and performance, as well as that of the committees and the interaction with executive management;
- the directors evaluate each other on a permanent basis and may put problems or comments about the contribution of a director on the agenda for the Board of directors or may discuss this with the Chairman. The Chairman can then, at his discretion, take the necessary steps.

The board of directors is assisted in this by the remuneration and appointments Committee, as well as by any external experts, as required.

The contribution of each director is assessed on a periodic basis so that in the event of changing circumstances, the composition of the board of directors can be modified. In the event of a re-appointment, an assessment is conducted of the director's contribution based on a previously defined and transparent procedure.

The board of directors ensures that directors can be succeeded. It also sees to it that all appointments and re-appointments of both executive and non-executive directors allow for an even balance of qualifications and experience within the board of directors to be maintained.

13.3.3 Committees of the Board of Directors

The board of directors has set up three specialized committees in its ranks: the audit committee, the remuneration and appointments committee and the investment committee, to assist and advise the board in their specific areas.

13.3.3.1 Audit committee

A. Composition of the audit committee

(i) Set-up

The audit committee was established under Article 526bis of the Belgian Companies Code (new Article 7:87 of the Companies and Associations Code) put into effect on 1 January 2009 and assists the Board of Directors in fulfilling its oversight role on the internal and external audit in the broad sense of the term.

(ii) Composition

On 31 December 2019, the audit committee was composed of the following directors:

- Philippe Mathieu, chairman of the committee, non-executive and independent director;
- Sophie Maes, non-executive and independent director
- Jean-Marc Mayeur, non-executive director.

The Board of Directors has decided to replace Mrs Ciska Servais by Mr Philippe Mathieu as of 21 May 2019, and to appoint the latter also as chairman of the Audit Committee in the place of Mrs Sophie Maes.

According to Article 526*bis* of the Belgian Companies Code (new Article 7:87 of the Companies and Associations Code) , at least one member of the Audit Committee must have the necessary expertise in the field of accountancy and auditing. We refer to the wide experience and expertise of the total committee:

- Mr Philippe Mathieu has relevant experience in particular as independent and executive director at Arkafund NV and as chairman of the Board of Directors of ECS Corporate NV, and has been or is a member of various executive committees.
- Mrs Sophie Maes has relevant experience as CEO of the various companies in the Maes group;
- Mr Jean-Marc Mayeur has relevant experience as director of several branches of Federale Verzekering.

When the audit committee deliberates on the annual financial audit, an external financial adviser and/or Auditor can also be invited to attend the meeting, if so desired.

The members of the audit committee have collective expertise in the field of Montea's activities.

B. Duties of the audit committee

The audit committee is charged with the legal duties in accordance with Article 526*bis* of the Belgian Companies Code (new Article 7:87 of the Companies and Associations Code). The duties of the audit committee include:

- assisting the Board of Directors in its supervisory responsibilities, particularly with regard to providing information to shareholders and third parties;
- monitoring of the financial reporting process, particularly of the quarterly, half-yearly and annual results;
- monitoring of the legal control of the annual statutory accounts and the consolidated financial statements;
- monitoring the effectiveness of the systems for internal control and risk management of the company;
- monitoring the internal audit and its effectiveness;
- assessing and monitoring the independence of the auditor, and approving the remuneration of this auditor, with particular reference to the provision of additional services to the company;
- analysing the observations made by the auditor, and, where necessary, making recommendations to the Board of Directors;

- ensuring that all legislation relating to any conflict of interest is strictly applied.

In addition, the recommendation to appoint (or renew an appointment) of the Auditor made by the Board of directors at the General Meeting can only be made upon proposal by the Audit Committee.

The Audit Committee reports, after each meeting, to the Board of directors on the performance of its duties, and at least when the Board of directors drafts the annual account and the consolidated annual account, and, as the case may be, the shortened financial summary intended for publication.

C. Audit committee activity report

The audit committee met six times in 2019. The members' attendance was as shown in the table below:

Name	Position	Attendance in 2019
Sophie Maes	Independent, non-executive director Chairman[45]	5/6
Ciska Servais	Independent, non-executive director[46]	2/2
Jean-Marc Mayeur	Non-executive director	6/6
Phillippe Mathieu	Independent, non-executive director Chairman[47]	6/6

At these meetings the issues dealt with included the following:

- discussing the quarterly, half-yearly and annual consolidated and statutory financial statements;
- discussing and evaluating the internal audit systems: (i) follow-up of financial solvency of clients, (ii) follow-up and analysis of current legal matters, (iii) follow-up and analysis of liquidity needs;
- discussing the annual financial figures audited by the auditor-revisor;
- preparation of the tender for the auditor's mandate;
- reporting to the full Board of Directors regarding the main conclusions of the Audit Committee.

45 The Board of Directors decided to appoint Mr Philippe Mathieu as Chairman of the Audit committee in the place of Mrs Sophie Maes effective as of 21 May 2019.

46 The Board of Directors decided to replace Mrs Ciska Servais with Mr Philippe Mathieu effective as of 21 May 2019.

47 Since being appointed as director, Mr Philippe Mathieu has also been invited to the meetings of the audit committee. The Board of Directors decided to replace Mrs Cisk Servai with Mr Philippe Mathieu effective as of 21 May 2019 and to appoint the latter also as chairman of the Audit Committee in the place of Mrs Sophie Maes.

At three meetings, previous items were also discussed with the auditor. At all meetings, previous items were also discussed with the CEO and the CFO.

D. Evaluation of the audit committee

The most important criteria for evaluating the audit committee and its members are:

- experience in the field of accounting and auditing;
- experience in sitting on other audit committees;
- experience in the analysis, control and monitoring of financial, legal and business risks.
-

The evaluation of the members and operation of the audit committee is done on a permanent basis (i) both by colleagues and (ii) by the full Board of Directors. If someone has questions regarding the contribution of a fellow colleague/member, he can discuss this with the chairman of the board of directors. The chairman can then, at his discretion, take the necessary steps.

13.3.3.2 Remuneration and Appointments Committee

A. Composition of the Remuneration and Appointments Committee

(i) Set-up

The Board of Directors has established a Remuneration Committee in accordance with Article 526quater of the Belgian Companies Code (new Article 7:88 of the Companies and Associations Code). The Remuneration Committee also functions as a Appointments Committee given the limited size of the company.

(ii) Composition

The remuneration and appointments committee is composed of the following members:

- Ciska Servais, chairman of the committee, non-executive and independent director;
- Sophie Maes, non-executive and independent director ;
- Philippe Mathieu, non-executive and independent director.[48]

This composition ensures that the committee has the necessary expertise in the area of remuneration policy on account of their far-ranging professional experience.

Mrs Sophie Maes has relevant experience as CEO of the various companies in the Maes group. Mrs Ciska Servais has among others relevant experience as member of the remuneration committee of CFE NV, and Mr Philippe Mathieu has relevant experience as independent and executive director at Arkafund NV and as chairman of the board of directors of ECS Corporate NV, and he has been or is a member of various executive committees.

[48] Philippe Matthieu was appointed as member of the remuneration and appointments committee by the Board of Directors on 11 February 2020.

B. Duties of the Remuneration and Appointments Committee

The Remuneration and Appointments Committee performs the following activities on its behalf:

- make proposals to the Board of directors on the remuneration policy for directors and members of executive management and, where applicable, on the resulting proposals that should be submitted to the shareholders by the Board of Directors;
- make proposals to the Board of directors on the individual remuneration of directors and members of executive management, including variable remuneration and long-term performance bonuses, whether or not linked to shares in the form of stock options or other financial instruments, and of severance pay, and where appropriate, the resulting proposals that should be submitted to the shareholders by the Board of Directors;
- preparing the remuneration report that will be added by the Board of Directors in the corporate governance statement in the annual report;
- the explanation of the remuneration report at the Annual General Meeting of shareholders

C. Activity report of the Remuneration and Appointments Committee

The Remuneration and Appointments Committee met twice in 2919. The members' attendance was as shown in the table below.

Name	Position	Attendance in 2019
Ciska Servais	Independent, non-executive director and Chairman	2/2
Sophie Maes	Independent, non-executive director	2/2

The following issues were discussed at these meetings:

- evaluation of management for 2019 and discussion of the objectives for 2020;
- discussion and evaluation of the overall staff policy;
- discussion of the status of the share purchase plan;
- discussion and preparation of the remuneration report 2019;
- discussion and preparation of a remuneration policy;
- discussion and preparation of the amended Corporate Governance Charter.

The CEO attends the meetings of the Remuneration and Appointments Committee whenever it discusses the goals and the remuneration of the executive management and its staff.

D. Evaluation of the Remuneration and Appointments Committee

The functioning of the Remuneration and Appointments Committee is evaluated by means of the following criteria:

- experience in the field of personnel management, remuneration policy and remuneration systems;
- experience in sitting on other remuneration committees.

The evaluation of the members and operation of the Remuneration and Appointments Committee is done on a permanent basis (i) both by colleagues and (ii) by the full Board of Directors. If someone has questions regarding the contribution of a fellow colleague/member, he can discuss this with the chairman of the board of directors. The chairman can then, at his discretion, take the necessary steps.

13.3.3.3 Investment committees

A. Composition of the investment committees

(i) Set-up

The Board of Directors decided to set up a separate investment committee for Belgium, France and the Netherlands. In 2013, an investment committee for Belgium and France was set up and in 2016 for the Netherlands for the purpose of obtaining professional advice in investment dossiers.

(ii) Composition

The investment Committee Belgium consists of the following parties [49]:

- DDP Management BVBA, represented by Mr Dirk De Pauw, Chairman of the Investment Committee and responsible for business development;
- Jo De Wolf, Chief Executive Officer (CEO);
- PSN Management BVBA, represented by Mr Peter Snoeck;
- Elijarah BVBA, represented by Els Vervaecke (CFO);
- PDM cv, represented by Peter Demuynck (Chief Commercial Officer) (CCO);
- MOR BVBA, represented by Francis Rome;
- Insumat NV, represented by Sophie Maes;
- Brix & Co, represented by Patricia Laureys

The Investment Committee France consists of the following parties:

- DDP Management BVBA, represented by Mr Dirk De Pauw, Chairman of the Investment Committee, and responsible for business development;
- Jo De Wolf, Chief Executive Officer (CEO);
- Elijarah BVBA, represented by Els Vervaecke (CFO);
- Jean de Beaufort (General Manager of the subsidiary in France);
- SAS Casamagma, represented by Laurent Horbette

The Investment Committee Netherlands consists of the following parties[50]:

- DDP Management BVBA, represented by Mr Dirk De Pauw, Chairman of the Investment Committee, and responsible for business development;
- Jo De Wolf, Chief Executive Officer (CEO);
- Elijarah BVBA, represented by Els Vervaecke (CFO);
- PDM cv, represented by Peter Demuynck (Chief Commercial Officer) (CCO);
- HOAM BV, represented by Hylke Okkinga, director Netherlands;

[49] On 7 January 2020, Montea and GCA Consult BV, represented by Griet Cappelle, Chief Operating Officer (COO) of Montea, decided to terminate their cooperation.

[50] On 7 January 2020, Montea and GCA Consult BV, represented by Griet Cappelle, Chief Operating Officer (COO) of Montea, decided to terminate their cooperation.

- Ad De Keijzer;
- PSN Management, BV, represented by Peter Snoeck;
- Ard De Keijzer;
- Rien van den Heuvel.

B. Duties of the investment committees

The investment committees are responsible for the preparation of investment and divestment files for the Board of Directors. They also follow the negotiations with the various counterparties of Montea. These negotiations are mainly related to the acquisition (in any form) and the divestment of property, the conclusion of major lease agreements and/or acquisitions of property companies.

The creation and advice of the investment committees in no way affects the decision-making powers of the board of directors which remains responsible and can decide alone about investments.

C. Investment Committees' activity report

In 2019, the Investment Committee Belgium met twice. The members' attendance was as shown in the table below:

Name	Position	Attendance in 2019
DDP Management BV, represented by Dirk De Pauw	Chairman	2/2
Jo De Wolf	Member	2/2
PSN Management BV, represented by Peter Snoeck	Member	2/2
Elijarah BV, represented by Els Vervaecke	Member	2/2
PDM CommV, represented by Peter Demuynck	Member	2/2
GCA Consult BV, represented by Griet Cappelle[51]	Member	1/2
Emor BVBA, represented by Francis Rome	Member	2/2
Insumat NV, represented by Sophie Maes	Member	2/2
Brix & Co, represented by Patricia Laureys	Member	2/2

In 2019, the Investment Committee France met four times. The members' attendance was as shown in the table below:

Name	Position	Attendance in 2019
DDP Management BV, represented by Dirk De Pauw	Chairman	4/4
Jo De Wolf	Member	4/4
Elijarah BV, represented by Els Vervaecke	Member	4/4
Jean de Beaufort	Member	4/4
SAS Casamagna, represented by Laurent Horbette	Member	4/4

[51] On 7 January 2020, Montea and GCA Consult BV, represented by Griet Cappelle, Chief Operating Officer (COO) of Montea, decided to terminate their cooperation.

In 2019, the Investment Committee Netherlands met 4 times. The members' attendance was as shown in the table below:

Name	Position	Attendance in 2
DDP Management BV, represented by Dirk De Pauw	Chairman	4/4
Jo De Wolf	Member	4/4
Elijarah BV, represented by Els Vervaecke	Member	4/4
PSN Management BV, represented by Peter Snoeck	Member	4/4
PDM CommV, represented by Peter Demuynck	Member	4/4
GCA Consult BV, represented by Griet Cappelle[52]	Member	0/4
HOAM BV, represented by Hylcke Okkinga	Member	4/4
Ard De Keijzer	Member	3/4
Rien van den Heuvel	Member	3/4

13.3.4 Executive management and daily management

13.3.4.1 Composition of the executive management and daily management

In view of the further growth of Montea, in the beginning of 2020, the board of directors of the Statutory Management decided to reorganize its management on the basis of the different countries in which it is active. As of this year, there are three country managers for Belgium, France and the Netherlands who report to the executive management consisting of the CEO, CFO and the CPM.

The board of directors has entrusted the operational management of Montea to the executive management, consisting, at the time of this annual financial report, of:

Name	Position
Jo De Wolf	Chief Executive Officer (CEO)
Elijarah BV, represented by Els Vervaecke	Chief Financial Officer (CFO)
Jimmy Gysels	Chief Property Management (CPM)

[52] On 7 January 2020, Montea and GCA Consult BV, represented by Griet Cappelle, Chief Operating Officer (COO) of Montea, decided to terminate their cooperation.

The executive management is assisted in the performance of their duties by the country managers[53]:

- PDM CommV, represented by Peter Demuynck (CCO)
- Jean de Beaufort (France)
- HOAM BV, represented by Hylcke Okkinga (Netherlands)

Messrs Jo De Wolf and Jimmy Gysels[54] also qualify as effective leaders within the meaning of Article 14 of the RREC Act.

13.3.4.2 Set-up of the executive management

The executive management is responsible for the following:

- preparing the decisions that have to be taken by the Board of Directors in order to fulfil its obligations, and the timely provision of the information required to do so;
- implementing decisions taken by the Board of Directors;
- carrying out internal audits, without prejudice to the supervisory role of the Board of Directors, based on approvals made by the Board of Directors;
- proposing the full, timely, reliable and accurate preparing of the annual accounts to the Board of Directors;
- preparing the publication of the annual accounts and other material financial and non-financial information;
- proposing a balanced and understandable assessment of the financial condition to the Board of Directors;
- setting out the responsibility and accountability to the Board of Directors regarding the exercise of its duties.

The executive management committee is charged in particular with the management of property, the financing policy, the overall management of staff and the HR policy, the preparation of all statutorily required financial and other information and the reporting and distribution of all required information to the public or competent authorities.

13.3.4.3 Functioning of the executive management

The executive management works closely together and in constant consultation. When the executive management does not reach an agreement, the decision is left to the Board of Directors.

The executive management meets weekly. The agenda items of these meetings are, inter alia, the operational decisions regarding the daily management, the status of current projects and leases and evaluation of new projects under study.

[53] On 7 January 2020, Montea and GCA Consult BV, represented by Griet Cappelle, Chief Operating Officer (COO) of Montea, decided to terminate their cooperation.

[54] As of 01/03/2020 Mr Jimmy Gysels is effective leader of Montea replacing Dirk De Pauw.

The executive management regularly reports to the Board of directors on the fulfilment of its mission.

The executive management provides the Board of directors with all relevant business and financial information. These include: key figures, an analytic presentation of the results versus the budget, a summary of the evolution of the property portfolio, the consolidated financial statements and details on the consolidated financial statements.

Proposals for decisions that the Board of directors must take are explained to the Board of Directors by the CEO.

13.3.4.4 Evaluation of the executive management

The executive policy is evaluated by the board of directors on the basis of performance and objectives.

13.3.4.5 Control – Internal supervision – Supervision of executive management

The supervision of the executive management is the responsibility of the full board of directors of the Statutory Manager.

13.3.5 Diversity policy

In formulating its advice to the Board of Directors with respect to the directors to be appointed, the Remuneration and Appointments Committee (and the Board of Directors in return at the nomination of candidates to the General Meeting) takes into account the intended diversity within the board of directors. Such diversity is not only gender related but also to other criteria such as competencies, experience and knowledge. A diversification of the board of directors contributes to a balanced decision-making process by analysing possible problems from different perspective.

The board of directors of Montea has currently three female members, which means that as of 1 January 2018, more than 1/3 of the directors (i.e. three of the eight members) have a different gender. Moreover, the current members of the board of directors have a diverse background such as the real estate, the legal and the bank sector.

The Board of Directors takes these principles of diversity particularly into account also for the composition of the executive management.

13.3.6 Other persons involved

13.3.6.1 Compliance officer

Compliance is an independent function within Montea. It focuses on investigating and encouraging compliance by Montea of the rules relating to its business.

The rules relating to compliance and integrity are included in the function of the compliance officer. Under principles 3.7 and 6.8, as well as Appendix B of the Corporate Governance Code 2009, the independent compliance function resides with Elhanafi Oubial, who has been appointed as compliance officer since 26 May 2017 (for a period of three years) [55].

The compliance officer is charged with investigating and encouraging compliance by the company of the rules relating to the integrity of its business activities. The rules cover the requirements that arise from the company's policy and its status, as well as other statutory and regulatory requirements. It therefore relates to part of the corporate culture in which emphasis is placed on honesty and integrity, compliance with high ethical standards in conducting business, and compliance with the applicable regulations. Hence the compliance officer is also charged with supervising compliance with the rules on market abuse, such as those imposed by the Act of 2 August 2002 relating to supervision of the finance sector and financial services, Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 onmarket abuse. The compliance officer is also charged with supervising compliance with the rules regarding conflicts of interest, as set out in section 9 of Montea's corporate governance charter with regard to the incompatibility of mandates.

The compliance officer reports to the effective leader, Jo De Wolf.

13.3.6.2 Person in charge of risk management for the company

Risk is a constantly present element in the business world. Montea identifies the risks in all of its processes and builds in the necessary internal controls to restrict exposure to these risks.

The awareness of risks in its internal and external environment is demonstrated on various levels by the Company to its staff by setting a good example at the top, as well as through the corporate governance charter - in other words the corporate culture.

It is the task of the Board of Directors to monitor identification of the risks and the way those risks are controlled. The Board of Directors pays attention to the various risk factors to which the Company is subject. The constant developments on the property and financial markets require the constant tracking of risks associated with monitoring the Company's results and financial condition.

The audit committee, which assists the Board of Directors in carrying out its supervisory role, submits the necessary recommendations to the Board of Directors regarding risk management and the control of financial risks. In conjunction with management and the auditor, the audit committee monitors the principal risks and the measures needed to control these risks.

[55] Subject to approval by the FSMA, Jimmy Gysels (Chief Property Management) will take over the function of compliance officer.

At Montea, Elhanafi Oubial was charged with the risk management function for a period of 3 years, with effect from 26 May 2017, tacitly renewable for periods of 1 year and which can be cancelled early at any time by a decision taken by the Board of Directors of the Statutory Manager[56]. His duties include responsibility for drawing up, developing, monitoring, updating and implementing the risk management policy and risk management functions. He reports to the effective leader, namely Jo De Wolf.

13.3.6.3 Internal audit

Internal audit is an independent assessment function within the organisation. It focuses on examining and assessing the proper operation, effectiveness and efficiency of internal auditing. Internal audit assists the members of the organisation in the effective execution of their responsibilities and provides them in this regard with analyses, evaluations, recommendations, advice and information regarding the activities examined.

The scope of internal audit covers, in general, the examination and evaluation of the suitability and effectiveness of internal auditing, as well as the extent to which the allocated responsibilities are complied with.

The person charged with internal auditing examines the company’s compliance with the policy lines, risk management (both measurable and non-measurable risks), reliability (including integrity, correctness and completeness) and the timeliness of the financial and management information, as well as external reporting, the continuity and reliability of the electronic information systems and the operation of staff services.

The person charged with internal auditing examines and assesses all aspects of Montea’s overall business. In doing so, he or she uses various types of audit, such as:

- the financial audit, designed to verify the dependability of the accounting records and annual financial statements based on them;
- the compliance audit, aimed at checking compliance with legislation, regulations, policy lines and procedures;
- the operational audit, focused on checking the quality and suitability of the systems and procedures, the critical analysis of the organisation structures and the assessment of the conclusive nature of the methods and resources used in relation to the objectives;
- the management audit, focused on assessing the quality of the management function in terms of the company’s objectives.

The internal audit function at Montea is for a period of three years (commencing on 23rd September 2017), delegated to and carried out by the external service-provider, BDO Bedrijfsrevisoren BV o.v.v.e. CVBA, represented by Koen Claessens. He issues a report to the executive directors, who in turn produce a report for the entire Board of Directors of the Statutory Manager, where appropriate via the audit committee. The person responsible for internal auditing can also inform the chairman of the Board of Directors or Montea’s auditors directly. He can examine all of the company’s documents, files and information data, including the management information and minutes from the advisory and decision-making bodies, insofar as these are necessary for him to carry out his assignment.

[56] Subject to approval by the FSMA, Jan Van Doorslaer (Finance & Risk Manager) will take over the function of Risk manager.

The end responsibility for the internal audit is the effective leader Jo De Wolf who has the necessary professional reputation and appropriate expertise to carry out this function.

The person who is responsible for the internal audit function at Montea does not combine this function with that of risk manager or compliance officer.

13.3.6.4 Entity in charge of financial services

Euroclear Belgium NV is in charge of the company's financial service.

The provision of this financial service entailed a total cost of €24,062 (excl. VAT) in 2019. This fee comprises both a fixed fee per year and a variable fee per dividend paid out for non-registered shares.

13.3.6.5 Research and development

Montea does not carry out any research and development activities.

13.4 Conflicts of interest

13.4.1 Companies Code

Pursuant to article 523 of the Companies Code (now Article 7:69 of the Companies and Associations Code), every director who, directly or indirectly, holds a financial interest that conflicts with a decision or action that comes under the authority of the Board of Directors, is required to report this to the other members of the Board, nor may he or she take part in the Board's deliberations.

Pursuant to article 524 of the Companies Code (now Article 7:97 of the Companies and Associations Code), any decision or action that relates to the relations between the Company and an associated company (with the exclusion of subsidiaries) and between subsidiaries of the Company and an associated company (other than a subsidiary), is to be the subject of a special report that is required to be drafted by three independent directors, assisted by an independent specialist.

In the course of financial year 2019, the board of directors did not have to apply the procedure provided in Articles 523 and 524 of the Companies Code.

13.4.2 RREC wet

Pursuant to Article 37 of the RREC Act, the FSMA has to be informed when any benefit is gained in a transaction by certain parties referred to in this article. The Company must show the importance of the planned transaction, as well as the fact that the planned transaction falls within the normal course of its corporate strategy. These transactions must be carried out at market conditions and must be disclosed immediately. Pursuant to Article 49, §2 of said Act, the fair value, as established by the property expert, will be the maximum price in a transaction with the parties referred to in Article 37, when the Company acquires real estate, or the minimum price when the company disposes of real estate. Furthermore, these transactions must be explained in the annual report.

The Company carried out the following transactions pursuant to Article 37 of the RREC Act in the course of the financial year: As part of the public offering to subscribe to new shares in cash, the accompanying capital increase was carried out for an amount of €160,041,189.60 by issuing 2,847,708 shares.[57] There was a possible conflict of interest in the aforementioned capital increase for the following persons because they (could) act as a counterparty in this transaction or (could) gain financial advantage:

- Montea Management NV, having its Registered Office at 27 Industrielaan, 9320 Erembodegem, company number 0882.872.026 (Ghent Legal Entities Register, Dendermonde Division), as statutory manager of Montea
- Mr Jo De Wolf, as managing director and permanent representative of the statutory manager;
- Mr Dirk De Pauw, as director of the statutory manager;
- Mr Peter Snoeck, as director of the statutory manager;
- The reference shareholder: The De Pauw Family.

There are no significant arrangements and/or agreements with important shareholders, customers, suppliers or other person on the basis of which persons were selected as a member of the administrative, executive or supervisory bodies, or as a member of the company management.

There are no potential conflicts of interest between the issuing institution and members of the administrative, executive or supervisory bodies and each member of the executive management.

There are no further details on possible restrictions with which the members of the administrative, executive or supervisory bodies and each member of the executive management have consented with regard to the disposal, within a certain period, of securities of the issuing institution in their possession.

13.5 Family relationships between shareholders, directors and effective leaders

There are no known regulations which could entail a change in control of the issuing institution if they were to be triggered.

De Pauw family

The De Pauw family consists of:

[57] For more information cf. the press release of 01/03/2019 or www.montea.com.

- Dirk De Pauw, Marie-Christine De Pauw, Bernadette De Pauw, Dominika De Pauw and Beatrijs De Pauw (brother and sisters) and their respective children;
- The De Pauw indivision;
- Montea Management NV, which is controlled by the five aforementioned De Pauw siblings.

They own 13.01% of the voting rights of Montea Comm. VA.

The De Pauw family acts through mutual consultation. This can be gauged from the notifications to the FSMA and press releases, while this information is also posted on Montea's website.

As already mentioned, Mr Dirk De Pauw is the executive director and chairman of the board of directors of the Statutory manager Montea Management NV; Peter Snoeck is a non-executive director. The latter is the spouse of Dominika De Pauw.

13.6 Statement of the Statutory Manager's board of directors

The Board of Directors of Montea Management NV states that to their knowledge:

- During the previous five years:
  - (i) No director was convicted of fraud;
  - (ii) No director, in the capacity of member of the administrative, managerial or supervisory body, was involved in a bankruptcy, suspension or dissolution, with the exception of Insumat NV, which is one of the directors of Gindac NV, and is permanently represented by Mrs Sophie Maes. Gindac NV was as of 26 June 2013 one of the directors of Afinco NV, in which it held a stake, and was therefore represented by Mrs Sophie Maes as of that date. After proceedings of judicial reorganization by a transfer under court supervision, Afinco NV was declared bankrupt on 29 January 2015;
  - (iii) No director was indicted and/or the subject of an official public nominative sentence handed down by a legal or regulatory body; and
  - (iv) No director was declared incompetent by a court to act as a member of the administrative, managerial or supervisory body of an issuer of financial instruments or to intervene in the management or administration of the business of an issuer or in connection with the management and exercise of the activities of an issuing institution.
- No employment contract was concluded with the directors providing for the payment of compensation by the end of the contract. There is a management contract between the Montea Management NV and some directors providing for the payment of a fee.[58]

[58] See Section "Executive Management and day-to-day management of the Statutory Manager."

- It is not aware of the fact that the directors or members of the executive management do or do not own Montea shares as at 31 December 2019, with the exception of Dirk De Pauw, DDP Management BV permanently represented by Dirk De Pauw, Jo De Wolf, Peter Snoeck, PSN Management BV permanently represented by Peter Snoeck, Els Vervaecke, Elijarah BV, permanently represented by Els Vervaecke and Jimmy Gysels.
- The fact that up to now no Montea stock options have been granted, except for executive directors and some members of the executive management.[59]

[59] For more information cf. section 14.4.4 of this annual report.

14. Remuneration and benefits

14.1 Remuneration of the Statutory Manager in financial year 2019

14.1.1 Remuneration policy 2019

The articles of association of the Statutory Manager make provision for remuneration of the contract of Montea Management NV as Statutory Manager. This remuneration consists of two parts: a fixed part and a variable part.

The fixed part of the remuneration of the Statutory Manager is established every year by the Annual General Meeting of the RREC. This lump sum cannot be less than €15,000 per year and meets the criteria of article 35, §1, 2nd subparagraph of the RREC Act.

The variable statutory portion is equal to 0.25% of the amount equal to the sum of the adjusted results[60] and of the net gains on disposal of property not exempt from the mandatory payment. This remuneration meets the criteria of article 35, §1, 2nd subparagraph of the RREC Act. The Statutory Manager is entitled to reimbursement of the actual costs incurred, directly related to his/her mission and of which sufficient proof is provided.

14.1.2 Remuneration for financial year 2019

During the financial year ending on 31 December 2019, the remuneration of the Statutory Manager was €699,000 excl. VAT. This amount includes the total remuneration cost on the part of the Board of Directors of the Statutory Manager, the remuneration for the managing director and the operating costs of Montea Management NV.

The final allocation of this remuneration to the Statutory Manager will be submitted for approval to the annual meeting on 19 May 2020.

14.2 Remuneration for the members of the board of directors in financial year 2019

14.2.1 Remuneration policy 2019

The continuity principle is applied for non-executive directors. They are reimbursed in the form of attendance fees per Board of Directors meeting attended and for those of committees within the Board of Directors. The chairman of the board receives a fixed fee.

[60] Adjusted results = Net result + Depreciation + Write-downs – Reversals of write-downs – + Reversals of rentals carried forward and discounted +/- Other non-monetary items +/- Result from the sale of real estate +/- Changes in the fair value of real estate.

The independent directors receive an additional annual fixed fee of €4,000 for attending board meetings via teleconferencing or other duties during the year.

This disbursement of “attendance fees” does not apply to executive directors. They are only remunerated in their capacity of members of the executive management. In accordance with the principles regarding Corporate Governance, the compensation of directors is proportionate to their responsibilities and to the time they devote to their duties.

The amount for the attendance fees for non-executive directors is approved every year through the General Meeting on the proposal of the Board of Directors, prepared by the Remuneration and appointments Committee. All members of the Board are also covered by a civil liability insurance for directors, whose total premium of €29,279 for all directors together is borne by Montea.

There are no additional fees (company car, pension, options, mobile phones etc.) paid to the directors. The non-executive directors are not eligible for the award of variable compensation.

14.2.2 Remuneration in financial year 2019

After benchmarking, the attendance fee for financial year 2019 for the non-executive independent directors was established at €2,000 per meeting for all directors who actually participate in the Board of Directors. The executive and the non-executive non-independent directors do not receive attendance fees.

The Chairman of the Board of Directors receives an annual fixed emolument of €60,000.

The independent members of the audit committee and the remuneration and appointments committee receive an additional attendance fee for each effective attendance at a committee meeting. For financial year 2019, this attendance fee was set at €2,000 per meeting for the chairman and members of all committees.

Each of the independent directors received an additional fixed annual fee of €4,000 for attending board meetings via teleconferencing and for other tasks during the year. This fee was approved by the general meeting of shareholders of Montea on 21 May 2019.

For directors, this means that for the financial year 2019, they received the following compensation:

Name	Fonction	Director, representative of	Board of Directors Annual fixed remuneration	Board of Directors Presence fee	Audit Committee Presence fee	Remuneration Committee Presence fee	Total
Dirk De Pauw (1)	President Executive director	Family De Pauw	€ 60.000				€ 60.000
Jo De Wolf	Managing director and CEO	Managing director					€ 0
Peter Snoeck	Executive director	Famille De Pauw					€ 0
Jean-Marc Mayeur	Non-Independant and non-excecutive director	Federale Assurance					€ 0
Greta Afslag	Non-Independant and non-excecutive director	Belfius Insurance Belgium					€ 0
Ciska Servais SPRL, représentée par Ciska Servais	Independant and non-excecutive director	Independant director					€ 0
Ciska Servais	Independant and non-excecutive director	Independant director		€ 16.000	€ 4.000	€ 4.000	€ 24.000
Insumat SA, représentée par Sophie Maes	Independant and non-excecutive director	Independant director					€ 0
Sophie Maes	Independant and non-excecutive director	Independant director		€ 14.000	€ 10.000	€ 4.000	€ 28.000
Philippe Mathieu	Independant and non-excecutive director	Independant director		€ 16.000	€ 12.000		€ 28.000
			€ 60.000	€ 46.000	€ 26.000	€ 8.000	€ 140.000

(1) Dirk De Pauw received additional fees totalling €157,009 in 2019 for his tasks as chairman of the various investment committees and for business development tasks.

14.2.3 Remuneration policy for the next two years

Pursuant to Recommendation 7.3 of the Corporate Governance Code 2020 and in preparing to implement Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement, the board of directors has prepared a separate document that sets out Montea’s remuneration policy for the coming years. This remuneration policy will be submitted to the Company’s general meeting of shareholders for approval.

14.3 Remuneration of the members of the investment committees in financial year 2019

14.3.1 Remuneration policy 2019

With the exception of executive management, the members of the investment committees receive an attendance fee of €2,000 per meeting attended. The chairman of the investment committee received an annual remuneration of €26,228.

14.3.2 Remuneration policy for financial year 2019

The members of the investment committees received the following fees pursuant to the remuneration policy:

Investment committee	Function	Country	Remuneration
DDP Management, represented by Dirk De Pauw	President	BE/FR/NL	26.228 €
Jo De Wolf, represented by Jo De Wolf	Member	BE/FR/NL	0
Elijarah, represented by Els Vervaecke	Member	BE/FR/NL	0
PDM, represented by Peter Demuynck	Member	BE/NL	0
GCA Consult, represented by Griet Cappelle	Member	BE/NL	0 €
PSN Management, represented by Peter Snoeck	Member	BE/NL	12.000 €
Jean de Beaufort	Member	FR	0 €
HOAM BV, represented by Hylcke Okkinga	Member	NL	0 €
Emor SPRL, represented by Francis Rome	Member	BE	4.000 €
Insumat SA, represented by Sophie Maes	Member	BE	4.000 €
Brix & Co, represented by Patricia Laureys	Member	BE	4.000 €
SAS Casamagna represented by Lauren Horbette	Member	FR	8.000 €
ADK Invest, represented by Ard de Keijzer	Member	NL	6.000 €
Rien MTMA van den Heuvel, repreesented by Rien van den Heuvel	Member	NL	6.000 €

14.4 Remuneration of the executive management in financial year 2019

14.4.1 Remuneration policy 2019

Members of executive management who are also directors receive no remuneration for the performance of their directorship.

The remuneration for people responsible for day-to-day management consists of two parts: a fixed part and a variable part. The amount of these two parts is determined by the Board of Directors, taking into account the responsibilities and the time required for these functions, as well as the industry standard practice. For the CEO the variable part amounts to 25% maximum of the total remuneration. For the other members of the executive management the variable part amounts to between 10% and 25% of the total remuneration.

Neither the fixed remuneration nor the variable remuneration of the members of the executive management may be determined based on the operations and transactions carried out by Montea or its subsidiaries.[61]

For example, if they are eligible for variable remuneration, the criteria that make up all or part of the variable remuneration that depends on the results must relate exclusively to the consolidated net result, with the exception of any fluctuations in the fair value of the assets and hedging instruments.

Each year, at the proposal of the remuneration and appointments committee, the Board of Directors decides on the variable compensation that members of the executive management are entitled to in relation to their activities for the following financial year.

[61] Article 35, §1 (2) of the RREC Act of 12 May 2014.

The Board of Directors also defines the amounts of variable compensation, as well as the performance criteria on which this compensation depends. Where appropriate, the terms of articles 520*b*, 520*c* and 525 of the Companies Code (new Article 7:78, 7:79 and 7:108 of the Companies and Associations Code) are complied with.

14.4.2 Remuneration in financial year 2019

The variable remuneration of the CEO for financial year 2019 was set at the beginning of FY 2019 by the Remuneration Committee, based on the following targets, which proportionally represent a possible variable remuneration:

Communication:

- Focus on corporate communication
- Optimization of website

Business Development BE/NL/FR:

- > 97.5% EPRA occupancy rate
- Portfolio growth of €205 million
- Expansion and strengthening of the team in all 3 countries

Finance:

- Implementation and follow-up of a standardised and stricter AR procedure (for all 3 countries)
- Optimization of the accounting package, including the digitization of the AP process
- Implementation of the reporting tool – digitization and automation
- Improvement of IR monitoring
- Alignment of procedures and reporting by and between the Finance and Operations departments

Operations:

- Project management, delivery of current projects in BE/FR/NL
- Alignment of procedures and reporting between FIN and OPS
- Automation and digitization of energy generation and consumption metering
- Further investigation and elaboration of possibilities for circular construction

Each year, through an assessment interview with the Chairman of the board of directors, it will be determined whether the proposed objectives have been achieved, either in full or in part. This assessment (and any variable remuneration) will be discussed by the remuneration and appointments committee and then submitted to the next meeting of the board of directors. For financial year 2019, all objectives were achieved for each of the members of the management. As a result, the members of the executive management received their "on target" bonus.

During the financial year ending 31 December 2019, the executive management[62] received the following fixed and variable fees:

[62] The executive management is composed of three members (see point 13.3.4.1).

Name	Fixed remuneration	Variable remuneration	Pension compensation	Other remunerations and advantages (*)	Total
Jo De Wolf	€ 590.823	€ 201.307	€ 26.000	€ 0	**€ 818.130**
Other members of the executive management	€ 270.883	€ 90.700	€ 3.083	€ 6.962	**€ 371.628**
	€ 861.706	**€ 292.007**	**€ 29.083**	**€ 6.962**	**€ 1.189.758**

The fees for the other members of the executive management comprise amounts invoiced by the management company Elijarah BV and the salary cost for Jimmy Gysels.

The contracts of the executive management do not provide for any repayment right for variable remuneration attributed on the basis of incorrect financial data.

14.4.3 Remuneration policy for the next two years

In accordance with Recommendation 7.3 of the Corporate Governance Code 2020 and the anticipated implementation of Directive 2017/828 of the European Parliament and of the Council of 17 May 2017 regarding promoting long-term shareholder engagement, the board of directors will prepare a separate document that sets out Montea's remuneration policy for the coming years. This remuneration policy will be submitted for approval to the general meeting of the Company in 2021.

14.4.4 Stock options plan

Op 21 September 2018, the board of directors approved a stock options plan for certain key figures in Montea Comm.VA.

Under this plan,

(i) On 26 September 2018, CEO Jo De Wolf acquired 100,000 shares at a unit price of €43.11 calculated as 83.33% of the average closing price of the Montea share ISIN-code BE0003853703) on Euronext Brussels for 30 (thirty) stock exchange days before 21 September 2018, i.e. €51.73.

(ii) On 14 March 2019, CFO Els Vervaecke, the permanent representative of Elijarah BVA, acquired 3,780 shares at a unit price of €52.88 calculated as 83.33% of the average closing price of the Montea share (ISIN-code BE0003853703) on Euronext Brussels for 20 (twenty) stock exchange days before 13 March 2019, i.e. €64.05.

Pursuant to the plan, these shares are subject to a 3.5-year lock-up.

On the date of this annual report, Montea still holds 15,349 of its own shares.

14.5 Severance payments

The management agreement entered into between the CEO and Montea provides for a one-off equivalent payment of 12 months (fixed and variable part) in the event of the agreement being terminated prematurely.

The management agreements of the other members of executive management provide for the allocation of a one-off equivalent payment of 1 to 12 months in the event of the agreement being terminated prematurely. The statutory terms regarding employment agreements are not departed from in the employment agreements.

The summary below gives an overview of the payments made on departure for members of executive management.

Name	Severance remuneration
Jo De Wolf, CEO	12 months
Elijarah BVBA, represented by Els Vervaecke	3 months (*)
Jimmy Gysels	(**)

(*) This will be increased with 1 month per working year with a maximum of 6 months

(**) the severance remuneration is based upon the legal conditions relating to the contracts

15. Employees

On the date of this annual financial report, the workforce amounts to 22 persons, of whom 15 in Belgium, 4 in France, and 3 in the Netherlands.

The average workforce for the last three financial years was as follows:

	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Average staff (in FTE)	**22**	**23**	**19**
a) Workers	0	0	0
b) Clerks	22	24	19
Administrative clerks	12	12	10
Technical clerks	10	12	9
Geografical location staff (in FTE)	***22***	***23***	***19***
West-Europe	*22*	*23*	*19*
Belgium	15	15	14
France	4	4	3
The Netherlands	3	4	2
Central- and Eastern-Europe	*0*	*0*	*0*
Staff costs (in EUR x 1000)	**2.582**	**2.177**	**2.027**
a) Remuneration and direct social benefits	1.921	1.617	1.155
b) Corporate contributions for social insurance	549	439	412
c) Corporate premiums for non-statutory insurance policies	48	65	30
d) Other staff costs	64	56	430

Staff costs included above can be found in the section on overheads and in the section management costs. The difference between the two amounts corresponds to the remuneration of the Statutory Manager.

Montea has contracted for its permanent employees a group insurance contract of the type defined contribution plan with an external insurance company. The contribution of the insurance plan is paid by Montea. The insurance company has confirmed that, on 31 December 2019, the shortfall to guarantee the minimum legal return is not material.

An overview of the shareholding by the members of the administrative, managerial and supervisory bodies of Montea as at 31 December 2019 is provided below:

Name	represented by	Number of shares
Jo De Wolf	-	107,374
Elijarah BV	Els Vervaecke	733
Els Vervaecke	-	3,780
Jimmy Gysels	-	1
PSN Management	Peter Snoeck	1,022
Peter Snoeck(1)		37,651
DDP Management BV	Dirk De Pauw	2,110
Dirk De Pauw	-	64,941
Ciska Servais	-	-
Sophie Maes	-	-
Greta Afslag	-	-
Philippe Mathieu	-	-
Jean-Marc Mayeur	-	-

(1) These shares are held under the matrimonial community of property, UNDER which 120,000 shares in usufruct are also owned.

Montea did not have a stock option plan for employees as at 31 December 2019. It does, however, have a share purchase plan for key figures in the Company. See Section 14.4.4 of this annual financial report.

16. Montea on the stock exchange

16.1 Evolution of the Montea share

The Montea share is aimed at private and institutional investors from Belgium and overseas who are attracted by an indirect investment in logistics property and who aim at a high dividend return with a moderate risk profile.

Since October 2006 the Montea share is listed on Euronext Brussels' continuous market (MONT) and since January 2007 on Euronext Paris (MONTP). It is part of the compartment C (Mid Caps).

Based on the closing price on 31/12/2019 (€81.00), Montea shares were 88% above the value of the net assets per share (IFRS NAV).

Taking account of the closing price on 31/12/2019, Montea shares increased by 35.5% compared with the closing price on 31/12/2018. An increase of 52.6% can also be recorded if the average price over 2019 and 2018 is taken into account.

The board of directors of Montea's Statutory Manager will propose to the General Meeting to pay a gross dividend of €2.54 per share, which corresponds to €1.78 net per share. The tax on dividends for regulated real estate companies amounts to 30% (a few exceptions aside) Article 269 of the Income Tax Code.

Key figures for the Montea share:

STOCK MARKET PERFORMANCE	31/12/2019	31/12/2018
Share price (€)		
At closing	81,00	59,80
Highest	84,00	62,40
Lowest	55,73	41,80
Average	73,99	48,61
Net asset value per share (€)		
IFRS NAV	43,09	33,83
EPRA NNNAV	43,27	34,16
EPRA NAV	44,54	34,63
Premium (%)	**88,0%**	**76,8%**
Dividend return (%)	**3,1%**	**3,8%**
Dividend (€)		
Gross	**2,54**	2,26
Net	**1,78**	1,58
Pay out ratio	**80%**	81%
Volume (number of securities)		
Average daily volume	20.037	10.440
Volume of the period	5.109.550	2.662.282
Number of shares	**15.782.594**	**12.814.692**
Market capitalisation (K €)		
Market capitalisation at closing	1.278.390	766.319
Ratios (%)		
Velocity	32%	21%

16.2 Principal shareholders

Based on the information transparency reports received, the Montea shareholding structure is as follows:

Shareholders	**Number of sh as at 31/12/201**	**% as at 31/12/201**	**Number of sh as at 31/12/201**	**% as at 31/12/20**
De Pauw family: Dirk, Marie Christine, Bernadette, Dominika, Beatrijs, De Pauw indivision, Montea Management NV	1,875,064	14.63%	2,053,020	13.01%
Belfius Insurance Belgium - Galileelaan 5, 1210 Brussels	1,017,346	7.94%	1,017,346	6.45%
Federale Verzekeringen - Rue de l'Etuve 12, 1000 Brussels	894,265	6.98%	894,265	5.67%
Patronale Life – Belliardstraat 3, 1040 Brussels	964,785	7.53%	964,785	6.11%
Ethias NV	607,130	4.74%	607,130	3.85%
Public (free float)	7,456,102	58.18%	10,246,048	64.91%
TOTAL	**12,814,692**	**100.00%**	**15,782,594**	**100.00%**

The transparency notifications as well as the control chains are available on Montea's website.

At the closing date of this annual financial report, the company had not received any transparency notifications on the situation after 31 December 2019.

The main shareholders do not have different voting rights.

There are no known rules the triggering of which at a later date could result in a change in control of the issuer.

Familie De Pauw

The De Pauw family consist of:

- Dirk De Pauw, Marie-Christine De Pauw, Bernadette De Pauw, Dominika De Pauw and Beatrijs De Pauw (brother and sisters) and their respective children;
- The De Pauw indivision;
- Montea Management NV, which is controlled by the five aforementioned De Pauw siblings.

They own 13.01% of the voting rights of Montea Comm. VA on 31 December 2019. The De Pauw family acts through mutual consultation. This can be gauged from the notifications to the FSMA and press releases, while this information is also posted on Montea's website.

16.3 Transparency notification

Any person who directly or indirectly acquires voting securities of the company, should declare to the FSMA, as well as to the company, the number of securities that he/she owns, when voting rights pertaining to the voting rights securities that he/she holds, actively or passively exceed the statutory threshold of 3% of the total voting rights pertaining to the securities of the company. The same notification is also required to transfer, directly or indirectly, voting rights securities, if as a result, the voting rights fall below this 3% threshold. The provisions of Articles 6 to 17 of the Act of 2 May 2007, on the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market, shall apply to the aforementioned quota.

This provision is without prejudice to the obligation to notify in case the legal thresholds[63] of 5%, 10%, 15%, etc., each time at 5% points, are reached or fall below this threshold.

16.4 Protection against public takeover bids – Elements that may have an impact in the event of a public takeover bid (in accordance with Article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market)[64]

16.4.1 Capital structure (on 31 December 2019)

The capital, €321,648,192.51 is represented by 15,782,594 shares. There are no preference shares. Each one of these shares is entitled to one vote (except for the company's treasury shares of which the voting right is suspended) at the General Meeting and hence these shares represent the denominator for purposes of notification in the event of reaching, exceeding or falling short of the statutory or legal thresholds (transparency regulations). The voting right is not restricted either by law or statutorily.

[63] Act of 2 May 2007 on the disclosure of sizeable stakes in issuers whose shares are admitted to trading in a regulated market.
[64] Unless stated otherwise in the following paragraph, Montea confirms that the other elements of Article 34 of the Royal Decree of 14 November 2007 do not apply.

16.4.2 Decision-making body

Montea is headed by a Statutory Manager, Montea Management NV, in its capacity as managing partner. Montea Management NV was reappointed statutory as of 23 June 2016 for a period of 10 years. The main consequence of the fact that Montea is a general partnership is that the Statutory Manager, Montea Management NV, has, under the articles of association, extensive powers and even a veto right regarding important decisions and amendments of the articles of association.[65]

Montea Management NV, for the performance of the contract as Statutory Manager for and on behalf of the company, is represented by a permanent representative, Mr Jo De Wolf, in accordance with Article 61 § 2 of the Companies Code (new Article 2:51 of the Companies and Associations Code). The Statutory Manager may submit his/her resignation at any time.

The mandate of Statutory Manager can only be revoked by a court order after a claim by a General Meeting of Montea on the basis of reasonable grounds is established.

When the general meeting must decide on this issue, the Statutory Manager shall not vote. The Statutory Manager continues to exercise his duties until his resignation, following a court decision, which has the force of res judicata. The Statutory Manager must be organized in such a way that, in the framework of its Board of Directors, at least two individuals in a group are jointly responsible for monitoring the person(s) responsible for the executive management of operations in the interest of Montea.

The members of the supervisory bodies of the Statutory Manager need to possess the professional reliability and the required experience as prescribed by the RREC Act.

In the event of the loss on the part of the members of the management bodies or the Statutory Manager's day-to-day management body of the required professional reliability or required experience, as required by the RREC Act (fit and proper), the Statutory Manager or the auditor(s) must convene a general meeting of Montea Comm. VA, with the point on the agenda to deal with the recording of the loss of these requirements and the measures to be taken.

If one or more members of the bodies entrusted with the management or the executive management of the Statutory Manager no longer meet the above requirements, the Statutory Manager must replace them within the month. When this period has expired, a General Meeting of Montea must be convened, as described above, without prejudice to the measures that can be taken by the FSMA in connection with the exercise of its powers.

[65] Cf. Article 25 of the Articles of Association of Montea Comm. VA concerning decision-making.

The mission of the Statutory Manager consists, in particular, of taking all actions that are useful or necessary for achieving the civic objectives of Montea, with the exception of those that are reserved by law or under the articles of association for the General Meeting of Montea. The Statutory Manager may increase the capital of Montea within the limits of the authorised capital.

16.4.3 Authorized capital

Since 15 May 2018 the authorized capital has already been used four times:

- The indirect contribution in kind of the plot of land in Tiel (NL), where the capital was increased by €16,247,262.08 through authorized capital;[66]
- The public offering, where the registered capital was increased by €58,036,289.04 through authorized capital;[67]
- On 21 May 2019 the merger went through with Bornem Vastgoed NV, which was a subsidiary of Montea, to the tune of 99.5%. The remaining 0.5% of the shares was in the hands of registered external parties. In exchange for the merger, new shares were created and entered in the name of these external partners in the shares register, and the capital was increased by €1,915.72, via authorized capital;
- The optional dividend, whereby on 12 June 2019 the share capital was increased by €2,445,722.28.[68]

The balance of the authorized capital amounts to €164,031,581.54 on 31 December 2019.

The Statutory Manager has express permission to increase the share capital, on one or more occasions, up to a maximum amount of €240,762,770.66, and in accordance with the terms set by the Statutory Manager and in line with the rules of the Companies Code (now the Companies and Associations Code) and the RREC Act. The Statutory Manager was authorised to do so by the extraordinary general meeting held on 15 May 2018. Pursuant to Article 7 of the articles of association of Montea Comm. VA, this consent was granted for a period of 5 years (until 5 June 2023). These capital increases may be in cash, by contribution in kind or by the conversion of reserves.

The extraordinary general meeting held on 15 May 2018 also authorised the Statutory Manager to proceed, for a period of three years, with one or more capital increases in the event of a public takeover bid, under the terms provided for in article 607 of the Companies Code (new Article 7:68 of the Companies and Associations Code and subject to compliance, where appropriate, with the irreducible allocation right provided for in the RREC legislation.

16.4.4 Buyback of shares

Montea can repurchase its own shares or pledge these in accordance with a decision by the General Meeting, pursuant to the provisions of the Belgian Companies Code (now the Companies and Associations Code). The same Meeting also sets the conditions for the disposal of these shares.

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[66] The total capital increase amounted to €41,239,983.68 of which €16,247,262.08 were allocated to share capital and €24,992,721.60 to the share premium.

[67] The total capital increase amounted to €160,041,189.60 of which €58,036,289.04 were allocated to share capital and €102,004,900.56 to share premium.

[68] The total capital increase amounted to €8,733,076.63 of which €2,445,722.28 were allocated to share capital and €6,287,354.35 to share premium.

On 21 September 2018, Montea proceeded to acquire 120,629 of its own shares at a price of €51.73 per share by means of a purchase agreement outside the stock exchange (OTC transaction). This purchase was announced on 24 September 2018[69] and is in line with a Share Purchase Plan for its management.

A total of 120,629 of the Company's own shares were acquired for a total acquisition price of €6,240,138.17. According to the rules in force concerning IFRS, a separate reserve was entered in the consolidated accounts for this amount. On 31 December 2019, Montea still held 15,349 of its own shares.

16.4.5 Contractual conditions

There are no material agreements to which Montea is a party and which come into force, are amended or expire if control of Montea were to change as a result of a public takeover bid, with the exception of the relevant provisions in the terms and conditions of issue of the bonds issued in 2013, 2014 and 2015 (Terms and Conditions).

16.4.6 Information on research and development activities

In view of the business conducted by the Company, it has no activities in the area of research and development.

16.4.7 Branch offices

Montea has branch office in France, registered as Montea SCA with its registered office at 18-20 Place de la Madeleine, 75008 Paris.

16.4.8 Use of financial instruments

Please refer to point 9.3.

[69] See press release of 24 September 2018.

16.5 Shareholder's agenda

14/05/2020	Interim statement – results as at 31/03/2020 (before opening of trading)
19/05/2020	General meeting of shareholders
06/08/2020	Semi-annual financial report – results as at 30/06/2020 (after closing of trading)
06/08/2020	Analists' call concerning the semi-annual financial report (6:00 pm)
12/11/2020	Interim statement – results as at 30/09/2020 (before opening of trading)

17. Related party transactions

For a summary of the transactions by and between Montea and its affiliated parties, cf. Chapter 0 (Organizational structure), Section 13.3 (relating to conflicts of interest) and Section 18.8 (Note 42) of this annual financial report.

18. Financial data relating to Montea's equity, financial position and results

18.1 Historical financial information

The following sections of Montea's annual financial reports for financial years 2017, 2018 and 2019 are included by way of reference and can be consulted at Montea's Registered Office or on its website (www.montea.com).

Annual financial report 2017	• "Financial statements," including consolidated financial statements, • auditor's report and abridged statutory financial statements (p. 123-190) • "Management report" (p. 34-116) • "Property report" (p. 35-50)
Annual financial report 2018	• "Financial statements," including consolidated financial statements, • auditor's report and abridged statutory financial statements (p. 146-201) • "Management report" (p. 35-138) • "Property report" (p. 39-55)
Annual financial report 2019	• "Financial statements," including consolidated financial statements, • auditor's report and abridged statutory financial statements (p.137-210) • "Management report" (p.20-135) • "Property report" (p.36-55)

The consolidated financial statements for financial years 2017, 2018 and 2019 have been audited by Montea's auditor. The auditor's reports are contained in the chapter entitled "Auditor's report to the general meeting of shareholders of Montea Comm VA" in the annual financial reports for financial years 2017, 2018 and 2019 of Montea, which include an unqualified opinion.

The financial reporting framework has not been modified.

18.2 Consolidated balance sheet as at December 2019[70]

		CONSOLIDATED	31/12/2019	31/12/2018
I.		**NON-CURRENT ASSETS**	**1.161.381**	**910.426**
	A.	Goodwill	-	-
	B.	Intangible assets	419	374
	C.	Investment properties	1.147.476	896.873
	D.	Other tangible assets	13.344	13.149
	G.	Trade receivables and other non-current assets	35	29
II.		**CURRENT ASSETS**	**32.317**	**39.051**
	A.	Assets held for sale	0	2.377
	D.	Trade receivables	13.405	15.599
	E.	Tax receivables and other current assets	9.186	13.867
	F.	Cash and cash equivalents	7.690	4.634
	G.	Deferred charges and accrued income	2.037	2.574
		TOTAL ASSETS	**1.193.698**	**949.477**
		TOTAL SHAREHOLDERS' EQUITY	**680.029**	**433.569**
I.		**Shareholders' equity attributable to shareholders of the parent company**	**680.029**	**433.550**
	A.	Share capital	314.983	256.063
	B.	Share premiums	209.184	100.891
	C.	Reserves	47.397	12.020
	D.	Net result of the financial year	108.465	64.575
II.		**Minority interests**	**-0**	**19**
		LIABILITIES	**513.669**	**515.908**
I.		**Non-current liabilities**	**412.772**	**427.155**
	B.	Non-current financial debts	389.741	416.968
		a. Credit institutions	263.308	306.431
		b. Financial leasings	943	1.047
		c. Other (bond + IFRS 16 lease liability)	125.491	109.491
	C.	Other non-current financial liabilities	23.031	10.186
	E.	Other non-current liabilities	-	-
II.		**Current liabilities**	**100.896**	**88.754**
	B.	Current financial debts	61.340	45.085
		a. Credit institutions	29.600	45.000
		b. Financial leasings	92	85
		c. Other (bond + IFRS 16 lease liability)	31.648	-0
	C.	Other current financial liabilities	-	-
	D.	Trade debts and other current debts	14.214	20.142
		a. Exit taks	274	1.445
		b. Other	13.940	18.697
	E.	Other current liabilities	4.809	4.707
	F.	Accrued charges and deferred income	20.534	18.819
		TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1.193.698**	**949.477**

70 No significant change in the financial or trading position of the group occurred after the end of the last reporting period for which controlled or interim financial information is published except those indicated under the section on Alternative Performance Measures (APMs).

18.3 Consolidated statement of comprehensive income before profit appropriation on 31 December 2019[71]

	CONSOLIDATED PROFIT & LOSS ACCOUNT (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months
I.	Rental income	65.063	52.896
II.	Write-back of lease payments sold and discounted	0	0
III.	Rental-related expenses	1	-3.012
	NET RENTAL RESULT	**65.063**	**49.883**
IV.	Recovery of property charges	**0**	0
V.	Recovery of charges and taxes normally payable by tenants on let properties	6.986	5.847
VI.	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0
VII.	Charges and taxes normally payable by tenants on let properties	-7.371	-6.493
VIII.	Other rental-related income and expenses	3.457	2.831
	PROPERTY RESULT	**68.135**	**52.068**
IX.	Technical costs	-22	-6
X.	Commercial costs	-58	-130
XI.	Charges and taxes of un-let properties	-166	0
XII.	Property management costs	-1.794	-1.534
XIII.	Other property charges	-8	-60
	PROPERTY CHARGES	**-2.047**	**-1.730**
	PROPERTY OPERATING RESULT	**66.089**	**50.338**
XIV.	General corporate expenses	-4.207	-4.224
XV.	Other operating income and expenses	-172	-61
	OPERATING RESULT BEFORE PORTFOLIO RESULT	**61.710**	**46.053**
XVI.	Result on disposal of investment properties	434	3
XVII.	Result on disposal of other non-financial assets	0	0
XVIII.	Changes in fair value of investment properties	70.773	31.975
XIX.	Other portfolio result	0	0
	OPERATING RESULT	**132.917**	**78.031**
XX.	Financial income	57	91
XXI.	Net interest charges	-11.309	-10.237
XXII.	Other financial charges	-105	-92
XXIII.	Change in fair value of financial assets & liabilities	-12.739	-3.127
	FINANCIAL RESULT	**-24.095**	**-13.366**
XXIV.	Share in the result of associates and joint ventures	0	0
	PRE-TAX RESULT	**108.822**	**64.665**
XXV.	Corporation tax	-357	-89
XXVI.	Exit tax	0	0
	TAXES	**-357**	**-89**
	NET RESULT	**108.465**	**64.575**
	Attributable to:		
	Shareholders of the parent company	108.465	64.575
	Minority interests	0	0
	Number of shares in circulation at the end of the period	15.782.594	12.814.692
	Weighted average of number of shares of the period	15.229.606	12.100.327
	NET RESULT per share (EUR)	**7,12**	**5,34**

[71] The consolidated overview of the realized and non-realized results before profit appropriation on 31 December, taking into account 15,226,606 shares – the weighted average number of shares for 2019. The total number of shares in issue at the end of the financial year 2018 amounted to 15,782,594.

In the consolidated overview of the realized and non-realized results before profit appropriation on 31 December 2019, Montea reports the EPRA earnings per share and the net earnings per share, based on the weighted average number of shares.

18.4 Consolidated comprehensive income before the distribution of profit as at 31 December 2019[72]

ABBREVIATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months
Net result	**108.465**	**64.575**
Other items of the comprehensive income	**-242**	**10**
Items taken in the result	**0**	0
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investments properties	0	0
Changes in the effective part of the fair value of authorized cash flow hedges	0	0
Items not taken in the result	-242	10
Impact of changes in fair value of solar panels	**-242**	**10**
Comprehensive income	**108.223**	64.585
Attributable to:		
Shareholders of the parent company	**108.223**	**64.585**
Minority interests	0	0

[72] The consolidated overview of the realized and non-realized results before profit appropriation on 31 December, taking into account 15,229,606 shares – the weighted average number of shares for 2019. The total number of shares in issue at the end of the financial year 2018 amounted to 15,782,594.
In the consolidated overview of the realized and non-realized results before profit appropriation on 31 December 2019, Montea reports the EPRA earnings per share and the net earnings per share, based on the weighted average number of shares.

18.5 Consolidated cash flow summary as at 31 December 2019

CONSOLIDATED CASH FLOW STATEMENT (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR (A)	**4.634**	**3.436**
Net result	**108.465**	**64.575**
Financial cash elements (not dedectable of the net profit) to become the operating result	**11.356**	**10.239**
Received interests	-57	-91
Payed interests on finances	11.413	10.330
Received dividends	0	0
Taxes (dedected from the net result) to become the operating result	**357**	**89**
Non-cash elements to be added to / deducted from the result	**-58.570**	**-28.567**
Depreciations and write-downs	**255**	**373**
Depreciations/write-downs (or write-back) on intangible and tangible assets (+/-)	256	205
Write-downs on current assets (+)	-1	157
Write-back of write-downs on current assets (-)	0	11
Other non-cash elements	**-58.825**	**-28.941**
Changes in fair value of investment properties (+/-)	-70.773	-31.975
IFRS 9 impact (+/-)	12.739	3.127
Other elements	0	0
Realized gain on disposal of investment properties	-434	-3
Provisions	0	0
Taxes	-357	-89
NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING	**61.608**	**46.336**
CAPITAL REQUIREMENTS (B)		
Change in working capital requirements (C)	**3.294**	**10.143**
Movements in asset items	**7.406**	**-6.652**
Trade receivables	-7	13
Other long-term non-current assets	2.194	-1.235
Other current assets	4.681	-5.119
Deferred charges and accrued income	537	-311
Movements in liability items	**-4.112**	**16.795**
Trade debts	-4.302	9.929
Taxes, social charges and salary debts	-1.626	-681
Other current liabilities	101	4.270
Accrued charges and deferred income	1.714	3.277
NET CASH FLOW FROM OPERATING ACTIVITIES (A)+(B)+(C) = (A1)	***69.536***	***59.915***
Investment activities	**-136.504**	**-175.075**
Acquisition of intangible assets	-168	-313
Investment properties and development projects	-136.027	-174.246
Other tangible assets	-195	-84
Solar panels	-548	-436
Disposal of investment properties	434	3
Disposal of superficy	0	0
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B1)	**-136.504**	**-175.075**
FREE CASH FLOW (A1+B1)	**-66.968**	**-115.160**
Change in financial liabilities and financial debts	**-51.704**	**93.052**
Increase (+)/Decrease (-) in financial debts	-58.621	85.326
Increase (+)/Decrease (-) in other financial liabilities	12.845	-1.521
Increase (+)/Decrease (-) in trade debts and other non-current liabilities	-5.928	9.248
Change in other liabilities	**0**	**0**
Increase (+)/Decrease (-) in other liabilities	0	0
Increase (+)/Decrease (-) in other debts	0	0
Change in shareholders' equity	**137.717**	**36.981**
Increase (+)/Decrease (-) in share capital	58.647	24.195
Increase (+)/Decrease (-) in share premium	108.292	34.250
Increase (+)/Decrease (-) in consolidation differences	0	0
Increase (+)/Decrease (-) in minority interests	-19	-100
Dividends paid	-28.961	-21.375
Increase (+)/Decrease (-) in reserves	-242	10
Increase (+)/Decrease (-) in changes in fair value of financial assets/liabilities	0	0
Disposal of treasury shares	0	0
Dividend paid (+ profit-sharing scheme)	**0**	**0**
Interim dividends paid (-)	0	0
Financial cash elements	**-11.356**	**-10.239**
NET FINANCIAL CASH FLOW (C1)	**74.658**	**119.794**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (A1+B1+C1)	**7.690**	**4.634**

18.6 Summary of the variation in the consolidated equity capital and reserves as at 31 December 2019

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (EUR x 1.000)	Share capital	Share premiums	Reserves	Result	Deduction of transfer rights and costs	Minority interests	Shareholders' equity
Explanation	29	29	30	31	30	32	
ON 31/12/2017	**232.938**	**66.641**	**-3.217**	**36.548**	**0**	**118**	**333.028**
Elements directly recognized as equity	**23.125**	**34.250**	**64**	**0**	**0**	**-99**	**57.340**
Capital increase	24.195	34.250	0	0	0	0	58.446
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	0	0	0	0	0	0	0
Positive change in value of solar panels (IAS 16)	0	0	10	0	0	0	10
Own shares	-1.070	0	0	0	0	0	-1.070
Own shares held for employee option plan	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	-99	-99
Corrections	0	0	54	0	0	0	54
Subtotal	**256.063**	**100.891**	**-3.153**	**36.548**	**0**	**19**	**390.368**
Dividends	0	0	-21.375	0	0	0	-21.375
Result carried forward	0	0	36.548	-36.548	0	0	0
Result for the financial year	0	0	0	64.575	0	0	64.575
ON 31/12/2018	**256.063**	**100.891**	**12.020**	**64.575**	**0**	**19**	**433.568**
Elements directly recognized as equity	**58.920**	**108.292**	**-237**	**0**	**0**	**-19**	**166.957**
Capital increase	58.647	108.292	0	0	0	0	166.939
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	0	0	0	0	0	0	0
Positive change in value of solar panels (IAS 16)	0	0	-242	0	0	0	-242
Own shares	0	0	0	0	0	0	0
Own shares held for employee option plan	273	0	0	0	0	0	273
Minority interests	0	0	0	0	0	-19	-19
Corrections	0	0	5	0	0	0	5
Subtotal	**314.983**	**209.183**	**11.783**	**64.575**	**0**	**0**	**600.525**
Dividends	0	0	-28.961	0	0	0	-28.961
Result carried forward	0	0	64.575	-64.575	0	0	0
Result for the financial year	0	0	0	108.465	0	0	108.465
ON 31/12/2019	**314.983**	**209.183**	**47.397**	**108.465**	**0**	**0**	**680.029**

For more information on the foregoing table, cf. Notes 29, 30, 30.1, 30.2, 31 and 32.

18.7 Notes to the consolidated statements as at 31 December 2019

18.7.1 Background

18.7.1.1 Statement of compliance

The financial statements of the company are prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS), with those approved by the EU, with those issued by the International Accounting Standards Board (IASB) and with those interpreted by the International Financial Interpretations Committee of the IASB. The investment properties (including the projects) and financial instruments are booked at fair value. The other items of the consolidated financial accounts are drawn up based on historic cost. When the figures are indicated in thousands of euro, there may be slight rounding-off differences.

18.7.1.2 Consolidation principles

Subsidiaries[73]

Subsidiaries are entities over which the company exercises control.

A company has control over another company when it is exposed to, or holds rights on, variable remunerations of its involvement in that company, and has the possibility to influence those remunerations, based on its power.

IFRS 10 requires that there can only be a question of control if the 3 conditions below are met cumulatively:

- "power" over subsidiaries;
- exposure to the rights to the net income / net outgoings as the result of their influence on their subsidiaries; in other words that the "investor" is exposed to – or has arrangements about – the variable (net) revenue (both positive and negative) from involvement with the "investee" (subsidiaries).
- the possibility to use its power over its subsidiaries in order to influence net income / net outgoings, in other words that the "investor" can actually exercise the existing rights to realise the (net) revenue.

[73] The companies included in the consolidation, each with their own equity interest: Montea Comm. VA (BE0417186211), Montea SCA (497673145 PARIS TRADE AND COMPANIES REGISTER), SCI Montea France (100%) (493288948 PARIS TRADE AND COMPANIES REGISTER), SCI 3R (100%) (400790366 PARIS TRADE AND COMPANIES REGISTER), SCI Sagittaire (100%) (433787967 PARIS TRADE AND COMPANIES REGISTER), SCI Saxo (100%) (485123129 PARIS TRADE AND COMPANIES REGISTER), SCI Sévigné (100%) (438357659 PARIS TRADE AND COMPANIES REGISTER), SCI Socrate (100%) (481979292 PARIS TRADE AND COMPANIES REGISTER), SCI APJ (100%) (435365945 PARIS TRADE AND COMPANIES REGISTER), SCI MM1 (100%) (393 856 463 PARIS TRADE AND COMPANIES REGISTER), Bornem Vastgoed NV (99,6% up to the merger with Montea on 21 May 2019) (BE0811754891), Immocass BVBA (100% up to the merger with Montea on 30 July 2019) (BZ0863700470), Orka Aalst NV (100% up to the merger with Montea on 4 July 2019) (BE0821535461), SFG BV (100%) (Chamber of Commerce no. 60209526), Montea Nederland NV (100%) (Chamber of Commerce no. 58852794), Montea Almere NV (100%) (Chamber of Commerce no. 58854134), Montea Rotterdam NV (100%) (Chamber of Commerce no. 59755636), Montea Oss NV (100%) (Chamber of Commerce no. 61787671), Montea Beuningen NV (100%) (Chamber of Commerce no. 61787264), Montea 's Heerenberg NV (100%) (Chamber of Commerce no. 62392670), Europand Eindhoven BV (100%) (Chamber of Commerce no. 20121920) en Montea Tiel NV (100%) (Chamber of Commerce no. 73544884). With the exception of Montea Management NV, Statutory manager of Montea Comm.VA, all listed companies are included in the consolidation.

The annual accounts of the subsidiaries are included in the consolidated annual accounts from the date on which the company began exercising control until the date it relinquished control. Where necessary, the valuation rules of the subsidiaries will be adjusted to guarantee consistency with the principles adopted by the group.

Except for subsidiaries that were merged during the financial year, the annual accounts of the subsidiaries relate to the same accounting period as those of the consolidating company. The minority interests are interests in the subsidiaries that are held neither directly or indirectly by the group.

Intercompany transactions

Intra-group balances and transactions and any unrealized profits within the group are eliminated in proportion to the Group's interest in the company. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no indication of value loss ("impairment").

18.7.1.3 Use of estimates and assessments

The preparation of consolidated financial statements in accordance with IFRS requires good management to make assessments, estimates and assumptions that may apply to the policies and regulations, and reporting the assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical events and various factors that are considered reasonable in such circumstances. The actual results may deviate from these estimates. The estimates and underlying assumptions are revised on an ongoing basis. Revision and accounting estimates are recognized in the period in which the estimate is revised, both when the estimate impacts the audited financial year and when the estimate impacts the future. Except for assessments with regard to defining the fair value of the investment properties, the solar panels and the derivatives, as of 31 December 2018, there are no significant assumptions concerning the future and other key sources of estimation uncertainty on the balance sheet, which would carry a significant risk of material adjustment to the book value of assets and liabilities for the next financial year. We refer also to note 20.

18.7.2 Valuation rules

18.7.2.1 Investment properties

Investment properties comprise all lands and buildings that can be leased and which (wholly or partly) generate rental income, including buildings where a limited portion is held for the firm's own use. In accordance with IAS 40, investment property is valued at fair value. An external, independent expert, Jones Lang LaSalle BVBA, Marnixlaan 23, 1000 Brussel makes a quarterly valuation of the property portfolio.

Any gain or loss, after the acquisition of a building, as a result of a change in fair value is booked in the income statement. The valuation is carried out in accordance with the capitalization method and the method of incorporation of rental income as set forth in the International Valuation Standards 2005, published by the International Valuation Standards Committee.

The fair value (as defined in IFRS 13) is the price that would be received on the sale of the asset or paid to transfer an obligation in a normal transaction between market parties on the evaluation date. The fair value must also reflect current lease contracts, current cashflows and reasonable assumptions in relation to expected rental income and costs.

The sale of an investment property is usually subject to the payment of registration fees or value added tax to the public authorities. The Belgian Association of Asset Managers (BEAMA) published a communication on amount of these registration fees on 8 February 2006. An analysis of a large number of Belgian transactions led to the conclusion that the impact of the acquisition costs on important Belgian investment properties exceeding a value of €2,500,000 is limited to 2.5%. This is because various methods of transfer of ownership are used in Belgium. This percentage will be reviewed annually and adjusted per bracket of 0.5% as and where necessary. Properties below the threshold of € 2,500,000 and foreign properties remain subject to the usual registration tax and their fair value therefore corresponds to the value excluding registration and notary costs and VAT. The theoretical local registration fees deducted from the investment value are 6.9% and 7.0% for France and the Netherlands respectively.

The investment value in Belgium corresponds with the fair value, plus 2.5% acquisition charges (for investment properties that exceed a value of €2,500,000). The fair value is thus to be calculated by dividing the value less legal charges by 1.025.

In 2017, Montea decided to adjust its valuation rule with regard to mutation costs (which is equal to the difference between the fair value of the real estate and the investment value of the real estate) to be adjusted retrospectively. Originally, the difference between the fair value of the real estate and the investment value of the real estate, as determined by the external real estate experts at purchase, was included under the section "Reserve for the impact on the fair value of estimated transaction rights and costs in case of hypothetical disposal of investment properties" of equity. The movements during the financial year were included in the result (mark-ups and write-downs). In case of divestment, the initial difference between the fair value and the investment value was included in the result.

In 2018 the transaction rights and costs for the purchase were processed through the profit and loss account [74] (via the portfolio result). Only after processing will the results end up in the Reserves in the account “Reserve for the Balance of the changes in the fair value of real estate.” The account “Reserve for the impact on the fair value of estimated transaction rights and costs in case of hypothetical disposal of investment properties” is no longer used.

The realized gains / losses on the sale are recognized in the income statement under the heading "Result of the sale of investment properties". The realized result is determined as the difference between the selling price and the fair value of the last valuation.

18.7.2.2 Concessions

The paid concessions are treated as operating leases in accordance with IFRS 16.

[74] The equity capital is not affected by this adjustment. Furthermore, this adjustment also has no impact on the EPRA result and the available result.

18.7.2.3 Project developments

Property to be constructed or developed for future use as investment property is recorded under the heading “investment properties” and will be valued at fair value.

All costs directly related to the development are capitalized, and the directly attributable interest expenses are capitalized in accordance with the provisions of IAS 23-financial costs.

18.7.2.4 Other tangible non-current assets

All tangible non-current assets which neither meet the definition of investment property, nor the definition of development project have been catalogued under this section. Other tangible non-current assets are initially recorded at cost and valued in accordance with the cost model. Grants are deducted from the cost. Additional costs are only capitalised if the future economic benefits related to tangible current assets increase for the company. Other tangible non-current assets are depreciated on the basis of the linear depreciation method. The following rates will apply on an annual basis:

- Plant, machinery and equipment: 20%-25%
- Furniture and rolling stock: 20%
- IT equipment: 33%
- Real estate for own use: 2%

Solar panels are valued on the basis of the revaluation model in accordance with IAS 16 – Tangible non-current assets. After the initial take-up, an asset for which the fair value can be reliably established needs to be entered in the accounts at the revalued value, i.e. the fair value at the time of revaluation, minus any depreciations accumulated later and any extraordinary reductions in value accumulated later. The fair value is determined based on the discounting method of future returns.

The service life of the solar panels is estimated at 20 years.

The solar panels are evaluated on a quarterly basis.

Gains recorded at the start-up of a new site are stated in a separate component of shareholders’ equity, as a result of the application of the discounting method of future revenues, which leads to a higher market value than the original cost of the solar panels. Losses are also recorded in this component, except where they are realized or unless the fair value falls below the initial cost. In these latter cases, they are recorded in the result.

Montea assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset.

When the carrying amount of an asset exceeds the recoverable amount, an impairment loss is recognized to bring the carrying amount of the asset back to the recoverable amount.

The recoverable amount of an asset is defined as the highest fair value minus selling costs (assuming a voluntary sale) or the value in use (based on the present value of the estimated future cash flows). The regarding resulting impairments are charged to the income statement.

The company value is the constant value of expected future cash flows. To determine the value in use, the estimated future cash flows are discounted at an interest rate before tax, which reflects current market rates and the specific risks related to the asset.

For assets that do not generate cash, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Previously recognized impairment loss is reversed through the income statement if a change has occurred in the estimate used to determine the recoverable amount of the asset since the recognition of the last impairment loss.

18.7.2.5 Financial non-current assets

Financial non-current assets are valued at fair value. The claims and guarantees for the receivables are instead booked at face value. A reduction is made in the case of a permanent write-down or devaluation.

18.7.2.6 Cash and cash equivalents

Cash and cash equivalents include bank accounts, cash and short-term investments.

18.7.2.7 Equity

The capital includes net cash obtained from creation, merger or capital increase whereby the direct external costs are deducted (such as registration fees, notary and publication costs, etc.).

If the company proceeds to buy back own shares, the amount paid, including directly attributable costs, is deducted from equity (restricted reserves). Dividends are a part of results carried forward until the General Shareholders Meeting grants dividends.

Montea decided in 2017 to adjust retrospectively its valuation rule with respect to mutation costs (which is equal to the difference between the fair value of the real estate and the investment value of the real estate). Originally the difference between the fair value of the property and the investment value of the property as determined by the external property experts and is included in the section "Reserve for the impact on fair value of estimated transfer rights and costs on hypothetical transfer of investment property" of the equity. The movements during the financial year were taken to the result (mark-ups and write-downs). In case of divestment, the initial difference between the fair value and the investment value was taken to the result.

Since 2018 the transaction rights and costs for the purchase are processed through the profit and loss account[75] ((via the portfolio result). Only after processing will the results end up in the Reserves in the account “Reserve for the Balance of the changes in the fair value of real estate.” The account “Reserve for the impact on the fair value of estimated transaction rights and costs in case of hypothetical disposal of investment properties” is no longer used.

18.7.2.8 Provisions

A provision is made if the company has a legal or contractual obligation as a result of an event from the past and where it is probable that a cash outflow will be required to meet the obligation and provided that this outflow can be determined in a reliable way. Provisions are valued at the discounted value of expected future cash flows to the market rate.

18.7.2.9 Debts

Trade and other debts are valued at their face value on the balance sheet date. Interest-bearing debts are initially recorded at cost, less any directly attributable costs. Then the difference between the book value and the refundable amount is included in the income statement over the period of the loan using the actual interest method.

18.7.2.10 Revenues

Revenues include gross rental income and proceeds resulting from the services and the management of the buildings. Revenue is measured at the fair value of the indemnity that is received or is entitled. Revenue is recorded only from the time that it is sufficiently certain that the economic benefits will accrue to the company. Gratuity costs and benefits granted to the tenants are recognized to reduce the rental income over the term of the lease, the period between the entry into force and the first break option (a "straight line"). Indemnification for early termination of lease is immediately included in the income statement.

Revenues related to the solar panels (green power certificates and electricity generated) are recognized at the time of receipt of such income in accordance with IAS18. The principles of IAS20 are also applied. There are no green power certificates that were not sold at the end of the financial year. These green power certificates are paid by the government and not by the energy suppliers..

18.7.2.11 Costs

The costs are measured at the fair value of the indemnity that is paid or owed.

Executed works in the buildings

Concerning work executed in the buildings, a distinction is made between:

[75] The equity capital is not affected by this adjustment. Furthermore, this adjustment also has no impact on the EPRA result and the available result.

- maintenance and repairs: these are costs that do not increase the expected future economic benefits of the building, and as such are integrally dependent on the result of the period in which they are paid;
- extensive renovation work: these are costs as a result of occasional work on the building, which will significantly increase the expected economic benefits of the building. The direct costs attributable to such work, such as materials, construction work by contractors, architect's fees and remuneration of other potential advisors etc. are capitalized;
- rental advantages: this is provided by the lessor to the lessee to convince the latter to rent existing or additional space. These costs are spread over the period from the commencement of the lease to the first break and are deducted from the rental income.

Commissions paid to real estate brokers

Commissions regarding the rental of buildings are charged against profits in the period in which they were paid. Commissions relating to the purchase of buildings, registration fees and other additional costs are considered as part of the purchase price of the building and are consequently capitalised. Commissions paid by selling buildings are deducted from the selling price obtained for the realized gain or loss to be determined.

General expenses

General expenses are expenses associated with the management and overall operation of the RREC. These include general administrative costs, staff costs for general management, and depreciation of assets used for general management

18.7.2.12 Financial result

The financial result consists on the one hand of interest costs on loans and associated costs, and investment income, and on the other hand of positive and negative fair value variations of hedging instruments. Interest income and costs are recognised pro rata temporis in the income statement. Potential dividend income is booked in the income statement on the day the dividend is granted.

18.7.2.13 Taxation and exit tax

The tax on the profit for the year comprises the current tax burden. The tax on profit or loss is recognized in the income statement with the exception of the elements recorded directly in equity. Deferred tax assets and liabilities are recorded based on the liability method for all temporary differences between the taxable basis and book value for financial reporting purposes, for both assets and liabilities. Deferred tax assets are only recognized if it is probable that these could be compared against taxable profits in the future.

The exit tax is the tax levied on the profit and on the tax-free reserves as the result of a merger, split, contribution in kind or transfer of a regulated real estate company with a company that is not a regulated real estate company.[76]

If the latter is incorporated for the first time in the consolidation of the Group, a provision for exit tax is included together with a revaluation value equal to the difference between the value with costs for the buyer (investment value minus all sales-related costs such as registration and notary fees) of the building at the time of acquisition and book value. The exit tax is generally payable by the contributor of a property or company but Montea must record these due to the fact that the tax is only assessed after a certain time. This tax is deducted from the value of the property or company to be transferred.

Any subsequent adjustment of the exit tax liability is included in the income statement. The amount of the exit tax can vary even after the transfer or merger from which this variation may arise.

18.7.2.14 Derivative financial instruments

Montea concludes loans with financial institutions with a variable interest rate. The company uses financial hedging instruments of the IRS type (Interest Rate Swaps) to hedge against the risk of increases to these variable interest rates. In so doing, the loans linked to variable interest rates are to a large extent swapped against a fixed interest rate. In accordance with its financial policy and in application of its regulations, Montea holds no derivative instruments nor would it issue any for speculative purposes.

The hedging instruments do not satisfy the conditions for the type of "hedging" as defined in IFRS 9, whereby all movements in the real value of the instrument are entirely included in the income statement. The market-to-market balance sheet date is used to determine the fair value.

In order to clarify the accounting method of the settlement of swaps, and in order to obtain a better connection with the EPRA guidance, there was decided to process the unwinding of the swaps from 2017 via the P & L heading: changes in the fair value of financial assets and liabilities.

18.7.2.15 Off balance sheet rights and obligations

These rights and obligations are valued at face value based on the amount stated in the contract. If there is no face value or if valuation is not possible, the rights and obligations are reported as token entries.

[76] The exit tax is the tax levied on the difference between the fair value and the book value and on the tax-free reserves and is 15% for mergers that take place in 2020. For mergers that took place in 2019, the exit tax amounted to 12.5% + 2% crisis tax.

18.7.2.16 New standards and interpretations

18.7.2.16.1 New and amended standards and interpretations applicable in 2019

Montea has applied IFRS 16 *Leases*, which requires the restatement of prior financial statements, for the first time. The nature and effect of the changes resulting from the application of this new accounting standard are set out below.

Several other amendments and interpretations are applicable for the first time in 2019, but have no impact on Montea's consolidated financial statements. Montea has not applied early any standards, interpretations and amendments that have been issued but are not yet in force.

The nature and effect of the new and amended standards and interpretations are set out below:

- Amendments to IFRS 9 *Financial Instruments* - Characteristics of early redemption with negative compensation
- IFRS 16 *Leases*
- Amendments to IAS 19 *Employee Benefits* - Amendment, Restriction or Settlement of a Plan
- Amendments to IAS 28 *Investments in associates and joint ventures* - Long-term interests in associates and joint ventures
- IFRIC 23 Uncertainty about Income Tax Treatment
- Annual improvements - 2015-2017 cycle

Amendments to IFRS 9 *Financial Instruments* - Characteristics of early redemption with negative compensation

Under IFRS 9, a debt instrument may be measured at amortized cost or at fair value through other comprehensive income provided that the implicit cash flows are “solely payments of principal and interest on principal outstanding” (the SPPI criterion) and the instrument is held in a business model that allows for such classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstances that caused the early termination of the contract and regardless of which party pays or receives reasonable compensation for the early termination of the contract. These changes had no impact on Montea’s consolidated financial statements.

IFRS 16 *Leases*

IFRS 16 replaces IAS 17 Leases, IFRIC 4 *Determining whether an arrangement contains a lease,* SIC-15 *Operational leases – Incentives* and SIC- 27 *Evaluating the substance of transactions in the legal form of a lease.* IFRS 16 sets out the principles for the recognition, valuation, presentation and clarification of leases. Lessees recognize all leases under one model in the balance sheet.

Under IFRS 16 leases are treated by lessors pretty much in the same way as currently under IAS 17. Lessors continue to classify all leases according to the same principles as in IAS 17. IFRS 16 therefore has had no impact on leases where Montea is the lessor.

The standard contains two exemptions from recognition for lessees – leases of assets with a small value (e.g. personal computers), and leases with a short term (i.e. leases for 12 months at most).

On the start date of the lease, a lessee undertakes an obligation to make lease payments (i.e. the lease obligation) and an asset that represents the right to use the underlying asset for the term of the lease (i.e. the right of use). Lessees recognize the interest on the lease obligation and the depreciation on the right of use separately in the income statement. Lessees revalue the lease obligation when certain events occur (e.g. a modification in the term of the lease, a modification in the future lease payments as a result of a change in an index or figure used to determine these payments). The lessee usually recognizes the amount of the revaluation of the lease obligation as an adjustment of the right of use.

Montea acts almost exclusively as a lessor. It nonetheless also acts as a lessee, more specifically for land concession agreements. Before 1 January 2019, these concession agreements were classified as operating leases under IAS 17, but have since then been accounted for on Montea's balance sheet under IFRS 16 through the recognition of a right of use and an associated lease obligation. This explains to a large extent the impact of IFRS 16 on Montea's balance sheet as of 1 January 2019, which implies an increase of the user rights and lease obligations to the tune of €46.8 million.

Montea also has current operating lease obligations in the form of car rental. These will also be accounted for through a right of use and corresponding liability in the consolidated financial statements. However, the impact of the latter heading is immaterial.

IFRS 16 moreover requires that lessees and lessors provide more extensive disclosure than under IAS 17.

IFRS 16 is applicable to financial years that start on or after 1 January 2019. Montea does not opt for any early application.

The 'modified retrospective method' was chosen by Montea. Under this method, the right of use and the lease obligation are recalculated on the start date of IFRS 16 (1 January 2019), so the asset used is initially recognized in the balance sheet at the same value as the lease obligation.

The application of IFRS 16 has the following effect:

Consolidated balance sheet (increase/decrease):	31/12/2019 (x 1000)	1/01/2019 (x 1000)
Assets		
Investment property (Right of use)	55.746 €	49.048 €
Tangible fixed assets	0 €	0 €
Total fixed assets	**55.746 €**	**49.048 €**
Advance payments	0 €	0 €
Total current assets	**0 €**	**0 €**
Total assets	**55.746 €**	**49.048 €**
Equity		
Transferred results	0 €	0 €
Minority interests	0 €	0 €
Total equity	**0 €**	**0 €**
Liabilities		
Interest-bearing loans and financiel liabilities	45.844 €	47.489 €
Deferred tax liabilities	0 €	0 €
Total long-term liabilites	**45.844 €**	**47.489 €**
Interest-bearing loans and borrowings	1.648 €	1.560 €
Trade and other debts	0 €	0 €
Total short-term liabilities	**1.648 €**	**1.560 €**
Total liabilities	**47.492 €**	**49.048 €**
Total equity and liabilities	**47.492 €**	**49.048 €**

IFRS 16 - LEASES	Opening balance sheet	Surplus	Lease paiments	Writing off	Interests	Closing balance sheet
Concessions	47.971.654€	-5259.218€	-3.256.895€		2.127.233€	46.582.774€
Leased company cars	359.808 €	-3.148€	-119.522€		8.067€	245.205€
Leased offices	716.884€	-155€	-63.841€		7.885€	660.773€
Total	**49.048.345,77**	**-262.520,91**	**-3.440.258,48**	**0,00**	**2.143.185,48**	**47.488.751,86**

The positive changes in the fair value of the investment properties (which pertain to the right of use under IFRS 16) amount to €8,513 K. The negative changes in the fair value of the investment properties pertaining to the right of use amount to €-1,815 K. These changes have no impact on the EPRA earnings.

The financing costs relating to lease obligations at the end of December 2019 amount to - €2,143 K. The rents paid on leased assets (in particular the existing lease obligations on concession land, but also the leased office buildings in the Netherlands and France, as well as the leased company cars) were also accounted for in accordance with the regulatory environment with respect to IFRS 16, which results in a positive difference of €3.4 million in the result compared to the previous financial year.

Amendments in IAS 19 *Employee benefits – Amendment, Restriction and Settlement of a Plan*
The changes pertain to the accounting treatment when a change, curtailment or settlement of a plan occurs during a financial year. The amendments stipulate that when an amendment, curtailment or settlement occurs during the first six months of a financial year, an entity is required to:

- determine the pension costs allocated to the service year for the remainder of the period following the amendment, curtailment or settlement of a plan, using the actuarial assumptions applied to remeasure the net defined benefit obligation (asset) from the benefits provided by the plan and the plan assets after that event; and
- The net interest to be determined for the remainder of the period after the amendment, curtailment or settlement of a plan, using the net defined benefit liability (asset) reflecting the benefits offered by the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines past service cost, or profit or loss, on a settlement without taking into account the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling following the amendment, curtailment or settlement of the plan. Any changes in that effect, other than amounts included in the net interest, are recognized in other comprehensive income.

These changes had no effect on Montea's consolidated financial statements as there have been no changes, curtailments or settlements of a plan in that period.

Amendments to IAS 28 *Investments in associates and joint ventures* – Long-term interests in associates and joint ventures

The amendments clarify that a company applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture to which the equity method has not been applied but which in reality form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it means that the expected credit loss model in IFRS 9 applies to such long-term interests.
The amendments also clarify that, when applying IFRS 9, an entity takes no account of losses of the associates and joint ventures, or impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture resulting from the application of IAS 28 Investments in Associates and Joint Ventures. These amendments have no effect on the consolidated financial statements of Montea.

IFRIC 23 Uncertainty over income tax treatment

The interpretation concerns the recognition of income tax within the scope of IAS 12 *Income taxes* when there is uncertainty over income tax treatment or levies that fall outside the scope of IAS 12, and does not cover specific support for the recognition of interest and fines. The interpretation deals specifically with:

- Whether an entity takes into account uncertainty over income tax treatment separately;
- The assumptions that an entity makes concerning the assessment of the tax treatment by the tax authorities;
- How an entity determines the tax result, taxable base, non-offset tax losses, unused tax losses and tax rates;
- How an entity considers changes in facts and circumstances.

An entity must determine whether each uncertain tax treatment is to be taken into account separately or together with one or more other uncertain tax treatments. The approach that best forecasts the removal of the uncertainty is preferable.

The interpretation is applicable to financial years that start on or after 1 January 2019. Certain transitional exemptions are authorized. Montea will apply the interpretation as of the day of entry into force.

The expected impact of IFRIC 23 is negligible for Montea.

Annual improvements – 2015-2017 cycle

The IASB has issued the '2015-2017 cycle' of improvements to standards and interpretations with the aim of removing inconsistencies and clarifying texts. The improvements are as follows:

- IFRS 3 *Business Combinations* - Previously held interests in a joint venture: The amendments clarify that when an entity obtains control of a business that is a joint venture, it applies the requirements for a business combination that is achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint venture at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint venture. An entity applies the amendments to business combinations with acquisition date on or after the beginning of the first financial year beginning on or after 1 January 2019. These changes did not have any impact on Montea's consolidated financial statements.
- IFRS 11 *Joint Arrangements* - Previously held interests in a joint business activity: The amendments clarify that when a party that participates in, but does not have joint control over, a joint business activity in which the joint business activity constitutes a business as defined in IFRS 3 acquires joint control of the joint business activity, the previously held interests in that joint business activity will not be remeasured. An entity applies the amendments to transactions in which it obtains joint control on or after the beginning of the first financial year starting on or after 1 January 2019. These changes did not have any impact on Montea's consolidated financial statements.
- IAS 12 *Income taxes* - Effects on income taxes of payments related to financial instruments classified as equity: The amendments clarify that income taxes on dividends are related more directly to past transactions or events that led to distributable profits than to pay-outs to owners. An entity therefore recognizes income tax on dividends in profit or loss, other comprehensive income or equity, depending on where it originally recognized those past transactions or events, and applies the amendments for annual periods beginning on or after 1 January 2019. When it applies the amendments for the first time, it does so for income taxes on dividends recognized on or after the beginning of the earliest financial year that is recognized as comparable figures in the financial statements. As Montea's current practice is in line with the amendments, they had no impact on Montea's consolidated financial statements.
- IAS 23 *Borrowing Costs* - Borrowing Costs Eligible for Capitalisation: The amendments clarify that an entity treats borrowings originally made to develop a qualifying asset as part of general financing when virtually all the activities necessary to prepare that asset for its intended use or sale have been completed.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the financial year in which the entity first applies those amendments. It applies those amendments for annual periods beginning on or after 1 January 2019. As Montea's current practice is in line with the amendments, they had no impact on Montea's consolidated financial statements.

18.7.2.16.2 Standards issued but not yet effective

The new and amended standards and interpretations issued on the date of publication of Montea's financial statements but not yet effective are set out below. Montea plans to apply these standards and interpretations when they become applicable.

- *Amendments to the References to the Preliminary Framework in IFRS Standards,* effective as of 1 January 2020[77]
- Amendments to IFRS 3 *Business Combinations* – Definition of a business, effective as of 1 January 2020[86]
- Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Notes* – Reform of Benchmark Interest Rates [86]
- Amendments to IAS 39 *Financial Instruments:* Recognition and measurement and IFRS 7 Financial Instruments: Notes – Reform of Benchmark Interest Rates[86]
- IFRS 17 *Insurance contracts,* effective as of 1 January 2021[86]
- Amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* – Definition of Material, effective as of 1 January 2020[86]

Montea will apply the interpretation as of the effective date, but is of opinion that the expected impact is negligible.

Amendments to the References to the Conceptual Framework in IFRS standards
Amendments to the References to the Conceptual Framework in IFRS standards describes the amendments to impacted standards, with the exception of IFRS 3 *Business Combinations* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, to update the references to the Conceptual Framework. In most cases, the standard references are updated to refer to the conceptual framework. These amendments apply to financial years beginning on or after 1 January 2020.

Amendments to IFRS 3 *Business Combinations* – Definition of a business
The amendments with limited scope clarify how to determine whether an acquired set of activities and assets is a business. The amendments clarify the minimum requirements for a business; delete the assessment of the ability of market participants to replace missing elements; provide guidance to help entities assess whether an acquired process is substantial; limit the definitions of a business and of output; and introduce an optional fair value concentration test. Companies are required to apply the amended definition of a business to acquisitions that occur on or after 1 January 2020. Early application is permitted.

[77] Not approved by the EU yet as at 16 October 2019

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments*: Notes - Reform of Benchmark interest rates

The amendments amend some specific hedge accounting requirements to address the potential impact of the uncertainty created by the IBOR reform. Furthermore, the amendments require companies to provide additional information to investors about their hedging relationships that are directly affected by these uncertainties.

The changes apply to all hedging relationships directly affected by the benchmark interest rate reform.

Application of the exemptions is mandatory. The first three exemptions provide for:

- The assessment of whether a forecast transaction (or a component thereof) is highly likely;
- Assessing when the amount in the cash flow hedge reserve has to be reclassified to profit or loss.
- Assessing the economic relationship between the hedged item and the hedging instrument

The fourth exemption provides that for a benchmark interest rate risk component affected by the IBOR reform, the requirement that the risk component is identifiable separately must be met only at the start of the hedging relationship.

The effective date of the amendments is for financial years starting on or after 1 January 2020, with early application permitted. The requirements will be applied retrospectively. Any hedging relationship that has been terminated earlier cannot be re-established upon application. Nor can hedging relationships be designated retrospectively.

Amendments to IAS 39 *Financial Instruments*: Recognition and measurement and IFRS 7 *Financial Instruments*: Notes - Reform of Benchmark interest rates

The amendments adapt some specific hedge accounting requirements to address the potential impact of the uncertainty created by the IBOR reform. Furthermore, the amendments require companies to provide additional information to investors about their hedging relationships that are directly affected by these uncertainties.

The corresponding amendments to IAS 39 Financial Instruments: Recognition and Measurement are consistent with those amendments for IFRS 9 but with the following differences:

1. For the prospective assessment of hedge effectiveness it is assumed that the benchmark on which the hedged cash flows are based (whether or not contractually defined) and/or the benchmark on which the cash flows of the hedging instrument are based are not changed as a result of the IBOR reform.
2. For the retrospective assessment of hedge effectiveness, in order to allow the hedge to pass this assessment, even if the current results of the hedge are temporarily outside 80%-125%, during the period of uncertainty that arises out of the IBOR reform.
3. For a hedge of a benchmark portion (instead of a risk component under IFRS 9) of the interest rate risk affected by the IBOR reform, the requirement that the portion be separately identifiable must only be met at the start of the hedge.

The effective date of the amendments is for financial years commencing on or after 1 January 2020, with early application permitted. The requirements should be applied retroactively. Any hedging relationships that have been terminated earlier cannot be re-established upon application. Nor can hedging relationships be designated retrospectively.

IFRS 17 *Insurance contracts*

IFRS 17, a new standard for insurance contracts, replaces IFRS 4 Insurance contracts. IFRS is applicable to all sorts of insurance contracts (i.e. life insurance, casualty insurance, direct insurance and reinsurance), irrespective of the type of entity that issues them, as well as on certain guarantee and financial instruments with discretionary profit sharing. There are certain exceptions to the scope of application. The general aim of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and more consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on the continuation of previous local principles for financial reporting, IFRS 17 provides a model for insurance contracts that deals with all relevant aspects of reporting. The basis of IFRS 17 is the general model, supplemented by a specific adjustment for certain profit-sharing contracts ('variable fee approach') and a simplified model for short-term contracts in particular ('premium allocation approach').

IFRS 17 is applicable to financial years that start on or after 1 January 2021. The adjustment of previous financial years is required[78.]. Early application is authorized, provided IFRS 9 and IFRS 15 are applied on or before the date of the first application of IFRS 17.

Amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* - Definition of Material

The amended definition of material clarifies that the materiality assessment must take into account how primary users can be reasonably expected to be influenced in making economic decisions.

The amendments clarify that the materiality assessment will depend on the nature or importance of the information. The amendments also clarify that, in assessing whether information can reasonably influence primary users' decisions, an entity must take into account the characteristics of those users and its own circumstances.

The amendments to IAS 1 and IAS 8 must be applied for financial years beginning on or after 1 January 2020. The amendments must be applied prospectively and early application is permitted.

78 The IASB has suggested amendments to IFRS 17: to postpone the effective date of IFRS 17 by one year, namely the financial years beginning on or after January 1, 2022. The IASB has also suggested to differ an additional year to insurers eligible for IFRS 9, which means that they can apply both standards for the first time for financial years beginning on or after January 1, 2022.

18.8 Notes on the consolidated financial statements as at 31 December 2019

18.8.1 Notes on the consolidated balance sheet and income statement

Note 1: Rental income

Montea leases its property investments based on lease agreements. This income is gross rental income generated by these lease agreements and appears under this heading.

The table below shows a summary of rental income over the whole year:

RENTAL INCOME (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Rent	65.527	52.976	41.907
Guaranteed rental income	0	0	0
Rental discounts	-464	-80	0
Rental incentives	0	0	0
Compensation for early breach rental contracts	0	0	1.327
Compensation financial leasing	0	0	0
TOTAL	65.063	52.896	43.234

In 2019, the rental income increased by 23.0% (12.2 million) compared with 2019, to €65.1 million. This increase in rental income of €12.2 million is primarily due to:

- Volume effects: acquisition or delivery of new sites (€10.9 million), partially offset by sales (-€1.0 million).
- Indexing of lease agreements (€1.5 million)
- Letting activity or renegotiation of leases (€0.8 million) in the sites at Puurs (Studio 100), Milmort (EC Hub & Safran Aero Boosters), Ghent Hulsdonk Facil Europe & WWL) and Willebroek – De Hulst park (Decathlon).

The rental income per site is itemized below:

RENTAL INCOME (EUR x 1.000)		31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Belgium		**33.930**	**28.182**	**23.593**
Aalst	Tragel 48-58	2.181	2.143	2.135
Bornem	Industrieweg 4-24	613	601	582
Grimbergen	Eppegemsestwg 31-33	1.235	1.222	1.100
Hoboken	Smallandlaan 7	132	131	128
Puurs	Rijksweg 85-89	256	208	0
Nivelles	Rue de la Technique 11	542	360	331
Puurs	Schoonmansveld 18	461	375	146
Erembodegem	Industrielaan 27	865	851	896
Mechelen	Zandvoortstraat 16	1.036	1.013	935
Vorst	Humaniteitslaan 292	2.136	2.092	2.003
Milmort	Avenue du Parc Industriel	843	725	494
Heppignies	Rue Brigade Piron	839	827	813
Zaventem	Brucargo 830	2.280	2.235	2.195
Zaventem	Brucargo 763	336	329	321
Zaventem	Brucargo 831	660	647	638
Gent	Evenstuk	1.800	1.747	1.716
Gent	Korte Mate	568	246	138
Zaventem	Brucargo 738-1	504	492	482
Willebroek	De Hulst Triton	870	386	86
Willebroek	De Hulst Dachser	1.057	1.037	1.024
Willebroek	De Hulst Federal Mogul	1.493	1.464	1.440
Erembodegem	Waterkeringstraat 1	1.381	940	940
Bornem	Industrieweg 3	727	38	0
Zaventem	Brucargo	3.316	3.267	2.326
Willebroek	De Hulst Metro	677	650	534
Willebroek	De Hulst Decathlon	2.040	1.998	327
Genk	Mainfreight	523	485	235
Zaventem	Brucargo - Saco	339	333	165
Bilzen	Kruisbosstraat 5	1.913	947	0
Zaventem	Brucargo 832	689	8	0
Liège	Rue Saint Exupéry	1.046	39	0
Saintes	Amtoys / Noukies	360	346	9
Aalsmeer	Japanlaan - Scotch & Soda	0	0	126
Lummen	Dellestraat	213	0	0
Indemnité de rupture				1.327
France		**9.126**	**8.782**	**7.078**
Savigny-le-Temple	Rue du Chrome 2	0	0	136
Feuqueires	Zoning Industriel du moulin	0	328	359
Roissy	Rue de la Belle Etoile 280+383	905	936	918
Bondoufle	Rue Henrie Dunant 9-11	0	40	238
Décines	Rue a Rimbaud 1	375	384	376
Le Mesnil Amelot	Rue du Gué 4, Rue de la Grande Borne	565	989	873
Alfortville	Le Techniparc	233	229	226
Le Mesnil Amelot	Rue du Gué 1-3	511	485	498
Saint-Priest	Chemin de la Fouilousse	635	623	615
Marennes	La Donnière	894	769	757
Saint-Laurent-Blangy	Actipark	663	651	639
Saint-Martin-de-Crau	Ecopole	860	846	830
Saint-Priest	Parc des Lumières	522	511	504
Camphin	Rue des Blattiers	2.307	1.493	0
Lesquin	Rue des Saules	277	238	0
Le Mesnil Amelot	Rue de la Grande Borne	196	94	0
Alfortville	Rue Félix Mothiron 8	169	166	109
Le Mesnil Amelot	Rue de Guivry	14	0	0
Indemnité de rupture		0	0	0
The Netherlands		**22.007**	**15.932**	**12.563**
Almere	Stichtse Kant	1.160	1.137	1.120
Waddinxveen	Exportweg	1.232	1.157	993
Oss	Vollenhovermeer	1.246	1.033	1.010
Beuningen	Zilverwerf	1.074	1.050	1.037
's Heerenberg	Distributieweg	739	1.397	1.379
Heerlen	Business Park Aventis	1.853	1.490	1.472
Apeldoorn	Ijseldijk	579	567	559
Tilburg	Gesworenhoekseweg	1.039	1.016	1.002
Aalsmeer	Japanlaan - Borgesius	1.772	1.743	1.722
Aalsmeer	Japanlaan - Scotch & Soda	631	619	384
Eindhoven	De Keten - Jan De Rijk	1.248	1.223	1.206
Tilburg	Brakman - NSK	1.023	1.008	583
Etten-Leur	Parallelweg - BAS Logistics	842	711	96
Hoofddorp	Willem Brocadesdreef	654	480	0
Rozenburg	Hanedaweg 10	560	330	0
Tiel	Panovenweg	3.525	970	0
Born	Verloren van Themaatweg	1.750	0	0
Oss	Kantsingel	520	0	0
Waddinxveen	Dirk Verheulweg	483	0	0
Tiel	De Geer	77	0	0
TOTAL		**65.063**	**52.896**	**43.234**

When we take account of all the properties that have been part of the property portfolio for the past 3 years (i.e. disregarding the acquisition of new sites or divestments – a total of 22 sites), the rental income is as follows (see also the table on the next page)

- 2017: €33.905 K
- 2018: €35.754 K
- 2019: €37.884 K (+6.0%)

The increase of 10.0 of the rental income for Belgium in 2019 compared with 2018 is mainly due to the annual indexing and the extra rental in Puurs (Studio 100), Milmort (EC Hub and Safran Aero Boosters), Ghent (Facil Europe & WWL) and Willebroek – De Hulst park (Decathlon).

The rental income for France dropped slightly by -0.4% in 2019 compared with 2018, mainly due to the annual indexing which was offset primarily by the vacancy in the site of Mesnil-Amelot, formerly let to Autoclikc and Facilit'Air.

In the Netherlands, rental income increased by 4.1% in 2019 compared with 2018, mainly as a result of the annual indexing.

RENTAL INCOME (EUR x 1.000)		31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Belgium		**22.086**	**20.072**	**18.543**
Aalst	Tragel 48-58	2.181	2.143	2.135
Bornem	Industrieweg 4-24	613	601	582
Grimbergen	Eppegemsestwg 31-33	1.235	1.222	1.100
Hoboken	Smallandlaan 7	132	131	128
Puurs	Rijksweg 85-89	256	208	0
Nivelles	Rue de la Technique 11	542	360	331
Puurs	Schoonmansveld 18	461	375	146
Erembodegem	Industrielaan 27	865	851	896
Mechelen	Zandvoortstraat 16	1.036	1.013	935
Vorst	Humaniteitslaan 292	2.136	2.092	2.003
Milmort	Avenue du Parc Industriel	843	725	494
Heppignies	Rue Brigade Piron	839	827	813
Zaventem	Brucargo 830	2.280	2.235	2.195
Zaventem	Brucargo 763	336	329	321
Zaventem	Brucargo 831	660	647	638
Gent	Evenstuk	1.800	1.747	1.716
Gent	Korte Mate	568	246	138
Zaventem	Brucargo 738-1	504	492	482
Willebroek	De Hulst Triton	870	386	86
Willebroek	De Hulst Dachser	1.057	1.037	1.024
Willebroek	De Hulst Federal Mogul	1.493	1.464	1.440
Erembodegem	Waterkeringstraat 1	1.381	940	940
France		**6.164**	**6.423**	**6.235**
Feuqueires	Zoning Industriel du moulin	0	0	0
Roissy	Rue de la Belle Etoile 280+383	905	936	918
Bondoufle	Rue Henrie Dunant 9-11	0	0	0
Décines	Rue a Rimbaud 1	375	384	376
Le Mesnil Amelot	Rue du Gué 4, Rue de la Grande Borne	565	989	873
Alfortville	Le Techniparc	233	229	226
Le Mesnil Amelot	Rue du Gué 1-3	511	485	498
Saint-Priest	Chemin de la Fouilousse	635	623	615
Marennes	La Donnière	894	769	757
Saint-Laurent-Blangy	Actipark	663	651	639
Saint-Martin-de-Crau	Ecopole	860	846	830
Saint-Priest	Parc des Lumières	522	511	504
The Netherlands		**9.634**	**9.259**	**9.128**
Almere	Stichtse Kant	1.160	1.137	1.120
Oss	Vollenhovermeer	1.246	1.033	1.010
Beuningen	Zilverwerf	1.074	1.050	1.037
's Heerenberg	Distributieweg	0	0	0
Heerlen	Business Park Aventis	1.516	1.490	1.472
Apeldoorn	Ijseldijk	579	567	559
Tilburg	Gesworenhoekseweg	1.039	1.016	1.002
Aalsmeer	Japanlaan - Borgesius	1.772	1.743	1.722
Eindhoven	De Keten - Jan De Rijk	1.248	1.223	1.206
TOTAL		**37.884**	**35.754**	**33.905**

Note 2: Rental-related expenses

RENTAL-RELATED EXPENSES (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Rent to pay on leased assets	0	-2.866	-2.360
Depreciations on trade receivables	0	-157	-90
Write-back of write-downs on trade receivables	0	11	9
TOTAL	**0**	**-3.012**	**-2.441**

Montea applies IFRS 16 to financial years commencing on or after 1 January 2019 and implies that lease obligations (such as leases and concession agreements) must be expressed on the balance sheet of the lessee through the recognition of a right of use as investment property and a corresponding lease obligation as long-term debt. For Montea, as property owner and therefore lessor, there are no changes as regards the valuation of the property portfolio. Montea will continue to value its property portfolio at fair value in accordance with IAS 40. For these concession agreements, Montea, as lessee, will recognize the right of use as an investment property and the associated lease obligation as a long-term debt in the balance sheet and, consequently, the recurring concession reimbursements will be recognized through the financial result instead of the net rental result as from 2019.

In addition, Montea applies IFRS 9. When Montea calls on external legal advice for the collection of rent and/or other receivables, a reduction in value is booked immediately. When the money owed is received, the impairment is reversed in the accounts. The method for determining the impairment was not amended.

Note 3: Rental charges and taxes normally borne by the tenant on rented buildings and recovery of said rental charges and taxes

RENTAL CHARGES AND TAXES NORMALLY BORNE BY THE TENANT ON LET PROPERTIES (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Recovery of charges and taxes normally payable by tenants on let properties louer	**6.986**	**5.847**	**5.168**
Reinvoicing of rental charges borne by the tenant	3.701	3.054	2.714
Reinvoicing of taxes on let properties	3.286	2.792	2.454
Charges and taxes normally borne by the tenant on let properties	**-7.371**	**-6.493**	**-5.895**
Rental charges borne by the tenant	-3.867	-3.337	-3.025
Taxes on let properties	-3.504	-3.155	-2.870
TOTAL	**-385**	**-646**	**-727**

The drop of the net impact to -€385 K is largely due to the extra rental occupancy at several sites in ownership of the Montea group.

In the event of vacancy, the highest cost price is the advance levy on income derived from real estate and the insurance, which may or may not be passed on. The advance levies and taxes on rented buildings amounted to €3,504,000 in 2019 (5.4% of the rental income, which amounted to €65,527 K on 31/12/2019).

Note 4: Other rental-related income and expenditures

OTHER RENTAL-RELATED INCOME AND EXPENDITURE (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Property management fee	365	330	471
Income from the solar panels	2.264	1.556	1.382
Other	828	945	2.044
TOTAL	**3.457**	**2.831**	**3.897**

The property management fee is contractually agreed. In most leases, it amounts to a percentage of the annual rent.

The income from the solar panels consists of the generated electricity which is charged to the tenants and the grid operator (15.2%), and of income from the green certificates (84.8%).

The revenues are recognised when the income is received, in accordance with IFRS15. There are no green certificates that are not sold at the end of the financial year. The green certificates are paid by the government and not by the energy suppliers.

The “Other” item consists mainly of re-invoicing of extra works at DHL Aviation. This heading also includes other income, such as the contribution of the insurer for claims covered by our insurance policy.

Note 5: Technical costs

TECHNICAL COSTS (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Recurring technical costs	**-10**	**-6**	**-25**
Repairs	*-10*	-6	-12
Compensation for overall guarantuees	*0*	0	0
Insurance premiums	*0*	0	-13
Non-recurring technical costs	**-12**	**0**	**-8**
Major repairs	*0*	0	0
Claims	*-12*	0	-8
TOTAL	**-22**	**-6**	**-33**

The technical costs in 2019 pertain primarily to small maintenance and repair works on the property portfolio.

6: Commercial costs

COMMERCIAL COSTS (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Brokers' fees	-41	-109	-91
Publicity	0	0	0
Lawyer fees and legal expenses	-17	-20	-30
TOTAL	**-58**	**-130**	**-122**

The commercial costs comprise the broker’s fees payable after signing the new lease for the previously vacant units in the building in Milmort.

Note 7: Charge and taxes for un-let properties

CHARGES AND TAXES OF UN-LET PROPERTIES (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Charges	-63	0	0
Property tax	-103	0	0
Insurances	0	0	0
TOTAL	**-166**	**0**	**0**

Note 8: Property management costs

PROPERTY MANAGEMENT COSTS (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Internal property management costs	-1.794	-1.534	-1.047
Exteral property management costs	0	0	0
TOTAL	**-1.794**	**-1.534**	**-1.047**

These costs comprise on the one hand expenses for the internal team that is responsible for the management and marketing of the real estate, and form costs attributable directly to management.

Note 9: Other property costs

OTHER PROPERTY COSTS (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Other property charges	-8	-60	-44
TOTAL	**-8**	**-60**	**-44**

In 2019, “Other property costs” concerned mainly the maintenance of the solar panels.

Note 10: Overheads of the Company

GENERAL CORPORATE COSTS (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Office costs	-475	-565	-363
Representation costs	-185	-172	-94
Fees	-876	-864	-825
Real estate expert	*-135*	*-150*	*-125*
Auditor	*-70*	*-101*	*-84*
Legal advisors	*-212*	*-158*	*-107*
Accounting and financial advisors	*-301*	*-328*	*-373*
Other	*-158*	*-126*	*-135*
Listing fees	-465	-445	-321
Marketing and communication	-355	-277	-301
Personnel costs + fees business manager	-1.596	-1.695	-1.705
Amortizations	-256	-205	-205
TOTAL	**-4.207**	**-4.224**	**-3.814**

The company’s overheads comprise mainly costs relating to the daily management and expenses incurred for obligations of listed companies.

The overheads totalled €7,223 K, of which:

- €1,222K (16.9%) were activated on existing sites and new ongoing projects. They concern project management expenses;
- €1,794 (24.8%) entered under property costs (in property management fees, under note 8). These are costs attributable directly to the internal team responsible for the management and commercialization of the real estate and the costs to be allocated immediately to the management on the other hand.

As such, 58.3% of these costs (€4,207 K) are reserved as overheads of the company.

The fee of the auditors, EY Bedrijfsrevisoren, represented by Joeri Klaykens, acting on behalf of an SPRL, relating to the remuneration for the legal assignment to audit and review the company and consolidated accounts, amounts to €50,000 (excl. VAT). Apart from the fees for the auditor, the remuneration was paid for the following auditing activities:

- Comfort letter: €43,000 (excl. VAT)
- Legal assignments: €18,000 (excl. VAT)
- EPRA and forecast review: €10,900
- Tax advice: €8.400
- Other: €1,500

These auditing activities were approved in the deliberations of the audit committee.
Apart from the fees for the auditor, the real estate expert and the Statutory Manager, no other substantial fees were payable in 2019.

The average workforce and breakdown of staff costs can be shown as follows:

	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Average staff (in FTE)	**22**	**23**	**19**
a) Workers	0	0	0
b) Clerks	22	24	19
Administrative clerks	12	12	10
Technical clerks	10	12	9
Geografical location staff (in FTE)	***22***	***23***	***19***
West-Europe	*22*	*23*	*19*
Belgium	15	15	14
France	4	4	3
The Netherlands	3	4	2
Central- and Eastern-Europe	*0*	*0*	*0*
Staff costs (in EUR x 1000)	**2.582**	**2.177**	**2.027**
a) Remuneration and direct social benefits	1.921	1.617	1.155
b) Corporate contributions for social insurance	549	439	412
c) Corporate premiums for non-statutory insurance policies	48	65	30
d) Other staff costs	64	56	430

Staff costs included above can be found in the section general costs (see above) and in the section management costs (see Note 8). The difference between the two amounts corresponds to the remuneration of the Statutory Manager.

Montea has contracted for its permanent employees a group insurance contract of the type defined contribution plan with an external insurance company. The contribution of the insurance plan is paid by Montea. The insurance company has confirmed that, on 31 December 2019, the shortfall to guarantee the minimum legal return is not material.

For fees paid to the executive management, cf. Section 14.4.

Note 11: Other operating revenues and expenditures

OTHER OPERATING INCOME AND EXPENSES (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Other operating income	34	48	35
Other operating expenses	-205	-109	-107
TOTAL	-172	-61	-72

The other operating revenues comprise mainly:

- Compensation received;
- One-off income.

The other operating expenditures comprise mainly:

- Fees for registration and legal formalities;
- Company social security contributions;
- Costs incurred for projects that did not go through.

Note 12: Earnings from the sale of investment properties

RESULT ON DISPOSAL OF INVESTMENT PROPERTIES (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Net sale of real estate (sale price - transaction expenses)	27.046	1.000	17.360
Fair value of sold real estate	-26.612	-997	-16.591
TOTAL	434	3	769

Note 13: Changes in the fair value of investment properties

CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Positive changes in fair value of investment properties	83.994	83.325	12.949
Negative changes in fair value of investment properties	-13.221	-51.350	-9.745
TOTAL	70.773	31.975	3.204

When the balance of all positive and negative changes is considered as a whole, the result on the property portfolio amounts to €70,773 K on 31 December 2019. Positive changes in the fair value of the investment properties are largely due to the drop of the return on investments for projects with long-term leases. Negative changes in the fair value of the investment properties are largely attributable to impairments as a result of leases that approached expiry or were discontinued, the initial transaction costs for the purchase or development of new properties booked in the result (see section 8.7.2.1) and debiting the result of the remaining rent-free periods via the result.

When Montea invests in a property (heavy alteration works), those investments are entered under the assets of the balance sheet. If the property expert does not value these extra works fully (or not at all) according to the cost price of these works, Montea books a negative change in the valuation of the real estate.

For more information on the valuation principles applied to the property portfolio, cf. note 20.

Note 14: Financial income

FINANCIAL INCOME (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Interests and dividends received	0	0	1
Compensation financial leasing	0	0	0
Net realized gains on sale of financial assets	0	0	0
Net realized gains on sale of financial leasing receivables and similar receivables	0	0	0
Other	57	91	240
TOTAL	**57**	**91**	**241**

The “Other” financial income has to do mainly with interest receivable for late payments by our clients.

Note 15: Net interest charges

NETTO INTERESTKOSTEN (EUR x 1.000)	31/12/2019 12 maanden	31/12/2018 12 maanden	31/12/2017 12 maanden
Nominale interestlasten op leningen	-8.333	-5.762	-6.115
Wedersamenstelling van het nominaal bedrag van financiële schulden	0	0	1
Kosten van toegelaten afdekkingsinstrumenten	-2.967	-4.450	-5.123
Andere interestkosten	-9	-26	-8
TOTAAL	**-11.309**	**-10.237**	**-11.245**

The net interest charges have risen by €1,071 K or 10.5%.

The section on 'nominal interest expense on borrowings' (up by €2,571 K compared with 2018) includes since 1 January 2019 the IFRS 16 impact (€2,146 K); interest charges relating to Montea's lease obligations under the contracted concession agreements. The 2019 total in 'nominal interest expense on borrowings' excluding this IFRS 16 impact amounts to €6,187 K; an increase of €425 K compared to 2018.

The average debt burden, exclusive of the lease obligations relating to IFRS 16, remained stable compared with 2018, resulting in a slight decrease of the interest charges on credit lines and bonds compared with 2018. The increase of the section on 'nominal interest expenses on loans' is linked to a decrease of the intercalary interest (€600 K less compared with 2018).

The costs for the hedging instruments decreased by €1,483 K compared with 2018 mainly due to the unwinding of an interest rate swap hedging contract in the form of an Interest Rate Swap (IRS) at the end of 2018 to conclude subsequently a new hedge at current market conditions in 2019 (99% at the end of 2018 (91% at the end of 2018). As a result, the average financing cost dropped compared with the previous year, namely to 2.2% [79]* for financial year 2019.

The impact of the hedging instruments on the average financing cost amounted to 1.0%. This means that the average financing cost without the hedging instruments would amount to 1.1%.

Note 16: Other financial costs

OTHER FINANCIAL COSTS (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Bank charges and other commissions	-105	-92	-102
Net realized losses on sale of financial assets	0	0	0
Net realized losses on sale of financial leasing receivables and similar receivables	0	0	0
Other	0	0	0
TOTAL	**-105**	**-92**	**-102**

The bank charges comprise mainly commission fees for the conclusion of new lines of credit.

Note 17: Changes in the fair value of financial assets and liabilities

The negative change in the fair value of the financial assets and liabilities amounts to -€12,739, consisting of:

- the negative change in the fair value of the financial assets and liabilities of - €13.092K;
- the positive change pursuant to IFRS 13, whereby the DVA (Debit Value Adjustment) fluctuates with €353K in financial year 2019 compared with the end of 2018.

VARIATIONS IN THE FAIR VALUE OF FINANCIAL ASSET AND LIABILITIES (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Authorized hedges	-12.739	-3.127	5.791
Authorized hedges subject to hedge accounting as defined by IFRS	0	0	0
Authorized hedges no subject to hedge accounting as defined by IFRS	-12.739	-3.127	5.791
Other	0	0	0
TOTAL	**-12.739**	**-3.127**	**5.791**

The debt position of Montea under the hedging instruments amounts to €23.6 million.

[79]* This financial charge is an average over the entire year, including the lease payables, and was calculated on the basis of the total financial result with respect to the average of the opening and closing balance of the financial debt burden for 2018, without taking into account the valuation of the hedging instruments and the impact of IFRS 16.

FAIR VALUE OF THE HEDGES (EUR x 1.000)	Start date	Maturity date	Nominal amount	Amount taken 31/12/2019	Interest rate	Heged interest rate	Fair value 2019 (*)	Fair value 2018 (*)	Fair value 2017 (*)	Change in fair value
IRS '	1/01/2016	1/09/2024	0	0	2,66%	Euribor 3M	0	0	-	0
IRS	1/07/2012	1/07/2024	0	0	2,50%	Euribor 3M	0	0	0	0
IRS	1/11/2011	1/10/2020	0	0	2,77%	Euribor 3M	0	0	0	0
IRS '	30/11/2015	30/05/2019	0	0	3,07%	Euribor 3M	0	0	0	0
IRS	1/10/2011	1/10/2020	0	0	2,77%	Euribor 3M	0	0	0	0
IRS '	31/12/2015	31/12/2021	0	0	2,38%	Euribor 3M	0	-768	-932	768
IRS '	2/01/2015	2/01/2019	0	0	2,25%	Euribor 3M	0	-166	2.558	166
IRS '	1/04/2015	1/07/2022	0	0	2,52%	Euribor 3M	0	0	-	0
IRS '	1/04/2015	1/07/2023	0	0	2,74%	Euribor 3M	0	0	-	0
IRS	29/12/2017	29/12/2024	15.000	15.000	0,50%	Euribor 3M	-538	-205	-29	-333
IRS '	3/10/2016	2/01/2020	25.000	25.000	1,71%	Euribor 3M	-137	-2.238	-2.265	2.101
IRS '	29/12/2017	29/12/2025	10.000	10.000	0,61%	Euribor 3M	-462	-148	-26	-314
IRS	29/12/2017	29/12/2026	10.000	10.000	0,72%	Euribor 3M	-572	-156	-33	-416
IRS	29/12/2017	29/12/2027	25.000	25.000	0,82%	Euribor 3M	-1.707	-412	-104	-1.295
IRS	30/12/2016	31/12/2027	2.500	2.500	0,78%	Euribor 3M	-162	-31	3	-131
IRS	30/12/2016	31/12/2024	10.000	10.000	0,45%	Euribor 3M	-334	-106	18	-228
IRS	30/12/2016	31/12/2026	50.000	50.000	0,68%	Euribor 3M	-2.719	-626	38	-2.093
IRS	31/12/2016	31/12/2025	25.000	25.000	0,56%	Euribor 3M	-1.076	-279	38	-797
IRS	31/12/2018	31/03/2028	25.000	25.000	1,07%	Euribor 3M	-2.344	-1.023	0	-1.321
IRS	1/04/2018	1/04/2028	10.000	10.000	1,02%	Euribor 3M	-895	-362	0	-533
IRS "	31/12/2019	1/04/2028	10.000	10.000	1,04%	Euribor 3M	-904	-373	0	-531
IRS "	3/04/2018	31/12/2027	25.000	25.000	0,72%	Euribor 3M	-1.495	-178	0	-1.317
IRS "	31/12/2020	29/09/2028	25.000	'	1,83%	Euribor 3M	-3.406	-2.282	0	-1.124
IRS "	31/12/2020	29/12/2028	10.000	'	1,66%	Euribor 3M	-1.269	0	0	-1.269
IRS "	31/12/2019	31/12/2026	10.000	10.000	2,31%	Euribor 3M	-1.712	0	0	-1.712
FORWARD START IRS "	1/01/2021	1/01/2028	50.000	'	1,01%	Euribor 3M	-3.446	0	0	-3.446
FORWARD START IRS "	29/12/2023	31/12/2027	50.000	'	0,48%	Euribor 3M	-492	0	0	-492
FORWARD START IRS "	31/12/2019	31/12/2023	50.000	50.000	0,25%	Euribor 3M	107	0	0	107
CAP	1/01/2020	1/01/2021	25.000	'	0,00%	Euribor 3M	0	0	0	0
CAP	31/12/2019	31/12/2020	10.000	10.000	0,00%	Euribor 3M	0	0	0	0
TOTAL	'	'	**472.500**	**312.500**	'	'	**-23.565**	**-10.473**	**-12.029**	**-13.093**

It is shown schematically here with the existing IRS €312.5 million mature:

2020: €35 million
2023: €50 million
2024: €25 million
2025: €35 million
2026: €70 million
2027: €52.5 million
2028: €45 million

As a result of the adaptations according to IFRS 13, Montea has booked a positive change in the valuation of the hedging instruments of €353 K (Debit Value Adjustment). As such, the net debt position of Montea under the hedging instruments amounts to €23.6 million, which are booked as long- term financial debts under the liabilities in the balance sheet. The negative adjustment of the nominal amount to the fair value of the hedging instruments can be found in the other non-current financial debts on the liabilities of the balance sheet and the positive adjustment of the nominal amount to the fair value of the other financial fixed assets - hedging instruments on the assets of the balance sheet. At the end of 2019, Montea has hedging instruments for a nominal amount of €472.5 million.

The non-discounted cash flows for the next five years based on the existing IRS contracts are shown in the table below:

1 year < x < 2 years	2 years < x < 3 years	3 years < x < 4 years	4 years < x < 5 years	5 years < x < 6 years	6 years < x < 7 years	6 years < x < 7 years	7 years < x < 8 years	9 years < x < 10 years	> 11 years
4.408	4.408	4.408	4.795	4.567	4.214	3.266	951	700	0

Note 18: Corporate tax

CORPORATE TAXES (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Withholding tax	0	-524	0
Actual corporate taxes (profit)	-357	435	-938
TOTAL	**-357**	**-89**	**-938**

The corporate tax booked consists of a provision for:

- The tax payable on the rejected expenses by Montea Comm. V.A.
- The corporate tax payable for companies that do not enjoy regulated real-estate company status
- Exit tax adjustments
- The dividend tax payable by Montea SCA
- The dividend tax payable by Montea Netherlands

The increase from 2018 is due primarily to the enhanced activity in the Netherlands as a result of which higher dividend taxes were payable in that country.

Note 19: Intangible fixed assets

INTANGIBLE ASSETS	(x EUR 1.000)
ON 31/12/2017	**168**
Acquisitions	313
Depreciations	-106
ON 31/12/2018	**375**
Acquisitions	168
Depreciations	-124
ON 31/12/2019	**419**

This heading indicates the amounts of the intangible fixed assets for own use. These intangible fixed assets contain primarily the licence and development fees for property management, facility and accounting software.

Note 20: Investment properties

The increase in property investments and developments in 2019 for an amount of €247 million is mainly the result of:

PROPERTY INVESTMENTS & PROJECT DEVELOPMENT	(X EUR 1.000)	(X EUR 1.000)	(X EUR 1.000)
	Property investments	Project developments	TOTAL
At 31/12/2014	397.710	16.295	414.005
At 31/12/2015	481.295	25.640	506.935
At 31/12/2016	524.855	10.281	535.136
At 31/12/2017	657.991	48.440	706.431
At 31/12/2018	868.478	28.395	896.873
Op 31/12/2018 - Assets for sale	2.377	-	2.377
Op 31/12/2018 - Solar panels	13.016	-	13.016
Investments	166.973		166.973
New acquisitions	74.813		74.813
- Lummen (BE) - Bosal Emission Control Systems	7.394		7.394
- Continuation of the reception Flexport Luik (BE) - Brucargo (BE) - Bornem (BE)	8.892		8.892
			-
- Born (NL) - Koopman Logistics Group	37.228		37.228
- Oss (NL) - Ad Dollevoet	10.183		10.183
- Tiel (NL) - Curie	5.592		5.592
- Le Mesnil-Amelot (FR)	1.752		1.752
			-
			-
- Existing investment portfolio	3.772		3.772
IFRS 16 recognition concessions	47.712		47.712
Acquisition by share transactions	1.270		1.270
Reception built-to-suit projects	43.178		43.178
Delivered development projects		-43.178	-43.178
Development projects	-	79.274	79.274
			-
- Lummen (BE) - Land for development		7.449	7.449
- Schiphol (NL) - Land for development		5.078	5.078
- Etten-Leur (NL) - Extension		4.268	4.268
- Meyzieu (FR) - Renault		8.129	8.129
- St-Laurent de Blangy (FR) - Unéal-Advitam		12.871	12.871
- Senlis (FR) - Land for development		1.907	1.907
- Waddinxveen (NL) - Isero / Dille & Kamille		11.203	11.203
- Heerlen (NL) - DocMorris		15.676	15.676
- Solar panels (BE)		8.638	8.638
- Solar panels (NL)		4.055	4.055
Divestments	-24.000		-24.000
Sale of Assets	-24.000		-24.000
- 's Heerenberg (NL) - JCL	-24.000		-24.000
Assets for sale	-		-
Increase/(decrease) of fair value	71.200	-487	70.713
At 31/12/2019	1.095.666	64.004	1.159.671

The real estate portfolio is valued at fair value. The fair value is determined on the basis of non-observable inputs and consequently these investment properties belong to level 3 of the fair value hierarchy as determined in accordance with IFRS. See note 39 for more information. The positive variation in the valuation of the investment properties can be explained by the sharpening of the return on logistics real estate in the investment market.

Valuation methodology

The estimation of a site consists of determining its value on a certain date, determining the price at which the site can potentially be traded between buyers and sellers who are sufficiently informed without information asymmetries and who wish to realize this kind of transaction. This value is the investment value or the price to be paid plus any transfer taxes (registration fees or VAT). The fair value, within the meaning of the IAS / IFRS reference scheme, can be obtained by subtracting the theoretical local registration rights from the investment value.

Sensitivity of valuations

The sensitivity of the fair value in function of changes in the significant non-observable inputs used in the determination of the fair value of properties classified in level 3 according to the IFRS fair value hierarchy is as following:

		Impact on fair value	
Non-observable inputs	**Calculated in**	**Increase**	**Decrease**
Estimated rental value	€/m²	+	-
Occupancy rate	%	-	+
Required yield		-	+
Retentive lease period	years	+	-
Occupancy rate		+	-
Inflation		+	-

In addition, a long (short) remaining term of the lease contract often leads to an increase (decrease) in the discount rate.

The sensitivity of the fair value of the portfolio can be estimated as follows:

- an increase (decrease) of 1% of the rental income means that the fair value of the portfolio will increase (decrease) by approximately €10.3 million
- a decrease (rise) of 0.25% of the discount rate means that the fair value of the portfolio will increase (decrease) by approximately €33.0 million.

Note 21: Other tangible fixed assets

OTHER TANGIBLE NON-CURRENT ASSETS (x EUR 1.000)	Total	Own use	Other
Acquisition value 01/01/2018	**14.434**	**786**	**13.648**
Acquisitions	84	0	84
Solar panels	245	0	245
- acquisition solar panels	*436*	*0*	*436*
- added value/less value of existing solar panels	*-190*	*0*	*-190*
Acquisition value 31/12/2018	**14.763**	**786**	**13.977**
Depreciations 01/01/2018	**-1.084**	**-313**	**-771**
Depreciations	-99	-41	-58
Depreciations 31/12/2018	**-1.183**	**-354**	**-829**
ON 31/12/2018	**13.581**	**432**	**13.149**
Acquisition value 01/01/2019	**14.763**	**786**	**13.977**
Acquisitions	1.101	0	1.101
Solar panels	-821	0	-821
- acquisitions solar panels	*673*	*0*	*673*
- added value/less value of existing solar panels	*-1.494*	*0*	*-1.494*
Acquisition value 31/12/2019	**15.044**	**786**	**14.258**
Depreciations 01/01/2019	**-1.183**	**-354**	**-829**
Depreciations	-131	-46	-85
Depreciations 31/12/2019	**-1.313**	**-399**	**-914**
ON 31/12/2019	**13.730**	**387**	**13.344**

The movement in other tangible fixed assets includes mainly the capital gain on the solar panels at the sites in Bornem, Grimbergen, Erembodegem, Bilzen, Heppignies, Milmort, Vorst, Ghent and Orka Aalst.

The capital gain was taken directly from equity capital (also see valuation rules 18.7.2).

Solar panels are valued based on the revaluation model in accordance with IAS 16 – Tangible Fixed Assets. After the initial drawdown, the asset from which the fair value can reliably be determined, must be recorded at the revalued value, i.e. the fair value at the time of the revaluation, minus any accumulated writedowns later, plus any later accumulated special value reduction. If these solar panels were to be valued at their cost price, the amount would be €12,659 K. The solar panels are valued by an independent property assessor since 2018.

The fair value is determined on the basis of the discounting method of future revenues.

In the case of the valuation of the solar panels, the net gains are stated in a separate component of the equity capital. Also see note 30.1.

Note 22: Financial fixed assets

FINANCIAL ASSETS	(x EUR 1.000)
ON 31/12/2017	**96**
Assets held for sale till maturity	**0**
Participations in associated companies or companies with a participating interest	0
Assets at fair value through result	**1**
Hedging instruments	1
ON 31/12/2018	**1**
Assets held for sale till maturity	**0**
Participations in associated companies or companies with a participating interest	0
Assets at fair value through result	**107**
Hedging instruments	107
ON 31/12/2019	**107**

The financial fixed assets relate solely to the positive valuation of the hedging instruments.

The negative valuation of the hedging instruments for 2019 is shown in Note 17.

Note 23: Trade receivables and other fixed assets

TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS	(x EUR 1.000)
ON 31/12/2017	**42**
Guarantees paid in cash	-13
ON 31/12/2018	**29**
Guarantees paid in cash	6
ON 31/12/2019	**35**

This amount concerns a guarantee paid in cash.

Note 24: Assets intended for sale

ASSETS HELD FOR SALE	(x EUR 1.000)
OP 31/12/2017	**0**
Accounting value of the investment properties held for sale	2.377
Real Estate certificates	0
Other	0
OP 31/12/2018	**2.377**
Accounting value of the investment properties held for sale	-2.377
Real Estate certificates	0
Other	0
OP 31/12/2019	**0**

Note 25: Short-term trade receivables

TRADE RECEIVABLES (EUR x 1.000)	31/12/2019	31/12/2018	31/12/2017
Trade receivables - gross	14.042	16.237	14.951
Provisions for doubtful receivables	-638	-638	-587
TOTAL	13.405	15.599	14.364

On 31 December 2019 the gross trade receivables amounted to €13,405K, of which:

- €12,714.9 K in trade receivables;
- €637.6K in doubtful receivables;
- €689.9K in other trade receivables;
- - €637.6K in losses in value for doubtful receivables.

The table below includes an age analysis of trade receivables of €12,714.9K.

TABLE OF MATURITY DATES OF TRADE RECEIVABLES	(x EUR 1.000)
Trade receivables, not due	12.325
Trade receivables, due 1 -30 days	435
Trade receivables, due 31 - 60 days	-96
Trade receivables, due 61 - 90 days	32
Trade receivables, due > 90 days	19
TOTAL	12.715

No losses in value were booked on the total amount of €12,714.9 K because for the claims on expiry of 90 days, an individual analysis per file is made, showing that we are not at risk of the claims being lost and we have sufficient comfort that our clients meet their obligations. Despite this demand Montea is convinced, based on historical data, that at the moment of exceeding 90 days, there is no risk of recoverability.

To minimize the impact of the overdue receivables on the result, Montea manages its customer base in an efficient manner. Montea subjects its customers to a credit analysis on a regular basis. It will also subject potential customers to a prior credit analysis before proceeding to conclude new leases. The table below provides an overview of the doubtful receivables:

The table below provides an overview of the trade receivables:

DOUBTFUL RECEIVABLES	(x EUR 1.000)
ON 31/12/2017	735
Amount current financial year	-98
Reversal amount current financial year	0
ON 31/12/2018	637
Amount current financial year	1
Reversal amount current financial year	0
ON 31/12/2019	638

WRITE-DOWNS ON DOUBTFUL RECEIVABLES ACCOUNTED FOR	(x EUR 1.000)
ON 31/12/2017	588
Provisions current financial year	50
Reversal losses doubtful receivables	0
ON 31/12/2018	637
Provisions current financial year	1
Reversal losses doubtful receivables	0
ON 31/12/2019	638

The trade receivables are shown in the table below:

TABLE OF OTHER RECEIVABLES	(x EUR 1.000)
Trade receivables - debit balance	0
Trade payables - debit balance	230
Invoices to bill	357
Creditnotes to receive	103
TOTAL	**690**

The trade receivables due for which a loss of value was booked are shown in the table below:

TABLE OF MATURITY OF DOUBTFUL DEBTS	(x EUR 1.000)
Trade receivables, not due	0
Trade receivables, due 1 -30 days	0
Trade receivables, due 31 - 60 days	0
Trade receivables, due 61 - 90 days	0
Trade receivables, due > 90 days	638
TOTAL	**638**

Montea has made the necessary efforts to have the most part of the outstanding trade receivables collected already after the end of the year.

Montea has not obtained any guarantees to limit its credit risk or any credit hedging instruments.

Note 26: Tax receivables and other current assets

TAX RECEIVABLES AND OTHER CURRENT ASSETS (EUR x 1.000)	31/12/2019	31/12/2018	31/12/2017
TAXES	**8.402**	**13.073**	**7.908**
Value added taxes (VAT)	2.909	7.969	6.739
Corporation tax	5.493	5.103	1.169
OTHER CURRENT ASSETS	**784**	**794**	**840**
TOTAL	**9.186**	**13.867**	**8.748**

The recoverable VAT is the result of a number of large invoices booked at the end of the year relating to current developments and purchases subject to VAT in the Netherlands. The outstanding tax receivable relates to the Dutch corporate income tax of the fiscal entity which which has applied for but has not yet obtained FBI status. See Note 37 and section 3.2.2.

Note 27: Cash and cash equivalents

CASH AND CASH EQUIVALENTS (EUR x 1.000)	31/12/2019	31/12/2018	31/12/2017
Cash at banks	7.690	4.634	3.436
Term deposits	0	0	0
Cheques to be cashed	0	0	0
TOTAL	**7.690**	**4.634**	**3.436**

Note 28: Deferred charges and accrued income

DEFERRED CHARGES AND ACCRUED INCOME - ASSETS (EUR x 1.000)	31/12/2019	31/12/2018	31/12/2017
Accrued and not due rental income	64	401	454
Rental discounts and rental incentives to be allocated	0	0	0
Prepaid property charges			
- Costs for future projects / Provisions construction costs	1.398	1.755	833
- Autres	0	0	0
Prepaid interests and other financial charges	0	0	0
Other	575	418	976
TOTAL	**2.037**	**2.574**	**2.263**

Note 29: Capital and shares

SHARE CAPITAL AND SHARE PREMIUMS (x EUR 1.000)	Capital	Costs capital increase	Capital shares options staff	Subscription premium	Number of shares
ON 31/12/2017	236.623	-3.688	3	66.641	11.610.531
Contribution in kind	24.541	-346	-1.070	34.250	1.204.161
ON 31/12/2018	261.164	-4.034	-1.067	100.891	12.814.692
Contribution in kind and stock dividend	60.484	-1.837	273	108.293	2.967.902
ON 31/12/2019	321.648	-5.871	-794	209.184	15.782.594

Note 30: Reserves

(EUR x 1.000)	31/12/2019	31/12/2018	31/12/2017
Reserves	**47.398**	**12.020**	**-3.216**
Legal reserves	835	835	845
Reserve for the net amount of the changes in fair value of investment properties	-20.626	-52.370	-55.573
Reserves for the impact on the fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties	0	0	0
Reserve for the net amount of the changes in fair value of authorized hedges qualifying for hedge accounting as defined by IFRS	0	0	0
Reserve for the net amount of the changes in fair value of authorized hedges not qualified for hedge accounting as defined by IFRS	-7.333	-4.206	-14.939
Reserve for the net amount of exchange rate differences on monetary assets and liabilities	0	0	0
Reserve for the translation differences coming from the conversion of activities abroad	0	0	0
Reserve for treasury shares	0	0	-2
Reserve for the net amount of the changes in fair value of financial assets held for sale	0	0	0
Reserve for actuarial gains and losses on defined benefit pension plans	0	0	0
Reserve for deferred taxes on investment properties located abroad	0	0	0
Reserve for received dividends, used for the reimbursement of financial debts	0	0	0
Other reserves	74.522	67.761	66.454

A share purchase plan for management was approved at the Board meeting of 21 September 2018. Own shares are repurchased by applying the procedures established in the plan. On 21 September 2018, Montea acquired 120,629 shares, 100,000 of which were already sold on 24 September 2018. An additional 5,280 shares were sold on 14 March 2019.

VARIATION TABEL OWN SHARES MONTEA COMMVA (EUR x1000)		Number of shares
ON 31.12.2017	**-3**	**0**
Variations in financial year 2018	-1.070	20.629
ON 31.12.2018	**1.067**	**20.629**
Variations in financial year 2019	273	-5.280
ON 31.12.2019	794	15.349

The difference in the item "reserve for the balance of the change in the fair value of real estate" from the previous year amounts to €32,217K, largely as a result of the positive value development of the property expert as a result of the change in the valuation rules relating to the mutation costs (see section 18.7.2.1). The mutation costs were directly taken into account when purchasing. The negative reserve for the balance of the changes in the fair value of real estate and the reserve for the balance of the hedging instruments are the most important components that have a major negative impact on the reserves.

Note 30.1: Reserve for the balance of the changes in the fair value of property

RESERVE FOR THE BALANCE OF THE CHANGES IN FAIR VALUE OF PROPERTY	(x EUR 1.000)
Changes in fair value of investment properties 2007 (15 months)	5.629
Changes in fair value of investment properties 2008 (12 months)	-10.046
Changes in fair value of investment properties 2009 (12 months)	-16.034
Changes in fair value of investment properties 2010 (12 months)	-1.906
Changes in fair value of investment properties 2011 (12 months)	-4.420
Changes in fair value of investment properties 2012 (12 months)	-6.692
Changes in fair value of investment properties 2013 (12 months)	-3.658
Changes in fair value of investment properties 2014 (12 months)	1.457
Changes in fair value of investment properties 2015 (12 months)	2.470
Changes in fair value of investment properties 2016 (12 months)	-23.534
Changes in fair value of investment properties 2017 (12 months)	3.204
Changes in fair value of investment properties 2018 (12 months)	31.975
Revaluation gains solar panels 2011 (12 months)	1.566
Revaluation gains solar panels 2012 (12 months)	-128
Revaluation gains solar panels 2013 (12 months)	-192
Revaluation gains solar panels 2014 (12 months)	-63
Revaluation gains solar panels 2015 (12 months)	213
Revaluation gains solar panels 2016 (12 months)	-720
Revaluation gains solar panels 2017 (12 months)	484
Revaluation gains solar panels 2018 (12 months)	10
Revaluation gains solar panels 2019 (12 months)	-242
ON 31/12/2018	**-20.626**

Note 30.2: Reserve for the balance of the changes in the fair value of authorised hedges not subject to hedge accounting as defined in IFRS

RESERVE FOR THE BALANCE OF THE CHANGES IN FAIR VALUE OF AUTHORIZED HEDGES NOT SUBJECT TO HEDGE ACCOUNTING AS DEFINED IN IFRS	(x EUR 1.000)
changes in fair value of authorized hedges 2007 (15 months)	0
changes in fair value of authorized hedges 2008 (12 months)	861
changes in fair value of authorized hedges 2009 (12 months)	-6.792
changes in fair value of authorized hedges 2010 (12 months)	-2.089
changes in fair value of authorized hedges 2011 (12 months)	1.643
changes in fair value of authorized hedges 2012 (12 months)	-4.917
changes in fair value of authorized hedges 2013 (12 months)	-8.033
changes in fair value of authorized hedges 2014 (12 months)	5.497
changes in fair value of authorized hedges 2015 (12 months)	-10.358
changes in fair value of authorized hedges 2016 (12 months)	-616
Unwinding SWAP 2017	9.865
changes in fair value of authorized hedges 2017 (12 months)	5.791
Unwinding SWAP 2018	4.943
changes in fair value of authorized hedges 2018 (12 months)	-3.128
ON 31/12/2018	**-7.333**

The change in the fair value of the hedging instruments is entered fully in the income statement.

Note 31: Result

For more information concerning the result, cf. point 0 “Summary of the variation in the consolidated equity capital and reserves on 31/12/2019”.

The table below provides an overview of the net earnings per share and the EPRA earnings per share on the basis of the weighted average number of shares and the number of dividend entitled shares at the closing of Montea’s financial year. The EPRA earnings are equal to the net income, exclusive of the result on the portfolio[80] (c. XVI to XIX of the consolidated overview of the realised and non-realised earnings before the appropriation of the profits) and excluding the variation in the fair value of financial assets and liabilities (see XXIII of the consolidated statement of realized and unrealized profits for profit distribution).

It should be noted that the number of shares which are entitled to the result of Montea is equal to the number of shares at the end of the period. Moreover, Montea has no guarantees and/or convertible bonds.

DETAIL RESULTS PER SHARE (EUR x 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
NET RESULT	**108.465**	**64.575**	**36.548**
Attributable to:			
Shareholders of the parent company	108.465	64.575	36.548
Minority interests	0	0	0
EPRA result (K€)	**49.997**	**35.724**	**26.785**
Number of weighted number average of shares before the period	15.229.606	12.100.327	10.392.676
Number of shares in circulation at the end of the period	15.782.594	12.814.692	11.610.531
NET (ordinary/diluted) RESULT PER SHARE / weighted number average of shares (€)	**7,12**	**5,34**	**3,52**
EPRA RESULT (ordinary/diluted) PER SHARE / weighted number average of shares (€)	**3,28**	**2,95**	**2,58**

80 See section 18.11.

DETAILED RECONCILIATION NET RESULT TO EPRA RESULT (EUR X 1.000)	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
NET RESULT	108.465	64.575	36.548
- Result on sale of investment properties	-434	-3	-769
- Variations in fair value of the investment properties and properties for sale	-70.773	-31.975	-3.204
- Variations in fair value of the financial assets and liabilities	12.739	3.127	-5.791
EPRA RESULT (K€)	49.997	35.724	26.784

Note 32: Minority interests

MINORITY INTEREST	(x EUR 1.000)
ON 31/12/2017	119
5% of the result of SCI 3R on 31/12/2018	-100
ON 31/12/2018	19
Minority intrests Bornem Vastgoed NV	-19
ON 31/12/2019	0

Note 33: Long-term provisions

PROVISIONS (EUR x 1.000)	31/12/2019	31/12/2018	31/12/2017
Pensions	0	0	0
Other	0	0	0
TOTAL	0	0	0

Note 34: Financial debts

FINANCIAL DEBTS (EUR x 1.000)	31/12/2019	31/12/2018	31/12/2017
NON-CURRENT FINANCIAL DEBTS	389.741	416.969	374.543
Credit institutions	261.667	305.000	262.900
Bond	79.648	109.491	109.335
Securities and bank guarantees deposited	1.641	1.431	1.172
Financial leasing	943	1.047	1.136
Others	45.844	0	0
- Other leasings	0	0	0
- Other rental guarantees	0	0	0
- Provisions property income claiming more than 1 year	0	0	0
- Waived property income claiming more than 1 year	0	0	0
- Other	45.844	0	0
CURRENT FINANCIAL DEBTS	61.340	45.085	2.273
Credit institutions	29.600	45.000	2.000
Bond	30.000	0	0
Financial leasing	92	85	273
Others	1.648	0	0
- Other leasings	0	0	0
- Other rental guarantees	0	0	0
- Provisions property income claiming more than 1 year	0	0	0
- Waived property income claiming more than 1 year	0	0	0
- Other	1.648	0	0
TOTAL	451.082	462.054	376.816

(*) Under "Other", mainly the lease obligations relating to the concession land are included, in accordance with IFRS16

The financial debts concern nominal amounts where interest is not included.

The financial debts consist chiefly of bilateral lines of credit at 8 financial institutions and 4 bond loans. On 31/12/2019 Montea had a total of €321.7 million in contracted lines of credit, of which 90.6% (€291.3 million) has been drawn. At the end of the year, Montea had a total of €109.7 million in contracted and drawn bond loans.

In 2020, 10.2% (or €29.6 million) of the total drawn debt of the credit lines (€291.3 million) or 10.9% (€35 million) of the contracted credit lines (€321.7 million) becomes due. One bond loan (30 million) also becomes due in 2020.

The total financial debt (including bond loans and leasing debt) was hedged on 31 December 2019 to tue tune of 99.1% by means of contracts for Interest Rate Swaps and Interest Caps. With the exception of 1 bond of €25 million, all bonds are at a fixed interest rate. The credit lines are at a variable rate.

The tables below show the maturity analysis of the credit lines, bond loans and hedging instruments. The last column shows the expected interest rates based on 31/12/2019 and a stable euribor.

CREDIT INSTITUTIONS (x EUR 1000)	**Contracted credits**	**Contracted credits**	**Drawn down credits**
Credit lines, with a maturity of < 1 year	26.667	26.667	26.667
Credit lines, with a maturity of 1 - 2 years	40.000	40.000	40.000
Credit lines, with a maturity of 2 - 3 years	16.667	16.667	16.667
Credit lines, with a maturity of > 3 years	121.666	121.666	99.666
TOTAL	**205.000**	**205.000**	**183.000**

HEDGINGS (x EUR 1000)	**Notional amount**	**Interest cost hedgings**
Hedgings, with a maturity of < 1 year	-	2.838
Hedgings, with a maturity of 1 - 2 years	-	4.336
Hedgings, with a maturity of 2 - 3 years	-	4.336
Hedgings, with a maturity of > 3 years	312.500	22.129
TOTAL	**312.500**	**33.639**

The table below provides an overview of the current bonds:

BONDS					
Nominal amount	**Start date**	**Expire date**	**Interest**	**Interest rate**	**Refund capital**
30.000	28/06/2013	28/06/2020	Fix	4,11%	2020
30.000	28/05/2014	28/02/2021	Fix	3,36%	2021
25.000	30/06/2015	30/06/2027	Variable	EURIBOR 3M + 205 bps	2027
25.000	30/06/2015	30/06/2025	Fix	3,42%	2025
110.000					

In Q4 2017, Montea acquired the existing solar panel installation at the site in Aalst (BE) leased to Barry Callebaut, through the acquisition of 100% of the Orka Aalst NV shares. A leasing debt also rests here, which is repaid on a quarterly basis. This lease will expire in March 2028.

Below is a schematic overview of the outstanding remaining leasing debts:

Site	Date	Open
Tragel - Orka Aalst NV	31/12/2019	1.034.732 €
TOTAL		**1.034.732 €**

Note 35: Other non-current financial liabilities

OTHER NON-CURRENT FINANCIAL LIABILITIES (EUR x 1.000)	31/12/2019	31/12/2016	31/12/2017
Authorized hedges	23.031	10.186	11.707
TOTAL	23.031	10.186	11.707

The other long-term financial liabilities only include the negative valuation of the interest hedging instruments on 31/12/2019. In note 22, under the financial fixed assets, the positive variations in the value of the interest hedging instruments are mentioned. The interest hedging instruments have a negative value of €23.1 million on 31/12/2019. For a comparison of the fair values with the book values, cf. Note 17.

Note 36: Other non-current liabilities

OTHER NON-CURRENT LIABILITIES (EUR x 1.000)	31/12/2019	31/12/2018	31/12/2017
Guarantees	0	0	0
TOTAL	0	0	0

Note 37: Trade debts and other current debts

TRADE DEBTS AND OTHER CURRENT DEBTS (EUR x 1.000)	31/12/2019	31/12/2018	31/12/2017
Exit Taks	**274**	**1.445**	**4.346**
Other	**13.940**	**18.697**	**6.548**
Suppliers	10.712	14.822	4.664
Tenants	150	341	571
VAT, salaries and social security	3.078	3.533	1.313
TOTAL	14.214	20.142	10.894

OTHER CURRENT LIABILITIES (EUR x 1.000)	31/12/2019	31/12/2018	31/12/2017
Dividends	24	0	10
Intercompany liabilities	0	0	404
Other	4.784	4.707	23
TOTAL	4.809	4.707	437

The item "Suppliers" has an outstanding balance of €10.7 million. This concerns mainly the invoices still not paid in the Netherlands, where €6.8 million of outstanding supplier debt concerns Kellen BV and the remaining amount is still due to third parties for ongoing developments in Belgium, France and the Netherlands.

The item “Taxes, salaries and social security charges” consists mainly of a provision set of for the provisional assessment from the Dutch tax authorities from which FBI status has been requested but not yet obtained. See Note 26 and section 3.2.2.

The item “Intercompany obligations - statutory manager” consists of an outstanding debt on the current account of Montea Management NV.

The item “Other short-term liabilities” consists mainly of an outstanding debt to Kellen BV of €4.7 million for the acquisition of the site in Tiel in Q3/2018, and concerns the on-going archaeological investigations.

Note 38: Accrued charges and deferred income

ACCRUED CHARGES AND DEFERRED INCOME - LIABILITES (EUR x 1.000)	31/12/2019	31/12/2018	31/12/2017
Property income received in advance	16.388	14.683	11.166
Interests and other charges accrued and not due	4.146	4.137	4.405
Other	0	0	-28
TOTAL	**20.534**	**18.819**	**15.543**

The accruals in the liabilities consists mainly of rental income invoiced in advance and the allocation of interest still not paid on the bond loans.

Note 39: Fair value hierarchy

		Fair value hierarchy (EUR x 1.000)	31/12/2019 Booking value	31/12/2019 Level 1 (1)	31/12/2019 Level 2 (2)	31/12/2019 Level 3 (3)
I.		**NON-CURRENT ASSETS**	**1.161.381**	**0**	**560**	**1.160.820**
	A.	Goodwill	0	0	0	0
	B.	Intangible assets	419	0	419	0
	C.	Investment properties	1.147.476	0	0	1.147.476
	D.	Other tangible assets	13.344	0	0	13.344
	E.	Non-current financial assets	107	0	107	0
	F.	Finance lease receivables	0	0	0	0
	G.	Trade receivables and other non-current assets	35	0	35	0
	H.	Deferred taxes (assets)	0	0	0	0
	I.	Participations in associates and joint ventures according to the equity	0	0	0	0
II.		**CURRENT ASSETS**	**32.317**	**7.690**	**24.628**	**0**
	A.	Assets held for sale	0	0	0	0
	B.	Current financial assets	0	0	0	0
	C.	Finance lease receivables	0	0	0	0
	D.	Trade receivables	13.405	0	13.405	0
	E.	Tax receivables and other current assets	9.186	0	9.186	0
	F.	Cash and cash equivalents	7.690	7.690	0	0
	G.	Deferred charges and accrued income	2.037	0	2.037	0
		TOTAL ASSETS	**1.193.698**	**7.690**	**25.188**	**1.160.820**
		LIABILITIES	**513.669**	**0**	**516.546**	**0**
I.		**Non-current liabilities**	**412.772**	**0**	**415.650**	**0**
	A.	Provisions	0	0	0	0
	B.	Non-current financial debts	389.741	0	392.619	0
		1. Bancaire schulden	263.308	0	263.308	0
		2. Obligatieleningen	125.491	0	128.369	0
		3. Diverse langlopende financiële schulden (borgtochten, waarborgen,...)	943	0	943	0
	C.	Other non-current financial liabilities	23.031	0	23.031	0
	D.	Trade debts and other non-current debts	0	0	0	0
	E.	Other non-current liabilities	0	0	0	0
	F.	Deferred taxes - liabilities	0	0	0	0
II.		**Current liabilities**	**100.896**	**0**	**100.896**	**0**
	A.	Provisions	0	0	0	0
	B.	Current financial debts	61.340	0	61.340	0
		1. Bank debt	29.600	0	29.600	0
		2. Leasing	92	0	92	0
	C.	Other current financial liabilities	0	0	0	0
	D.	Trade debts and other current debts	14.214	0	14.214	0
	E.	Other current liabilities	4.809	0	4.809	0
	F.	Accrued charges and deferred income	20.534	0	20.534	0
		TOTAL LIABILITIES	**513.669**	**0**	**516.546**	**0**

Level 1: valuations of the fair value are determined by the (unadjusted) quoted market prices in active markets for identical assets and liabilities;

Level 2: valuations of the fair value are determined based on data other than quoted prices specified in Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (i.e. derived from prices);

Level 3: valuations of the fair values are determined using valuation techniques that data for the asset or liability cover that are not based on observable market data (unobservable data).

No transfers took place between the different levels of the fair value hierarchy in financial year 2019.

		MONTEA Fair value hierarchy (EUR x 1.000)	31/12/2018 Booking value	31/12/2018 Level 1 (1)	31/12/2018 Level 2 (2)	31/12/2018 Level 3 (3)
I.		**NON-CURRENT ASSETS**	910.426	0	404	910.022
	A.	Goodwill	0	0	0	0
	B.	Intangible assets	374	0	374	0
	C.	Investment properties	896.873	0	0	896.873
	D.	Other tangible assets	13.149	0	0	13.149
	E.	Non-current financial assets	1	0	1	0
	F.	Finance lease receivables	0	0	0	0
	G.	Trade receivables and other non-current assets	29	0	29	0
	H.	Deferred taxes (assets)	0	0	0	0
	I.	Participations in associates and joint ventures according to the equity	0	0	0	0
II.		**CURRENT ASSETS**	39.051	4.634	32.040	2.377
	A.	Assets held for sale	2.377	0	0	2.377
	B.	Current financial assets	0	0	0	0
	C.	Finance lease receivables	0	0	0	0
	D.	Trade receivables	15.599	0	15.599	0
	E.	Tax receivables and other current assets	13.867	0	13.867	0
	F.	Cash and cash equivalents	4.634	4.634	0	0
	G.	Deferred charges and accrued income	2.574	0	2.574	0
		TOTAL ASSETS	949.477	4.634	32.444	912.399
		LIABILITIES	515.908	0	520.057	0
I.		**Non-current liabilities**	427.155	0	431.303	0
	A.	Provisions	0	0	0	0
	B.	Non-current financial debts	416.968	0	421.117	0
		1. Bancaire schulden	306.431	0	306.431	0
		2. Obligatieleningen	109.491	0	113.639	0
		3. Diverse langlopende financiële schulden (borgtochten, waarborgen,...)	1.047	0	1.047	0
	C.	Other non-current financial liabilities	10.186	0	10.186	0
	D.	Trade debts and other non-current debts	0	0	0	0
	E.	Other non-current liabilities	0	0	0	0
	F.	Deferred taxes - liabilities	0	0	0	0
II.		**Current liabilities**	88.754	0	88.754	0
	A.	Provisions	0	0	0	0
	B.	Current financial debts	45.085	0	45.085	0
		1. Bank debt	45.000	0	45.000	0
		2. Leasing	85	0	85	0
	C.	Other current financial liabilities	0	0	0	0
	D.	Trade debts and other current debts	20.142	0	20.142	0
	E.	Other current liabilities	4.707	0	4.707	0
	F.	Accrued charges and deferred income	18.819	0	18.819	0
		TOTAL LIABILITIES	515.908	0	520.057	0

IFRS 13 deals with the practical application of determining the fair value when this is required or permitted by a different standard. This was also applied with regard to the valuation of the property investment, solar panels and financial instruments.

1. Property investments

The fair value of property investments was determined in practice by relying on the external real etate expert, based mainly on the capitalization method.

The practical application of determining the fair value when valuing the property investments, based on the capitalisation method, was carried out on the basis of the external valuer who determined the market rent values and market yields at all of the individual sites. Some adjustments have been added to these market rent values and market yields, depending on the specific situation (e.g. the difference between the actual rent and the market rental value, the actual value of the future investments, as well as the estimate of future vacancies).

As stated above, the fair value of the property investments is determined mainly using the market rental value (€per m²), equivalent yield (net yield based on an equivalent product at this location). The table below shows a summary of these two parameters per geographical region, with a minimum, maximum and weighted average. The fair value of the property investments is also determined by the difference between the actual rent and the market rental value.

Valuation Fair Value of Investment properties	BE	FR	NL
Rental Capitalization Method			
Market rental value (Min - Max.) (EURO /m²)	10-130	36-150	15-130
Market rental value - Weighted Average (EURO /m²)	47,11	54,00	50,15
Equivalent Yield (Min - Max.) (%)	5,50%-7,75%	5,15%-7,40%	4,9%-7,29%
Equivalent Yield - Weighted Average (%)	6,32%	5,83%	5,57%
Average inflation (%)	0,92%	1,61%	2,80%
Actual rent compared to market rental value (%)	105,98%	92,65%	100,88%

The table above shows that the minimum and maximum market rent values are a long way apart. This is due mainly to:

- type of logistics: (e.g. refrigerated warehouse / cross-dock warehouses compared with standard warehouses);
- location of the property;
- proportion of offices compared with the whole site.

The cash flow method is no longer used because it does not create added value to the existing capitalization method. This cash flow method will only in very specific cases be applied to support the capitalization method.

The table below shows the main parameters for 2018:

Valuation Fair Value of Investment properties	BE	FR	NL
Rental Capitalization Method			
Market rental value (Min - Max.) (EURO /m²)	10-130	40-125	15-130
Market rental value - Weighted Average (EURO /m²)	46,34	53,03	51,39
Equivalent Yield (Min - Max.) (%)	6,00%-7,75%	5,60%-7,50%	5,00%-7,27%
Equivalent Yield - Weighted Average (%)	6,68%	6,26%	5,89%
Gemiddelde inflatie (%)	2,20%	1,90%	1,83%
Actual rent huur compared to market rental value (%)	106,77%	93,75%	100,41%

2. Solar panels

The practical application of determining the fair value when valuing the solar panels is based on a calculation of the actual net value over the remaining term of the green power certificates.

Solar panels are valued based on the revaluation model in accordance with IAS 16 – Tangible fixed assets. After the initial take-up, an asset for which the fair value can be reliably established needs to be entered in the accounts at the revalued value, i.e. the fair value at the time of revaluation, minus any depreciations accumulated later and any extraordinary reductions in value accumulated later. The fair value is determined based on the discounting method of future returns.

In determining the discounting method the following items are taken into account:

- The service life of the solar panels is estimated, in line with revenue from green power certificates, at 20 years;
- The renewable energy certificates amount to between €55.34 and €330 per certificate; the reimbursements for these certificates are time-dependent, ie as soon as the solar panels are operational, a request for a certificate is submitted. With a certain capital, you as they owner are then entitled to compensation. However, these fees decreased year after year (in 2011 it was €330 per certificate, in 2019 it was €55.34 per certificate);
- The sales income of electricity to customers based on existing contracts;
- The income on surplus electricity sold back to the energy suppliers on the basis of existing contracts;
- Considering the cost of insurance and maintenance for the solar panels;
- Considering a discount rate determined by project fixed at 6%;
- Considering a fall in yields during the 20-year period as a result of wear of approximately 0.2% to 0.6% per year;
- The residual value is zero at the end of the period related to the renewable energy certificates.

The solar panels are valued on a quarterly basis.

The capital gains at the start of a new site with regard to solar panels is recorded in a separate component of equity. The application of the discounting method of future revenues leads to a higher market value than the original cost price of the solar panels. Losses are recorded in the same component, unless they are realized or unless the fair value drops below the initial cost. In the latter cases, they are recorded in the income statement.

3. Derivatives

When determining the fair value of the derivatives, account was taken on the one hand of the fair value made available to Montea by the financial institutions, based on the swap-rate of comparable products at 31/12/2019, compared with the contracted hedging instruments. The fair value of the derivatives as of 31/12/2019 was - €23,671K. This would normally have to be catalogued under level II. The company also has to value the “non-performance risk”. Montea has a negative fair value on its hedging instruments.

Based on estimations (credit default swaps at 31/12/2019, the average age of the outstanding swaps), Montea has calculated a "non-performance risk" of €640K, an increase of €353K with respect to 31/12/2018. This non-performance risk has a positive effect on the fair value of derivative instruments. Expressing this “non-performance risk” includes the full fair value of €23,031 K in level II. The decrease in non-performance risk is largely due to the limited restructuring of derivative instruments during the past financial year.

The non-performance risk as at 31 December 2018 was €287K.

4. Financial obligations

The financial obligations consist of 4 bond loans issued, the drawn down lines of credit totalling €291.3 million and the other debts. The practical application of determining fair value in valuing the bonds was made based on the indicative pricing active market. Because the bonds had not been traded as of 31/12/2019, they are classified in level 2 (market value in the active market for an equivalent product). The fair value of the fixe rate bonds differs from the current book value given the evolution in the euribor interest rate, which makes the fair value of these bonds €2.9 million higher than the book value. All lines of credit at Montea have been entered into at variable interest rates (bilateral lines of credit at EURIBOR 3 months + margin). In this way, the fair value of the outstanding lines of credit and the bond loan with variable interest rate is virtually equivalent to the book value of the lines of credit and the bond loan. Hence they are classified in level 2, which is justified, as the market value in an active market for comparable products is available.

5. Current assets and current (non-financial) liabilities

The valuation technique and the input when valued at fair value used for the current assets and current liabilities are due to the fact that the current assets and current liabilities are valued at their nominal value, given that these are short-term receivables and debts and hence the credit risk is limited.

Note 40: Segment information

In relation to the liability regarding segmented information, the Company applies IFRS 8.

Geographically speaking, the current portfolio is located in Belgium, France and the Netherlands. The Company manages and coordinates its business geographically and in so doing also reports according in line with this geographical segmentation. The tables below show the balance sheet and profit-and-loss account in line with this geographical segmentation.

Note 40.1: Segmented balance sheet for 2019

		(EUR x 1.000)	31/12/2019 BE	31/12/2019 FR	31/12/2019 NL	31/12/2019 Elim.	31/12/2019 Conso
I.		**NON-CURRENT ASSETS**	**731.958**	**174.496**	**413.826**	**-158.899**	**1.161.381**
	A.	Goodwill	0	0	0	0	0
	B.	Intangible assets	419	0	0	0	419
	C.	Investment properties	559.999	173.772	413.705	0	1.147.476
	D.	Other tangible assets	12.532	691	121	0	13.344
	E.	Non-current financial assets	159.006	0	0	-158.899	107
	F.	Finance lease receivables	0	0	0	0	0
	G.	Trade receivables and other non-current assets	2	33	0	0	35
	H.	Deffered taxes (assets)	0	0	0	0	0
	I.	Participations in associates and joint ventures according to the equity method	0	0	0	0	0
II.		**CURRENT ASSETS**	**266.065**	**6.807**	**10.661**	**-251.216**	**32.317**
	A.	Assets held for sale	0	0	0	0	0
	B.	Current financial assets	0	0	0	0	0
	C.	Finance lease receivables	0	0	0	0	0
	D.	Trade receivables	7.569	2.168	3.668	0	13.405
	E.	Tax receivables and other current assets	253.179	1.790	5.433	-251.216	9.186
	F.	Cash and cash equivalents	3.869	2.413	1.408	0	7.690
	G.	Deffered charges and accrued income	1.448	436	153	0	2.037
		TOTAL ASSETS	**998.023**	**181.303**	**424.487**	**-410.115**	**1.193.698**
		TOTAL SHAREHOLDERS' EQUITY	**509.846**	**79.979**	**245.587**	**-155.383**	**680.029**
I.		**Shareholders' equity attributable to the shareholders of the parent company**	**509.846**	**79.979**	**245.587**	**-155.383**	**680.029**
	A.	Share capital	314.983	0	95.469	-95.469	314.983
	B.	Share premiums	209.184	0	0	0	209.184
	C.	Reserves	-64.391	63.350	108.264	-59.826	47.397
	D.	Net result of the financial year	50.070	16.628	41.854	-87	108.465
II.		**Minority interests**	**0**	**0**	**0**	**0**	0
		LIABILITIES	**488.176**	**101.324**	**178.900**	**-254.732**	**513.669**
I.		**Non-current liabilities**	**411.117**	**1.656**	**0**	**0**	**412.772**
	A.	Provisions	0	0	0	0	0
	B.	Non-current financial debts	388.086	1.656	0	0	389.741
	C.	Other non-current financial liabilities	23.031	0	0	0	23.031
	D.	Trade debts and other non-current debts	0	0	0	0	0
	E.	Other non-current liabilities	0	0	0	0	0
	F.	Deferred taxes - liabilities	0	0	0	0	0
II.		**Current liabilities**	**77.060**	**99.668**	**178.900**	**-254.732**	**100.896**
	A.	Provisions	0	0	0	0	0
	B.	Current financial debts	61.235	85	21	0	61.340
	C.	Other current financial liabilities	0	0	0	0	0
	D.	Trade debts and other current debts	3.404	1.833	8.977	0	14.214
	E.	Other current liabilities	110	94.935	164.714	-254.951	4.809
	F.	Accrued charges and deferred income	12.310	2.816	5.189	219	20.534
		TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**998.023**	**181.303**	**424.487**	**-410.115**	**1.193.698**

The fair value of the property investments in Belgium amounted to €560.0 million for 2019, €107.7 million higher than the fair value of the property investments in Belgium in 2018. This increase is mainly due to the:

- Follow-up of the delivery of the build to suit development at Flexport, let to Sterima, Easylog, Sinotrans, Coastair Charter, LCA & LABP in Q1 2019;
- The sale-and-rent-back transaction in Lummen, let to Bsal Emission Control Systems linked to the purchase of a plot to be developed in Q2 2019;
- The increase in the fair value of the existing portfolio;

The fair value of property investments including assets for sale in France amounted to €173.8 million for 2019, €37.1 million higher than the fair value of the property ivnestments in France in 2018, mainly due to:

- The acquisition of 2 logistics buildings at the Roissy Charles De Gaulle Airport, let to Mondial Air Fret & Bouygues Energy Services, in Q2 2019 and Q4 2019 respectively;
- The acquisition of a plot of land with future development potential in Senlis, in Q4 2019;
- The increase in the fair value of the existing portfolio.

The fair value of the property investments in the Netherlands amounted to €413.7 million for 2019, €105.8 million higher than the fair value of the property investments. This increase is mainly due to:

- The acquisition of a plot of land in Born, let to Koopman Logistics Group in Q1 2019;
- The acquisition of a distribution centre in Oss, let to Expeditie & Transportbedrijf Dollevoet in Q1 2019;
- The delivery of the project in Waddinxveen, let to Isero and Dille & Kamille, in Q3 2019;
- The delivery of the project in Heerlen, let to Doc Morris, in Q3 2019;
- The acquisition of a plot of land for development at Schiphol Airport, in Q4 2019;
- The acquisition of a plot of land to be developed and a building in Tiel let to Curie Solutions, in Q4 2019;
- The increase in the fair value of the existing portfolio.

Note 40.2: Segmented balance sheet for 2018

		(EUR x 1.000)	31/12/2018 BE	31/12/2018 FR	31/12/2018 NL	31/12/2018 Elim	31/12/2018 Conso
I.		**NON-CURRENT ASSETS**	**601.067**	**136.717**	**308.049**	**-135.407**	**910.426**
	A.	Goodwill	0	0	0	0	0
	B.	Intangible assets	374	0	0	0	374
	C.	Investment properties	452.264	136.669	307.940	0	896.873
	D.	Other tangible assets	13.018	21	109	0	13.149
	E.	Non-current financial assets	135.408	0	0	-135.407	1
	F.	Finance lease receivables	0	0	0	0	0
	G.	Trade receivables and other non-current assets	2	26	0	0	29
	H.	Deffered taxes (assets)	0	0	0	0	0
	I.	Participations in associates and joint ventures according to the equity method	0	0	0	0	0
II.		**CURRENT ASSETS**	**212.808**	**6.355**	**10.931**	**-191.044**	**39.051**
	A.	Assets held for sale	0	2.377	0	0	2.377
	B.	Current financial assets	0	0	0	0	0
	C.	Finance lease receivables	0	0	0	0	0
	D.	Trade receivables	9.334	2.766	3.499	0	15.599
	E.	Tax receivables and other current assets	198.481	11	6.419	-191.044	13.867
	F.	Cash and cash equivalents	3.258	464	912	0	4.634
	G.	Deffered charges and accrued income	1.735	737	101	0	2.574
		TOTAL ASSETS	**813.875**	**143.072**	**318.980**	**-326.451**	**949.477**
		TOTAL SHAREHOLDERS' EQUITY	**323.112**	**85.552**	**180.328**	**-155.424**	**433.569**
I.		**Shareholders' equity attributable to the shareholders of the parent company**	**323.094**	**85.552**	**180.328**	**-155.424**	**433.550**
	A.	Share capital	256.063	0	72.065	-72.065	256.063
	B.	Share premiums	100.891	0	0	0	100.891
	C.	Reserves	-57.709	70.268	82.820	-83.359	12.020
	D.	Net result of the financial year	23.848	15.284	25.443	0	64.575
II.		**Minority interests**	**19**	**0**	**0**	**0**	**19**
		LIABILITIES	**490.763**	**57.520**	**138.652**	**-171.027**	**515.908**
I.		**Non-current liabilities**	**426.011**	**1.143**	**0**	**0**	**427.155**
	A.	Provisions	0	0	0	0	0
	B.	Non-current financial debts	415.825	1.143	0	0	416.968
	C.	Other non-current financial liabilities	10.186	0	0	0	10.186
	D.	Trade debts and other non-current debts	0	0	0	0	0
	E.	Other non-current liabilities	0	0	0	0	0
	F.	Deferred taxes - liabilities	0	0	0	0	0
II.		**Current liabilities**	**64.752**	**56.377**	**138.652**	**-171.027**	**88.754**
	A.	Provisions	0	0	0	0	0
	B.	Current financial debts	45.085	0	0	0	45.085
	C.	Other current financial liabilities	0	0	0	0	0
	D.	Trade debts and other current debts	7.754	2.500	9.888	0	20.142
	E.	Other current liabilities	9	51.292	124.652	-171.245	4.707
	F.	Accrued charges and deferred income	11.903	2.585	4.112	219	18.819
		TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**813.875**	**143.072**	**318.980**	**-326.451**	**949.477**

Note 40.3: Segmented profit-and-loss account for 2019

	(EUR x 1.000)	31/12/2019 BE	31/12/2019 FR	31/12/2019 NL	31/12/2019 Elim.	31/12/2019 12 maanden
I.	Rental income	34.297	9.126	21.639	0	65.063
II.	Write-back of lease payments sold and discounted	0	0	0	0	0
III.	Rental-related charges	1	0	0	0	1
	NET RENTAL INCOME	**34.298**	**9.126**	**21.639**	**0**	**65.063**
IV.	Recovery of property charges	0	0	0	0	0
V.	Recovery of charges and taxes normally borne by tenants on let properties	4.373	1.967	646	0	6.986
VI.	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0	0	0	0
VII.	Charges and taxes normally borne by tenants on let properties	-4.549	-1.957	-865	0	-7.371
VIII.	Other rental-related income and expenses	3.255	76	126	0	3.457
	PROPERTY RESULT	**37.378**	**9.212**	**21.546**	**0**	**68.135**
IX.	Technical costs	-2	-20	0	0	-22
X.	Commercial costs	-44	-14	0	0	-58
XI.	Charges and taxes of un-let properties	-38	-107	-21	0	-166
XII.	Property management costs	-1.188	-606	0	0	-1.794
XIII.	Other property charges	-8	0	0	0	-8
	PROPERTY CHARGES	**-1.280**	**-746**	**-21**	**0**	**-2.047**
	PROPERTY OPERATING RESULT	**36.098**	**8.466**	**21.525**	**0**	**66.089**
XIV.	General costs of the company	-3.162	-562	-510	27	-4.207
XV.	Other operating income and expenses	-34	-110	-1	-27	-172
	OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**32.902**	**7.794**	**21.014**	**0**	**61.710**
XVI.	Result on disposal of investment properties	0	304	130	0	434
XVII.	Result on disposal of other non-financial assets	0	0	0	0	0
XVIII.	Changes in fair value of investment properties	33.953	10.945	25.963	-87	70.773
XIX.	Other portfolio result	0	0	0	0	0
	OPERATING RESULT	**66.855**	**19.042**	**47.107**	**-87**	**132.917**
XX.	Financial income	7.067	0	0	-7.009	57
XXI.	Net interest charges	-11.547	-2.212	-4.560	7.009	-11.309
XXII.	Other financial charges	-80	-22	-3	0	-105
XXIII.	Changes in fair value of financial assets and liabilites	-12.739	0	0	0	-12.739
	FINANCIAL RESULT	**-17.299**	**-2.233**	**-4.562**	**0**	**-24.095**
XXIV.	Share in the result of associates and joint ventures	0	0	0	0	0
	PRE-TAX RESULT	**49.556**	**16.809**	**42.545**	**-87**	**108.822**
XXV.	Corporate taxes	514	-181	-691	0	-357
XXVI.	Exit tax	0	0	0	0	0
	TAXES	**514**	**-181**	**-691**	**0**	**-357**
	NET RESULT	**50.070**	**16.628**	**41.854**	**-87**	**108.465**
	EPRA RESULT	**28.856**	**5.380**	**15.761**	**0**	**49.997**
	Weighted average number of shares	15.230	15.230	15.230	0	15.230
	NET RESULT PER SHARE	**3,29**	**1,09**	**2,75**	**0,00**	**7,12**
	EPRA RESULT PER SHARE	**1,89**	**0,35**	**1,03**	**0,00**	**3,28**

The changes in the fair value of investment properties amounting to €70.8 million are due to the positive variation in Belgium, France and the Netherlands.

Note 40.4: Segmented profit-and-loss account for 2018

	(EUR x 1.000)	31/12/2018 BE	31/12/2018 FR	31/12/2018 NL	31/12/2018 Elim.	31/12/2018 12 maanden
I.	Rental income	28.182	8.782	15.932	0	52.896
II.	Write-back of lease payments sold and discounted	0	0	0	0	0
III.	Rental-related charges	-2.928	-85	0	0	-3.012
	NET RENTAL INCOME	**25.254**	**8.697**	**15.932**	**0**	**49.883**
IV.	Recovery of property charges	0	0	0	0	0
V.	Recovery of charges and taxes normally borne by tenants on let properties	3.458	1.915	473	0	5.847
VI.	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0	0	0	0
VII.	Charges and taxes normally borne by tenants on let properties	-3.715	-2.121	-657	0	-6.493
VIII.	Other rental-related income and expenses	2.603	211	16	0	2.831
	PROPERTY RESULT	**27.600**	**8.704**	**15.764**	**0**	**52.068**
IX.	Technical costs	-3	-3	0	0	-6
X.	Commercial costs	-87	-43	0	0	-130
XI.	Charges and taxes of un-let properties	0	0	0	0	0
XII.	Property management costs	-1.025	-509	0	0	-1.534
XIII.	Other property charges	-39	-22	0	0	-60
	PROPERTY CHARGES	**-1.153**	**-577**	**0**	**0**	**-1.730**
	PROPERTY OPERATING RESULT	**26.447**	**8.127**	**15.764**	**0**	**50.338**
XIV.	General costs of the company	-3.333	-543	-348	0	-4.224
XV.	Other operating income and expenses	-6	-54	0	0	-61
	OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**23.108**	**7.529**	**15.416**	**0**	**46.053**
XVI.	Result on disposal of investment properties	0	3	0	0	3
XVII.	Result on disposal of other non-financial assets	0	0	0	0	0
XVIII.	Changes in fair value of investment properties	8.418	9.613	13.945	0	31.975
XIX.	Other portfolio result	0	0	0	0	0
	OPERATING RESULT	**31.525**	**17.145**	**29.361**	**0**	**78.031**
XX.	Financial income	5.661	2	10	-5.582	91
XXI.	Net interest charges	-10.586	-1.707	-3.526	5.582	-10.237
XXII.	Other financial charges	-55	-25	-13	0	-92
XXIII.	Changes in fair value of financial assets and liabilites	-3.127	0	0	0	-3.127
	FINANCIAL RESULT	**-8.107**	**-1.730**	**-3.529**	**0**	**-13.366**
XXIV.	Share in the result of associates and joint ventures	0	0	0	0	0
	PRE-TAX RESULT	**23.419**	**15.415**	**25.831**	**0**	**64.665**
XXV.	Corporate taxes	430	-131	-388	0	-89
XXVI.	Exit tax	0	0	0	0	0
	TAXES	**430**	**-131**	**-388**	**0**	**-89**
	NET RESULT	**23.848**	**15.284**	**25.443**	**0**	**64.575**
	EPRA RESULT	**18.558**	**5.668**	**11.499**	**0**	**35.724**
	Weighted average number of shares	12.100	12.100	12.100	0	12.100
	NET RESULT PER SHARE	**1,97**	**1,26**	**2,10**	**0,00**	**5,34**
	EPRA RESULT PER SHARE	**1,53**	**0,47**	**0,95**	**0,00**	**2,95**

The “eliminations” column relates to the consolidation entries required in the context of the company’s consolidation and has no impact whatsoever on the consolidated result.

In addition to geographical segmentation, the Company also uses sector-specific segmentation in terms of its client base in order to spread the risk profile.

Note 41: Financial risk management

Exposure to the risk of exchange rates, interest rates, liquidity and credit risks are all part of Montea’s normal business activities. The company analyses and reviews all of these risks and defines the strategies to be implemented to control the economic impact on the Company’s performance. The results of these analyses and then proposed strategies are reviewed regularly and approved by the Board of Directors.
The sensitivity analysis for the interest rate risk is conducted both on the net result and on equity capital. Given that there is no hedging in place, the impact will not differ.

A. Interest rate risk

The Company’s long-term and short-term financial debts consist solely of debts with floating interest rates. The Company uses IRS-type financial hedging instruments to cover the interest rate risk.

As at 31/12/2019, the interest rate risk on lines of credit with variable interest rates was 99.1% hedged. This means that a rise or fall in interest rates would have a minimal impact on the Company's results. In the event of a rise of 100 basis points, annual interest charges for the Company, calculated at 31 December 2019, would have no impat on the total financial cost.

B. Credit risk

The credit risk is the risk of financial loss for the Company should a client or counterparty default on its contractual obligations. Management has a credit policy and exposure to the credit risk is managed on an ongoing basis. Every new tenant is investigated separately for their creditworthiness before the Company offers a lease agreement. A rental security guarantee of 3 or 6 months is required.

C. Exchange rate risk

The Company's property portfolio consists solely of buildings in Belgium, France and the Netherlands, and all lease contracts are in EURO. This means that the Company is not exposed to any exchange rate risk.

D. Liquidity risk

Note 34 provides a summary of the Company's financial debts and their respective terms. The Company controls its liquidity risk by having sufficient available credit facilities [81] and by gearing receipts and payments as closely as possible to each other.

Note 42: Transactions between associate companies

The transactions between associate companies is limited to the management fee between the Statutory Manager Montea Management NV and Montea Comm. VA. Furhtermore, Montea confirms that there are no transactions between associate companies at conditions that do not comply with market standards.

At the end of the financial year 2019 the following items were included in the financial statements:

Operational result – Remunerations statutory manager:	€699 K
Debt – Current account Montea Management NV:	€0 K

[81] Montea has € 321.7 million in lines of credit as at 31/12/2019, of which € 291.3 million has already been drawn. This means that Montea still has € 30.4 million at its disposal.

Below you will find the group structure in table form:

Note 43: Off-balance sheet liabilities

For the 2018 FY, there is one off-balance sheet obligation, a bank guarantee in the amount of 333,673.23, in favour of De Scheepvaart NV, in the context of the concession agreement in Bilzen that was concluded with De Scheepvaart NV. This bank guarantee is valid until 30/12/2042.

Note 44: Events after 31 December 2019

We refer to Chapter 6.3.10. for more information regarding the events after December 31, 2019.

18.9 Statutory auditor's report to the general meeting of the company Montea Comm VA for the year ended 31 December 2019

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Independent auditor's report to the general meeting of Montea Comm VA for the year ended 31 December 2019

As required by law and the Company's by-laws, we report to you as statutory auditor of Montea Comm VA (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated balance sheet as at 31 December 2019, the consolidated statement of comprehensive income before profit appropriation, the consolidated comprehensive income before the distribution of profit, the summary of the variation in the consolidated equity capital and reserves and the consolidated cash flow summary for the year ended 31 December 2019 and the disclosures (all elements together the "Consolidated Financial Statements") and includes as well our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as statutory auditor by the shareholders meeting of 21 May 2019, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders meeting that will deliberate on the annual accounts for the year ending 31 December 2021. We performed the audit of the Consolidated Financial Statements of the Group during 10 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Montea Comm VA, which consists of the consolidated balance sheet as at 31 December 2019, the consolidated statement of comprehensive income before profit appropriation, the consolidated comprehensive income before the distribution of profit, the summary of the variation in the consolidated equity capital and reserves and the consolidated cash flow summary for the year ended 31 December 2019 and the disclosures, which show a consolidated balance sheet total of € 1.193.698 thousand and of which the consolidated income statement shows a profit for the year of € 108.465 thousand.

In our opinion the Consolidated Financial Statements of the Group give a true and fair view of the consolidated net equity and financial position as at 31 December 2019, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the consolidated financial statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect of independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Audit report dated 17 April 2020 on the Annual Accounts of Montea Comm VA as of and for the year ended 31 December 2019 (continued)

Emphasis of matter - Covid-19

We draw your attention to the disclosure 44 of the Consolidated Financial Statements with regards to the consequences of the measures taken relating to the Covid-19 virus on the Group. The situation changes on a daily basis and inherently gives rise to uncertainty. The impact of these developments on the Group is disclosed in the Board of Director's report in the section on events after the reporting period and in the note 44 to the Consolidated Financial Statements. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Valuation of the investment properties

- Description of the matter and audit risk:

Investment property represents 96% of the assets of the Group. As at 31 December 2019, the investment properties on the assets of the balance sheet amount to € 1.147.476 thousand.

In accordance with the accounting policies and IAS 40 standard "Investment property", investment property is valued at fair value, and the changes in the fair value of investment property are recognized in the income statement. The fair value of investment properties belongs to the level 3 of the fair value hierarchy defined within the IFRS 13 standard "Fair Value Measurement", some parameters used for valuation purposes being based on unobservable data (discount rate, future occupancy rate, ...). The audit risk appears in the valuation of these investment properties.

- Summary of audit procedures performed

The Group uses external experts to make an estimate of the fair value of its buildings. We have assessed the valuation reports of the external experts (with the support of our internal experts). More precisely, we have:

- assessed the objectivity, the independence and the competence of the external appraisers,
- tested the integrity of source data (contractual rentals, maturities of the rental contracts, ...) used in their calculations,
- reviewed the models, assumptions and parameters used in their reports (discount rates, future occupancy rates, ...).

Finally, we have assessed the appropriateness of the information on the fair value of the investment properties disclosed in note 20 of the Consolidated Financial Statements.

Valuation of financial instruments

- Description of the matter and audit risk:

The Group uses interest rate swaps (IRS) to hedge the interest rate risk on the variable rate debts. The measurement of the derivatives at fair value is an important source of volatility of the result. As a matter of fact, in accordance with IFRS 9 "Financial Instruments: Recognition and Measurement", these derivatives are valued at fair value (considered to belong to the level 2 of the fair value hierarchy defined by IFRS 13 "Fair Value Measurement"). The changes in fair value are recognized in the income statements. The audit risk appears in the valuation of these derivatives.

- Summary of audit procedures performed

We have compared the fair values of the derivatives with the values communicated by the counterparties and the credit risk adjustments. We have assessed the most important assumptions and the calculations.

Finally, we have assessed the appropriateness of the information on the financial instruments disclosed in note 17 of the Consolidated Financial Statements.

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Audit report dated 17 April 2020 on the Annual Accounts of Montea Comm VA as of and for the year ended 31 December 2019 (continued)

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium. This responsibility involves implementing internal controls relevant to the preparation of the Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit, in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- Identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements is larger when these misstatements are due to fraud, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of Board of Director's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cast significant doubt on the Company or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company or Group to cease to continue as a going-concern;
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and of whether these financial statements reflect the underlying transactions and events in a true and fair view.

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Audit report dated 17 April 2020 on the Annual Accounts of Montea Comm VA as of and for the year ended 31 December 2019 (continued)

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Director's report on the Consolidated Financial Statements and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report, and to report on any matters.

Aspects relating to Board of Director's report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Director's report, the Board of Director's report on the Consolidated Financial Statements is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Companies and Associations Code (former article 119 of the Companies Code).

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Director's report on the and other information included in the annual report, being:

- Synthesis of the financial results
- EPRA Performance Measures
- Detail of the calculation of the APMs used by Montea

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported. In addition, we do not provide reasonable assurance regarding the Board of Directors' report and other information included in the annual report.

Independence matters

Our auditor's office has not performed any services that are not compatible with the audit of the Consolidated Financial Statements and has remained independent of the Company and the Group during the course of our mandate.

The fees for additional services that are compatible with the audit of the Consolidated Financial Statements intended by article 3:65 of the Companies and Associations Code have been correctly disclosed and detailed in the disclosures to the Consolidated Financial Statements.

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Audit report dated 17 April 2020 on the Annual Accounts of Montea Comm VA as of and for the year ended 31 December 2019 (continued)

Other communications

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Brussels, 17 April 2020

EY Bedrijfsrevisoren bv
Statutory auditor
Represented by

Joeri Klaykens (Signature)
Digitaal ondertekend door Joeri Klaykens (Signature)
DN: cn=Joeri Klaykens (Signature), c=BE
Datum: 2020.04.17 09:26:10 +02'00'

Joeri Klaykens*
Partner
*Acting on behalf of a bv

20JK0274

18.10 Condensed Montea financial statements as at 31 December 2019

In accordance with the provisions in Article 105 of the Belgian Companies Code (now Article 3:17 of the Companies and Associations Code), the financial statements of Montea Comm. VA are presented as follows in shortened format. The statutory annual accounts have not yet been deposited with the National Bank of Belgium. The statutory auditor has delivered an unqualified opinion regarding to the statutory annual accounts.

18.10.1 Statutory balance sheet as at 31 December 2019 (in thousands of EUR)

BALANCE SHEET EUR (x 1.000)	IFRS 31/12/2019 12 months	IFRS 31/12/2018 12 months	IFRS 31/12/2017 12 months
ASSETS			
NON-CURRENT ASSETS	**965.607**	**720.107**	**530.006**
A. Goodwill	0	0	0
B. Intangible non-current assets	419	374	168
C. Investment properties	647.187	493.476	344.335
D. Other tangible non-current assets	13.174	11.141	10.748
E. Financial non-current assets	304.802	215.097	174.723
F. Finance lease receivables	0	0	0
G. Trade receivables and other non-current assets	25	19	33
H. Deferred taxes - Assets	0	0	0
CURRENT ASSETS	**205.830**	**200.259**	**200.656**
A. Assets held for sale	0	0	0
B. Current financial assets	0	0	0
C. Finance lease receivables	0	0	0
D. Trade receivables	8.640	10.024	7.727
E. Tax receivables and other current assets	190.141	185.795	189.822
F. Cash and cash equivalents	5.688	2.779	1.924
G. Deferred charges and accrued income	1.361	1.661	1.184
TOTAL ASSETS	**1.171.437**	**920.366**	**730.662**
LIABILITIES			
SHAREHOLDERS' EQUITY	**680.409**	**433.098**	**332.520**
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	**680.409**	**433.079**	**332.502**
A. Capital	314.983	256.063	232.938
B. Share premium	209.184	100.891	66.641
C. Reserves	47.690	11.550	-3.615
D. Net result of the financial year	108.552	64.575	36.538
LIABILITIES	**491.028**	**487.268**	**398.142**
NON-CURRENT LIABILITIES	**412.160**	**425.431**	**384.287**
A. Provisions	0	0	0
B. Non-current financial debts	389.129	415.244	372.579
C. Other non-current financial liabilities	23.031	10.186	11.707
D. Trade debts and other non-current debts	0	0	0
E. Other non-current liabilities	0	0	0
F. Deferred taxes - liabilities	0	0	0
CURRENT LIABILITIES	**78.868**	**61.838**	**13.856**
A. Provisions	0	0	0
B. Current financial debts	61.300	45.000	2.184
C. Other current financial liabilities	0	0	0
D. Trade debts and other current debts	3.739	3.931	2.738
E. Other current liabilities	87	0	416
F. Accrued charges and deferred income	13.742	12.907	8.517
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1.171.437**	**920.366**	**730.662**

18.10.2 Statutory profit-and-loss account as at 31 December 2019 (in thousands of EUR)

PROFIT AND LOSS ACCOUNT EUR (x 1.000)	IFRS 31/12/2019 12 months	IFRS 31/12/2018 12 months	IFRS 31/12/2017 12 months
I. Rental income (+)	39.249	32.210	22.921
II. Write-back of lease payments sold and discounted (+)	0	0	0
III. Rental-related charges (+/-)	1	-2.928	-1.489
NET RENTAL RESULT	**39.250**	**29.283**	**21.432**
IV. Recovery of property charges (+)	0	0	0
V. Recovery of charges and taxes normally payable by tenants on let properties (+)	5.438	4.393	3.346
VI. Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease (-)	0	0	0
VII. Charges and taxes normally borne by tenants on let properties (-)	-5.592	-4.707	-3.845
VIII. Other rental-related charges and income (+/-)	3.300	2.455	3.269
PROPERTY RESULT	**42.397**	**31.424**	**24.203**
IX. Technical costs (-)	-16	-4	-23
X. Commercial costs (-)	-46	-87	-117
XI. Charges and taxes of un-let properties (-)	-38	0	0
XII. Property management costs (-)	-1.537	-1.114	-684
XIII. Other property charges (-)	-8	-43	-37
PROPERTY CHARGES	**-1.645**	**-1.248**	**-861**
PROPERTY OPERATING RESULT	**40.752**	**30.176**	**23.342**
XIV. General costs of the company (-)	-3.534	-3.564	-3.352
XV. Other operating income and expenses (+/-)	-135	2.237	206
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**37.084**	**28.850**	**20.196**
XVI. Result on sale of investment properties (+/-)	0	0	0
XVII. Result on sale of other non-financial assets (+/-)	0	0	0
XVIII. Changes in fair value of investment properties (+/-)	40.478	15.567	407
XIX. Other portfolio result (+/-)	0	0	0
OPERATING RESULT	**77.561**	**44.417**	**20.602**
XX. Financial income (+)	6.048	11.540	9.073
XXI. Net interest charges (-)	-12.016	-12.204	-11.962
XXII. Other financial charges (-)	-91	-70	-73
XXIII. Changes in fair value of financial assets and liabilities (+/-)	36.700	20.547	19.543
FINANCIAL RESULT	**30.641**	**19.813**	**16.581**
PRE-TAX RESULT	**108.202**	**64.230**	**37.183**
XXV. Corporate taxes (-)	350	345	-645
XXVI. Exit tax (-)	0	0	0
TAXES	**350**	**345**	**-645**
NET RESULT	**108.552**	**64.575**	**36.538**
Average Number of shares in the period	15.230	12.100	10.393
Number of shares in circulation entitled to the result on the period	15.783	12.815	11.611
NET RESULT (normal / diluted) PER SHARE in euro	**7,13**	**5,34**	**3,52**
NET RESULT PER SHARE in euro	**6,88**	**5,04**	**3,15**

18.10.3 Condensed statutory statement of comprehensive income before profit appropriation as at 31 December 2019 (in thousands of EUR)

Abbreviated statutory statement of compr.	**31/12/2019** 12 months	**31/12/2018** 12 months	**31/12/2017** 12 months
Net result	**108.552**	**64.575**	**36.538**
Other elements of the global result	**-242**	**10**	**484**
Items taken in the result:	**0**	**0**	**0**
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investments properties	0	0	0
Variations in the effective part of the fair value of admitted hedging instruments in a cah flow hedge	0	0	0
Items not taken in the result:	**-242**	**10**	**484**
Impact of changes in faire value of solar panels	-242	10	484
Global result	**108.310**	**64.585**	**37.021**
Attributable to:			
Shareholders of the main company	108.310	64.585	37.021
Minorities	0	0	0

18.10.4 Proposal for appropriation as at 31 December 2019 (in thousands of EUR)

RESULT FOR APPROPRIATION EUR (x 1.000)		IFRS 31/12/2019 12 months	IFRS 31/12/2018 12 months	IFRS 31/12/2017 12 months
A.	**NET RESULT**	**108.552**	**64.575**	**36.538**
B.	**ADDITION TO / WITHDRAWAL FROM RESERVES (-/+)**	**-68.465**	**-36.768**	**-11.343**
1.	**Addition to / withdrawal from reserves for the (positive or negative) net amount in the changes in fair value of investment properties (-/+)**	**-70.773**	**-31.975**	**-3.204**
1a.	financial year	-70.773	-31.975	-3.204
1b.	previous financial years	0	0	0
1c.	realisation of investment properties			
2.	**Addition to / withdrawal from reserves from the estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-/+)**	**0**	**0**	**0**
3.	**Addition from the reserve for the net amount of the changes in fair value of authorized hedges qualifying for hedge accounting according to IFRS (-)**	**0**	**0**	**0**
3a.	financial year	0	0	0
3b.	previous financial years	0	0	0
4.	**Addition from the reserve for the net amount of the changes in fair value of authorized hedges qualifying for hedge accounting according to IFRS (-)**	**0**	**0**	**0**
4a.	financial year			
4b.	previous financial years	0	0	0
5.	**Addition to the reserve for the net amount of the changes in fair value of authorized hedges not qualifying for hedge accounting according to IFRS (-)**	**12.739**	**3.127**	**0**
5a.	financial year	12.739	3.127	0
5b.	previous financial years	0	0	0
6.	**Addition to the reserve for the net amount of the changes in fair value of authorized hedges not qualifying for hedge accounting according to IFRS (-)**	**0**	**0**	**-5.791**
6a.	financial year	0	0	-5.791
6b.	previous financial years	0	0	0
7.	**Addition to / withdrawal from reserves of the net amount of exchange rate differences on monetary assets and liabilities (-/+)**	**0**	**0**	**0**
8.	**Addition to / withdrawal from reserves of deferred taxes on investment properties located abroad (-/+)**	**0**	**0**	**0**
9.	**Addition to / withdrawal from reserves for the dividends received, used for the reimbursement of the financial debts (-/+)**	**0**	**0**	**0**
10.	**Addition to / withdrawal from other reserves (-/+)**	**-10.430**	**-7.919**	**-2.348**
11.	**Addition to / withdrawal from results carried forward from previous financial years (-/+)**	**0**	**0**	**0**
C.	**REMUNERATION OF THE CAPITAL IN ACCORDANCE WITH ART. 13**	**15.380**	**22.981**	**13.499**
D.	**REMUNERATION OF THE CAPITAL, - OTHER THAN C**	**24.707**	**4.827**	**11.696**

18.10.5 Mandatory distribution as at 31 December 2019 (in thousands of EUR)

According to Article 13 of the RREC RD Montea must pay out, as remuneration of the capital, at least the positive difference between the following amounts and for the amount of the positive net result of the financial year and after auditing the transferred losses and the additives/extractions to/of the reserves as meant in point B. Additives/extractions reserves as defined in section 4 of part 1 of chapter 1 of the appendix C of the RREC RD:

80% of the amount stipulated in the schedule of chapter III of Appendix C; and the net decrease of the debt of the public RREC during the financial year.

ARTICLE 27 MANDATORY DISTRIBUTION **EUR (x 1.000)**	**IFRS** **31/12/2019** **12 months**
Positive difference (1) - (2)	**15.380**
80% of the amount defined by the scheme in Annex C of Chapter III (1)	**25.300**
Corrected result (A) + net gains (B)	31.625
Corrected Result + net realized gains on property not exempt from the mandatory distribution (A)	31.625
Net result	108.552
+ Amortizations	251
+ Depreciations	-1
- Write-back of depreciations	0
- Write-back of lease payments sold and discounted	0
+/- Other non-monetary elements	-36.700
+/- Result on sale of property	0
+/- Changes in fair value of property	-40.478
Realised net gains on property assets not exempt from the mandatory distribution (B)	0
+/- realized net gains and losses of the financial year	0
- realized net gains on property assets during the year, exempt from mandatory distribution if reinvested within 4 years	0
+ realized net gains on property assets previously exempt from mandatory distribution, that were not reinvested within 4 years	0
Net decrease of the debt (2)	**-9.920**
The changes in debt in function of the calculation of the debt ratio	-9.920
Total Liabilities	3.760
Non-current liabilities - authorized hedges	-12.845
Non-current liabilities - provisions	0
Non-current liabilities - deferred taxes	0
Current liabilities - authorized hedges	0
Current liabilities - provisions	0
Current liabilities - transitory Accounts	-835

According to this calculation Montea is obliged to pay a dividend of €15,380 K.

18.10.6 Article 617 of the Companies Code (now Article 5:121 of the Companies and Associations Code)

As a company, Montea is required to abide by art. 617 of the Companies Code, whereby the net assets may not fall by way of dividend payment to below the amount of the capital and the unavailable reserves.

According to the table below, Montea still has a buffer of €122,475K after paying the proposed dividend of €2.54 per share.

ARTICLE 617 OF THE COMPANY CODE EUR (x 1.000)	IFRS 31/12/2019 12 months	IFRS 31/12/2018 12 months	IFRS 31/12/2017 12 months
Paid-up capital or if larger, called-up capital (+)	314.983	256.063	232.938
Share premium account unavailable for distribution according to the articles of association (+)	209.184	100.891	66.641
Reserve for the positive net amount of the changes in fair value of investment properties (+) (*)	0	0	0
Reserve for the impact of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-)	0	0	0
Reserve for the net amount of the changes in fair value of authorized hedges qualifying for hedge accounting according to IFRS (+/-)	0	0	0
Reserve for the net amount of the changes in fair value of authorized hedges not qualified for hedge accounting according to IFRS (+/-)	-7.155	-4.028	-14.762
Reserve for the net amount of exchange rate differences on monetary assets and liabilities (+)	0	0	0
Reserve for the translation differences, coming from activities abroad (+/-)	0	0	0
Reserve for own actions	0	0	-2
Reserve for the net amount of the changes in fair value of financial assets held for sale (+/-)	0	0	0
Reserve for actuarial gains and losses on defined benefit pension plans (+)	0	0	0
Reserve for deferred taxes on investment properties located abroad (+)	0	0	0
Reserve for received dividends used for the reimbursement of financial debts (+)	0	0	0
Other reserves declared unavailable by the Annual General Meeting (+)	0	0	1
Legal reserve (+)	835	841	841
Non-distributable shareholders' equity in accordance with Article 617 of the company code	**517.847**	**353.767**	**285.657**
Net assets before distribution of dividends	680.409	433.079	332.502
Proposed dividend payments	40.088	28.961	22.495
Net assets after distribution of dividends	**640.321**	**404.118**	**310.006**
Remaining margin after dividend distribution	**122.475**	**50.351**	**24.349**

The remaining margin, after dividend payment, has risen at the end of 2019 to €122,475 K because the net asset value of the RREC increased relatively more than the amount of non-distributable equity (both calculated in accordance with article 617 Company Code (new Article 5:121 of the Companies and Associations Code).

18.10.7 Summary of changes in the statutory equity capital as at 31 December 2019

CHANGES IN SHAREHOLDER EQUITY (EUR x 1.000)	Share capital	Share premiums	Reserves	Result	Deduction of transfer rights and costs	Shareholders' equity
ON 31/12/2017	**232.938**	**66.641**	**-3.616**	**36.538**	**0**	**332.501**
Elements directly recognized as equity	**23.125**	**34.250**	**2**	**0**	**0**	**57.377**
Capital increase	23.125	34.250	0	0	0	57.375
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	0	0	0	0	0	0
Positive change in value of solar panels (IAS 16)	0	0	0	0	0	0
Own shares	0	0	2	0	0	2
Own shares held for employee option plan	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0
Corrections	0	0	0	0	0	0
Subtotal	**256.063**	**100.891**	**-3.614**	**36.538**	**0**	**389.879**
Dividends	0	0	-21.375	0	0	-21.375
Result carried forward	0	0	36.538	-36.538	0	0
Result for the financial year	0	0	0	64.575	0	64.575
ON 31/12/2018	**256.063**	**100.891**	**11.549**	**64.575**	**0**	**433.079**
Elements directly recognized as equity	**58.920**	**108.292**	**526**	**0**	**0**	**167.739**
Capital increase	58.920	108.292	0	0	0	167.212
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	0	0	0	0	0	0
Positive change in value of solar panels (IAS 16)	0	0	526	0	0	526
Own shares	0	0	0	0	0	0
Own shares held for employee option plan	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0
Corrections	0	0	0	0	0	0
Subtotal	**314.983**	**209.183**	**12.076**	**64.575**	**0**	**600.818**
Dividends	0	0	-28.961	0	0	-28.961
Result carried forward	0	0	64.575	-64.575	0	0
Result for the financial year	0	0	0	108.552	0	108.552
ON 31/12/2019	**314.983**	**209.183**	**47.690**	**108.552**	**0**	**680.409**

18.10.8 Statement of employed staff

STATEMENT EMPLOYED STAFF

EMPLOYEES REGISTERED IN THE STAFF REGISTER

During the FY and the previous FY	Codes	1. Full time *(FY)*	2. Part time *(FY)*	3. Total (T) of total in full time equivalents (FTE) *(FY)*	3. Total (T) of total in part time equivalents (PTE) *(previous FY)*
Average numer of employees	100	13,7	1,4	15,1	13,9
Number of actuel hours worked	101	23.723,50	2.077,70	25.801,20	24.113,00
Employee costs	102	1.275.881,00	94.811,00	1.370.692,00	1.136.510,00
Benefits on top of wages	103	xxxxxxxxxxx	xxxxxxxxxxx	0	25156

At the closing of the financial year	Codes	1. Full time	2. Part time	3. Total in full time equivalents
Number of employees in the staff register	105	14,0	3,0	16,0
Agreement for an indefinite period	110	13,0	3,0	15,0
Agreement for a definite period	111	1,0	0,0	1,0
Agreement for a definied job	112	0,0	0,0	0,0
Replacement agreement	113	0,0	0,0	0,0
According to gender and study level				
Men:	120	7,0	2,0	8,1
primary education	1200	2,0	0,0	2,0
secundary education	1201	0,0	0,3	0,3
higher non-university	1202	4,0	1,0	4,8
university	1203	1,0	0,0	1,0
Women:	121	7,0	1,0	7,9
primary education	1210	1,0	0,0	1,0
secundary education	1211	1,0	1,0	1,9
higher non-university	1212	1,0	1,0	2,0
university	1213	3,0	0,0	3,0
According to profession level				
Management	130	0,0	0,0	0,0
Non-management	134	14,0	3,0	16,0
Laborer	132	0,0	0,0	0,0
Other	133	0,0	0,0	0,0

STATEMENT OF STAFF MOVEMENTS DURING THE FINANCIAL YEAR

ASSIGNED

	Codes	1. Full time	2. Part time	3. Total in full time equivalents
Number of employees in the staff register	205	9,0	3,0	10,5
According to the nature of the employment contract				
Indefinite period agreement	210	4,0	3,0	5,5
Fixed-term agreement	211	5,0	0,0	5,0
Agreement for clearily defined work	212	0,0	0,0	0,0
Interim agreement	213	0,0	0,0	0,0

RESIGNED

	Codes	1. Full time	2. Part time	3. Total in full time equivalents
Number of employees in the staff register on which their agreement ended during the financial year	305	8,0	1,0	8,3
According the type of agreement				
Indefinite period agreement	310	4,0	1,0	4,3
Fixed-term agreement	311	4,0	0,0	4,0
Agreement for clearily defined work	312	0,0	0,0	0,0
Interim agreement	313	0,0	0,0	0,0
According the reason of ending the agreement				
Retirement	340	0,0	0,0	0,0
Early retirement	341	0,0	0,0	0,0
Dismissal	342	0,0	0,0	0,0
Other reason	343	8,0	1,0	8,3
of which: the number of employees who continue to provide services to the company as a self-employed person at least on a half-time basis	350	0,0	0,0	0,0

18.11 EPRA[82]

EPRA (European Public Real Estate Association) is the voice of the European listed real estate sector with more than 250 members and more than €450 billion real estate. The EPRA indices are a global benchmark and the most frequently used investment index for listed real estate. The indexes are composed of more than 100 companies. The criteria for inclusion in the indexes are published on the EPRA website (www.epra.com). Montea is not yet included in the European and the Belgian EPRA index.

Recommendations regarding the reporting and the definition of the most important financial performance criteria for listed real estate companies are also shown on the EPRA website (see EPRA Reporting: Best Practices Recommendations Guidelines). Montea makes the majority of the performance measures recommended by EPRA available to the investors with the aim of standardizing the reporting with a view to improving the quality and comparability of information.

[82] None of the EPRA measures were audited by the statutory auditor with the exception of the EPRA earnings, EPRA NAV and EPRA NNNAV. The publication of the data is not mandatory according to the Companies and Associations Code and is not subject to review by public bodies.

A) Summary table of EPRA Performance Metrics[83]

EPRA - METRICS	Definition	Purpose	31/12/2019	31/12/2018
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: 49.997 In € / share: 3,28	35.724 2,95
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: 702.953 In € / share: 44,54	443.735 34,63
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: 682.907 In € / share: 43,27	437.699 34,16
D) 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.	1,3%	1,5%
E) EPRA Net Initial Yield	The adjusted annualized rental income, excluding the notional amount at the end of the rent-free period or other rental incentives, divided by the market value of the property, plus (estimated) purchase costs.	A comparable measure around Europe for portfolio valuations.	6,0%	6,4%
F) EPRA "Topped-up" Net Initial Yield	This measure integrates an EPRA NIY adjustment for the expiration of rent-free periods (or other non-expired rental incentives such as a discounted rental period and staged rental prices).	A comparable measure around Europe for portfolio valuations.	6,0%	6,4%
G) EPRA cost ratio (incl. vacancy charges)	Administrative and operational charges (including vacancy charges, divided by rental income		9,3%	11,7%
H) EPRA cost ratio (excl. vacancy charges)	Administrative and operational charges (including vacancy charges, divided by rental income		9,0%	11,3%

[83] The auditor has conducted a review (ISRE 2410) of the measures listed in this table.

B) EPRA earnings – EPRA earnings per share

	(in EUR X 1 000)	31/12/2019	31/12/2018
	Net result (IFRS)	**108.465**	**64.575**
	Changes for calculation of the EPRA earnings		
	To exclude:		
(i)	Variations in fair value of the investment properties and properties for sale	-70.773	-31.975
(ii)	Result on sale of investment properties	-434	-3
(vi)	Variations in fair value of the financial assets and liabilities	12.739	3.127
	EPRA earnings	**49.997**	**35.724**
	Weighted average number of shares	15.229.606	12.100.327
	EPRA earnings per share (€/share)	**3,28**	**2,95**

C) EPRA NAV – EPRA NAV per share

	(in EUR X 1 000)	31/12/2019	31/12/2018
	IFRS NAV	**680.029**	**433.550**
	NAV per share (€/share)	**43,09**	**33,83**
	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	**680.029**	**433.550**
	To exclude		
(iv)	IV. Fair value of financial instruments	22.924	10.186
	EPRA NAV	**702.953**	**443.735**
	Number of shares in circulation per end period	15.782.594	12.814.692
	EPRA NAV per share (€/share)	**44,54**	**34,63**

D) EPRA NNNAV – EPRA NNNAV per share

	(in EUR X 1 000)	31/12/2019	31/12/2018
	EPRA NAV	**702.953**	**443.735**
	Number of shares in curculation at the end of the period	15.782.594	12.814.692
	EPRA NAV (€/share)	**44,54**	**34,63**
	To add:		
(i)	I. Fair value of financial instruments	-22.924	-10.186
(ii)	II. Revaluation of the fair value of financing at fixed interest rate	2.878	4.149
	EPRA NNNAV	**682.907**	**437.699**
	Nmber of shares in circultation at the end of the period	15.782.594	12.814.692
	EPRA NNNAV (€/share)	**43,27**	**34,16**

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

EPRA NIY *(in EUR x 1000)*		31/12/2019				31/12/2018			
Investment property – wholly owned		507.595	173.767	422.995	1.104.358	447.653	139.034	326.550	913.236
Investment property – share of JVs/Funds					0				0
Trading property					0				0
Less: developments		-27.783	-22.876	-13.345	-64.004	-9.785	0	-18.610	-28.395
Completed property portfolio		**479.812**	**150.891**	**409.650**	**1.040.353**	**437.867**	**139.034**	**307.940**	**884.841**
Allowance for estimated purchasers' costs		11.794	10.683	27.218	49.694	9.177	9.844	21.556	40.576
Gross up completed property portfolio valuation	**B**	**491.606**	**161.574**	**436.868**	**1.090.047**	**447.044**	**148.877**	**329.496**	**925.417**
Annualised cash passing rental income		36.594	8.642	24.155	69.391	34.736	8.649	19.289	62.675
Property outgoings (incl. ground rents)		-3.690	116	-198	-3.771	-3.527	-135	-184	-3.846
Annualised net rents	**A**	**32.904**	**8.758**	**23.957**	**65.620**	**31.209**	**8.514**	**19.105**	**58.828**
Add: Rent free periods or other lease incentives		80	0	0	80	80	0	0	80
Topped-up net annualised rent	**C**	**32.984**	**8.758**	**23.957**	**65.699**	**31.289**	**8.514**	**19.105**	**58.908**
EPRA Net Initial Yield	**A/B**	**6,7%**	**5,4%**	**5,5%**	**6,0%**	**7,0%**	**5,7%**	**5,8%**	**6,4%**
EPRA "topped-up" Net Initial Yield	**C/B**	**6,7%**	**5,4%**	**5,5%**	**6,0%**	**7,0%**	**5,7%**	**5,8%**	**6,4%**

F) EPRA rental vacancy rate

(in EUR X 1 000)	(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	(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	112	32.480	0,3%	202	31.157	0,6%
France	738	9.327	7,9%	674	9.226	7,3%
The Netherlands	-	23.943	0,0%	-	19.210	0,0%
Total	**850**	**65.750**	**1,3%**	**876**	**59.593**	**1,5%**

G) EPRA cost ratio

EPRA Cost Ratios (in EUR x 1000)		**31/12/2019**	**31/12/2018**
(i) Administrative/operating expense line per IFRS income statement		**6.656**	**6.428**
(iii) Management fees less actual/estimated profit element		-365	-330
EPRA Costs (including direct vacancy costs)	**A**	**6.290**	**6.098**
(ix) Direct vacancy costs		-166	-234
EPRA Costs (excluding direct vacancy costs)	**B**	**6.125**	**5.864**
		0	0
(x) Gross Rental Income less ground rents – per IFRS		67.985	52.120
Gross Rental Income	**C**	**67.985**	**52.120**
EPRA Cost Ratio (including direct vacancy costs)	**A/C**	**9,3%**	**11,7%**
EPRA Cost Ratio (excluding direct vacancy costs)	**B/C**	**9,0%**	**11,3%**

H) Investment Assets

Overview of the main operational indicators of the real estate portfolio, per country:

	BE	FR	NL	31/12/2019
Rental area	689.449 m²	172.725 m²	477.418 m²	**1.339.593 m²**
Avg. Rent/m²	49,9 €/m²	50,0 €/m²	50,6 €/m²	**50,2 €/m²**
Annualiszed contractual rent passing	34.421 k€	8.642 k€	24.155 k€	**67.217 k€**
ERV	32.480 k€	9.327 k€	23.943 k€	**65.750 k€**
Net Rental Income	345.122 k€	9.136 k€	21.420 k€	**64.678 k€**
Fair Market Value- Investment Assets	467.704 k€	150.891 k€	409.650 k€	**1.028.245 k€**
Fair Market Value-Solar Panels	12.108 k€	0 k€	87 k€	**121.95k€**
EPRA Vacancy (based on ERV)	0,20%	8,00%	0,00%	**1,20%**
Lease Term till break	6,1y	3,1y	12,3y	**8,0y**
Lease Term till end	8,2y	5,1y	12,3y	**9,3y**

Overview of the rents, broken down by country and by tenant activity:

Rental business sector (k€)	BE	FR	NL	31/12/2019
Industry	**7.824**	1.161	3.587	**12.572**
Consumer goods	**4.367**	**5.491**	**6.514**	**16.372**
Primary goods	**6.068**		6.306	**12.374**
Logistics	**14.444**	1.435	7.749	**23.628**
Services	**1.717**	554		**2.272**
Vacancy				
TOTAL Current Rent	**34.421**	**8.642**	**24.156**	**67.218**

Rental business sector (k€)	BE	FR	NL	31/12/2019
Industry	12%	2%	5%	**19%**
Consumer goods	6%	8%	10%	**24%**
Primary goods	9%		9%	**18%**
Logistics	21%	2%	12%	**35%**
Services	3%	1%		**3%**
Vacancy				
TOTAL Current Rent	**54%**	**14%**	**32%**	**100%**

Overview of the largest tenants in the portfolio, including the share in the total rent:

	Lessee	Current Rent	%
1	DHL aviation	3.365	5,0%
2	Recycling REKO	2.873	4,3%
3	Decathlon	2.871	4,3%
4	Doc Morris	2.760	4,1%
5	DHL Global Forwarding	2.284	3,4%
6	Koopman	2.000	3,0%
7	BELRON - Carglass	1.932	2,9%
8	DSV Solutions I & II	1.812	2,7%
9	Bakkersland	1.800	2,7%
10	Federal Mogul	1.503	2,2%
11	Vos Logistics	1.305	1,9%
12	Aware Food Group	1.270	1,9%
13	Barry Callebaut	1.255	1,9%
14	Delta Wines	1.249	1,9%
15	Jan De Rijk	1.239	1,8%
16	Caterpillar	1.235	1,8%
17	Metro	1.231	1,8%
18	XPO	1.187	1,8%
19	Depa Disposables	1.096	1,6%
20	Movianto	1.090	1,6%
21	Dachser	1.073	1,6%
22	GVT	1.066	1,6%
23	NSK	1.027	1,5%
Lessees > 1 mio€		**38.524**	**57%**
Lessees < 1 mio€		**28.694**	**43%**
Total		**67.217**	**100%**

Overview of the largest investment properties (in market value) in the investment portfolio:

		Location	Tenants	Market Value Range	Lettable surface (m²)	Type of Property	Type of Property	Ownership	Form of ownership	Acquisition Year	Year of construction / refurbishment
1	NL	**Tiel** Panovenweg	- REKO Recycling - CRH Struyk	**> 30 mio €**	95.800	Land	Land	100%	Full ownership	2018	n.a.
2	NL	**Aalsmeer** Japanlaan & Thailandlaan	- Bakkersland - Scotch & Soda	**> 30 mio €**	46.492	Multi tenant	Logistics	100%	Full ownership	2017	2016 - 2017
3	FR	**Camphin** Chemin des Blatiers	- Danone - GBS - DSM - XPO	**> 30 mio €**	43.402	Multi tenant	Logistics	100%	Full ownership	2018	2018
4	BE	**Willebroek** De Hulst	- Decathlon	**> 30 mio €**	47.046	Single tenant	Logistics	100%	Full ownership	2017	2017
5	NL	**Born** Verloren van Themaatweg	- Koopman Logistics Group	**> 30 mio €**	56.302	Single tenant	Logistics	100%	Full ownership	2019	n.a.
6	BE	**Zaventem** Brucargo	- DHL Aviation	**> 30 mio €**	66.543	Single tenant	Logistics	100%	Long Term superficies	2017	2016
7	BE	**Vorst** Humaniteitslaan 292	- Unilever - Makro - CDS - Stylelabs	**25 < x < 30 mio €**	29.212	Multi tenant	Logistics & Light Industrial	100%	Full ownership	2009	1966 - 2014 - 2015 - 2016 - 2017
8	BE	**Genk** Kruisbosstraat	- Carglass (Belron)	**25 < x < 30 mio €**	46.815	Single tenant	Logistics	100%	Long Term superficies	2018	2018
9	NL	**Waddinxveen** LPA12	- Isero - Dille & Kamille	**25 < x < 30 mio €**	20.895	Multi tenant	Logistics	100%	Full ownership	2018	2019
10	BE	**De Hulst - Willebroek** Schoondonkweg	- Federal Mogul	**20 < x < 25 mio €**	29.117	Single tenant	Logistics	100%	Full ownership	2016	2016

I) Project developments

Overview of the main operational indicators of Project developments, per country and per individual project:

Site & Location	Country	Development Costs to 31/12/2 01	Revaluation	31/12/2019	Estimated costs to completion	At completion	Expecte of comp	Expected date of completion	Status
Bornem	**BE**	2.487	-61	**2.426**	Unknown	**2.426**		Unknown	Commercialization
Lummen	**BE**	7.616	-178	**7.438**	17.379	**24.817**		< Q4 2021	Commercialization
de Tyraslaan	**BE**	10.377	-591	**9.785**	Unknown	**9.785**		2020	Commercialization
Solar Panels BE	**BE**	8.134		**8.134**	6.143	**14.277**		2020	Under construction
	BE	**28.613**	**-830**	**27.783**	**23.522**	**51.305**			
Schiphol	**NL**	5.078	32	**5.110**	11.797	**16.907**		< Q4 2021	Commercialization
Etten-Leur	**NL**	4.268	-88	**4.180**	13.035	**17.215**		< Q4 2021	Commercialization
Solar Panels NL	**NL**	4.055		**4.055**	4.289	**8.344**		2020	Under construction
	NL	**13.401**	**-56**	**13.345**	**29.121**	**42.466**			
Meyzieu (Renault)	**FR**	8.129	-9	**8.120**	4.171	**12.291**		2020	Under construction
St-Laurent de Blangy (Unéal-Advitam)	**FR**	12.871	-1	**12.870**	6.106	**18.976**		2020	Under construction
Senlis	**FR**	1.907	-21	**1.886**	Unknown	**1.886**		Unknown	Commercialization
	FR	**22.907**	**-31**	**22.876**	**10.277**	**33.153**			
TOTAL		**64.921**	**-917**	**64.004**	**62.920**	**126.924**			

Site & Location	Country	Type of Property	Type of Property	% of ownership	Pre-let (%)	Office (m²)	Warehouse (m²)	Mezzanine (m²)	Other (m²)	Total (m²)	Unbuilt Land (m²)	ERV at completion
Bornem	BE	Unknown	Unknown	100%							18.447	Unknown
Lummen	BE	Logistics	Unknown	100%							53.518	Unknown
de Tyraslaan	BE	Land	Unknown	100%							59.508	Unknown
Solar Panels BE	BE	n.a.	n.a.	100%							n.a.	n.a.
	BE										131.473	
Schiphol	NL	Unknown	Unknown	100%							24.512	Unknown
Etten-Leur	NL	Unknown	Unknown	100%							37.520	Unknown
Solar Panels NL	NL	n.a.	n.a.	100%							n.a.	n.a.
	NL										62.032	
Meyzieu (Renault)	NL	Logistics	Single tenant	100%	100%	900	9.200			10.100	30.509	921
St-Laurent de Blangy (Unéal-Advitam)	NL	Logistics	Single tenant	100%	100%	1.920	32.425		766	35.111	90.395	1.261
Senlis	NL	Unknown	Unknown	100%							170.000	Unknown
	NL					2.820	41.625		766	45.211	290.904	2.182
TOTAL						2.820	41.625		766	45.211	484.409	2.182

J) 'Like-for-Like' growth of IFRS rental income

(in EUR x 1000)	RENT 31/12/2018	LIKE FOR LIKE					NON COMPARABLE			RENT 31/12/2019
		(Rental of) Vacancy	New contract (without vacancy)	Renegotiation	Indexation	Other	New Site	Indexation	Sold Site	
Belgium	27.150	942	9	186	534	520	0	0	0	29.341
France	6.584	-432	0	70	110		0	0	0	6.333
The Netherlands	9.853	0	0	0	189		0	0	0	10.042
LIKE for LIKE	43.588	510	9	256	834	520	0	0	0	45.716
Belgium	1.031	0	0	0	0		3.538	19	0	4.589
France	2.198	0	0	0	0	0	917	48	-369	2.794
The Netherlands	6.079	0	0	0	0	0	6.485	81	-680	11.965
NON Comparable	9.308	0	0	0	0	0	10.940	148	-1.049	19.347
TOTAL	52.896	510	9	256	834	520	9.532	148	-1.049	65.063

Like for Like variation of the year **2.128**

Belgium	51,3%	1,8%	0,0%	0,4%	1,0%	1,0%	0,0%	0,0%	0,0%	55,5%
France	12,4%	-0,8%	0,0%	0,1%	0,2%	#VALUE!	0,0%	0,0%	0,0%	12,0%
The Netherlands	18,6%	0,0%	0,0%	0,0%	0,4%	#VALUE!	0,0%	0,0%	0,0%	19,0%
LIKE for LIKE	82,4%	1,0%	0,0%	0,5%	1,6%	1,0%	0,0%	0,0%	0,0%	86,4%
Belgium	1,9%	0,0%	0,0%	0,0%	0,0%	#VALUE!	6,7%	0,0%	0,0%	8,7%
France	4,2%	0,0%	0,0%	0,0%	0,0%	0,0%	1,7%	0,1%	-0,7%	5,3%
The Netherlands	11,5%	0,0%	0,0%	0,0%	0,0%	0,0%	12,3%	0,2%	-1,3%	22,6%
NON Comparable	17,6%	0,0%	0,0%	0,0%	0,0%	0,0%	20,7%	0,3%	-2,0%	36,6%
TOTAL	100,0%	1,0%	0,0%	0,5%	1,6%	1,0%	20,7%	0,3%	-2,0%	123,0%

Like for Like variation of the year **4,0%**

Please note:

- A building that has been in the investment portfolio for the last 2 full years (i.e. from 01/01/2018 until 31/12/2019) is considered to be fully comparable between these 2 years. The set of buildings that meet this condition is included in the 'Like-for-Like' analysis. All other buildings are non comparable.
- The scope used is the same as that of the Roll Forward of the Investment Assets (see below).

K) Roll Forward of the Investment Assets

(in EUR x 1000)	INVESTMENT ASSETS 31/12/2018	LIKE FOR LIKE CAPEX	LIKE FOR LIKE Herwaardering	NON COMPARABLE Aankopen	NON COMPARABLE Verkopen	NON COMPARABLE Transfer van / naar Project-ontwikkeling	NON COMPARABLE CAPEX	NON COMPARABLE Herwaardering	INVESTMENT ASSETS 31/12/2019
België	407.345	1.620	28.608						437.572
Frankrijk	134.556	775	10.916						146.247
Nederland	284.970	990	21.860						307.820
LIKE for LIKE	826.870	3.385	61.384						891.639
België	16.105			14.093			194	-260	30.132
Frankrijk	4.478		0	2.903	-2.740		119	-115	4.644
Nederland	22.970			53.004	-23.820	45.342	109	4.225	101.830
NON COMPARABLE	43.553		0	70.000	-26.560	45.342	421	3.850	136.606
TOTAAL	870.423	3.385	61.384	70.000	-26.560	45.342	421	3.850	1.028.245
Like-for-Like variatie van het jaar		64.769							
België	46,8%	0,2%	3,3%						50,3%
Frankrijk	15,5%	0,1%	1,3%						16,8%
Nederland	32,7%	0,1%	2,5%						35,4%
LIKE for LIKE	95,0%	0,4%	7,1%						102,4%
België	1,9%			1,6%			0,0%	0,0%	3,5%
Frankrijk	0,5%		0,0%	0,3%	-0,3%		0,0%	0,0%	0,5%
Nederland	2,6%			6,1%	-2,7%	5,2%	0,0%	0,5%	11,7%
NON COMPARABLE	5,0%		0,0%	8,0%	-3,1%	5,2%	0,0%	0,4%	15,7%
TOTAAL	100,0%	0,4%	7,1%	8,0%	-3,1%	5,2%	0,0%	0,4%	118,1%

Please note:

A building that has been in the investment portfolio for the last 2 full years (i.e. from 01/01/2018 until 31/12/2019) is considered to be fully comparable between these 2 years. The set of buildings that meet this condition is included in the 'Like-for-Like' analysis. All other buildings are non comparable.

L) Analyse of remaining term to 1st termination option

ANALYSIS REMAINING DURATION TILL 1st BREAK		BE	FR	NL	TOTAL
	Average remaining duration till 1st break	**6,1y**	**3,1y**	**12,3y**	**8,0y**
ERV till 1st break	ERV which expires within 1st year	1.131	1.904		3.035
	ERV which expires within the 2nd year	5.807	1.120		6.927
	ERV which expires between 3rd & 5th year	7.527	5.134	3.048	15.709
	ERV which expires after the 5th year	18.015	1.169	20.895	40.079
	TOTAL	**32.480**	**9.327**	**23.943**	**65.750**
	ERV which expires within 1st year	1,7%	2,9%		4,6%
	ERV which expires within the 2nd year	8,8%	1,7%		10,5%
	ERV which expires between 3rd & 5th year	11,4%	7,8%	4,6%	23,9%
	ERV which expires after the 5th year	27,4%	1,8%	31,8%	61,0%
	TOTAL	**49,4%**	**14,2%**	**36,4%**	**100,0%**
Current Rent till 1st break	Current Rent which expires within 1st year	1.079	1.316		2.395
	Current Rent which expires within the 2nd year	6.082	1.187		7.269
	Current Rent which expires between 3rd & 5th year	8.098	5.128	2.947	16.173
	Current Rent which expires after the 5th year	19.161	1.012	21.208	41.380
	TOTAL	**34.421**	**8.642**	**24.155**	**67.217**
	Current Rent which expires within 1st year	1,6%	2,0%		3,6%
	Current Rent which expires within the 2nd year	9,0%	1,8%		10,8%
	Current Rent which expires between 3rd & 5th year	12,0%	7,6%	4,4%	24,1%
	Current Rent which expires after the 5th year	28,5%	1,5%	31,6%	61,6%
	TOTAL	**51,2%**	**12,9%**	**35,9%**	**100,0%**

M) Analysis of remaining term to end of contract

ANALYSIS REMAINING DURATION TILL END		BE	FR	NL	TOTAL
	Average remaining duration till end of contract	**8,2y**	**5,1y**	**12,3y**	**9,3y**
ERV till end of contract	ERV which expires within 1st year	1.131	1.904		**3.035**
	ERV which expires within the 2nd year	5.807	1.120		**6.927**
	ERV which expires between 3rd & 5th year	7.527	5.134	3.048	**15.709**
	ERV which expires after the 5th year	18.015	1.169	20.895	**40.079**
	TOTAL	**32.480**	**9.327**	**23.943**	**65.750**
	ERV which expires within 1st year	1,7%	2,9%		**4,6%**
	ERV which expires within the 2nd year	8,8%	1,7%		**10,5%**
	ERV which expires between 3rd & 5th year	11,4%	7,8%	4,6%	**23,9%**
	ERV which expires after the 5th year	27,4%	1,8%	31,8%	**61,0%**
	TOTAL	**49,4%**	**14,2%**	**36,4%**	**100,0%**
Current Rent till end of contract	Current Rent which expires within 1st year	1.079	1.316		**2.395**
	Current Rent which expires within the 2nd year	6.082	1.187		**7.269**
	Current Rent which expires between 3rd & 5th year	8.098	5.128	2.947	**16.173**
	Current Rent which expires after the 5th year	19.161	1.012	21.208	**41.380**
	TOTAL	**34.421**	**8.642**	**24.155**	**67.217**
	Current Rent which expires within 1st year	1,6%	2,0%		**3,6%**
	Current Rent which expires within the 2nd year	9,0%	1,8%		**10,8%**
	Current Rent which expires between 3rd & 5th year	12,0%	7,6%	4,4%	**24,1%**
	Current Rent which expires after the 5th year	28,5%	1,5%	31,6%	**61,6%**
	TOTAL	**51,2%**	**12,9%**	**35,9%**	**100,0%**

N) Sustainability Best practices: EPRA sBPR

1) Methodology

The buildings in scope for this sustainability reporting represent ca. 450,000 m². The coverage for the grey electricity reporting amounts to 31.8%, the consumption of fossil fuels (natural gas) 18.3%, and the consumption of water 4.2%, each time as a percentage of the total Montea investment portfolio. These are in each instance buildings where Montea has control over the meters and meter readings, supplemented by data requested from external parties (tenants, system operators, etc.). They are explained in detail where assumptions have been made to arrive at complete and comparable data.

Where 'like-for-like' data are presented, the following methodology was used: (a part of) a site is comparable if the site is in the portfolio for the entire current as well as comparative period. Furthermore, sites were removed from the comparable basis if no activity took place during a significant period. 'ABS' refers to the absolute value of the entire coverage, comparable ("like-for-like") and non-comparable sites.

The reported figures for head office concern only the offices in Erembodegem.

2) ELEC – Total electricity consumption

in kWh	2019	2018
Montea property portfolio	coverage:	31,8%
Elec-ABS	17.815.726	16.969.244
Elec-LFL	12.986.575	13.275.621
Montea Corporate offices		
Elec-ABS	66.595	70.530
Elec-LFL	66.595	70.530

This concerns only the consumption of purchased electricity by tenants via the electricity grid (both 'green' and 'grey'). The green electricity generated by Montea's solar panel installations was not included in the foregoing reporting.

The data of two completed projects (in 2018) were extrapolated in 2018 on the basis of 2019.

3) DHC – Consumption from a heating or cooling network.

Montea does not yet have any sites in its portfolio that are connected to a heating or cooling network.

4) FUEL – Consumption of fossil fuel

in kWh	2019	2018
Montea property portfolio	coverage:	18,3%
Fuel-ABS	10.495.565	8.557.547
Fuel-LFL	3.540.388	3.593.553
Montea Corporate offices		
Fuel-ABS	73.524	101.605
Fuel-LFL	73.524	101.605

The only form of fossil fuel consumed by Montea sites is natural gas. The data for one completed project were extrapolated for 2019 on the basis of 2018. For the Milmort site, data for 2019 were also extrapolated on the basis of 2018 in order to arrive at a full year.

5) E-INTENSITY

in kWh/m²	2019	2018
Montea property portfolio	coverage:	18,3%
Energy-Int	79	70
Energy-Int-LFL	62	63
Montea Corporate offices		
Energy-Int	219	269
Energy-Int-LFL	219	269

The energy intensity is expressed on the basis of the higher reported consumption in kWh, here compared relatively on the basis of the lettable area of the site (kWh / m²).

6) GHG – Combustion of the greenhouse gases on the site ("direct")

in tCO2e	2019	2018
Montea property portfolio	coverage:	18,3%
GHG-Dir-Abs	1.921	1.566
GHG-Dir-LFL	648	658
Montea Corporate offices		
GHG-Dir-Abs	13	19
GHG-Dir-LFL	13	19

Greenhouse gases generated by consumption/incineration on the site are limited to natural gas. A conversion factor of 0.183 kg CO2/kWh (IEA) was used here to calculate the CO2 tonnage.

7) GHG – Off-site incineration of greenhouse gases ("indirect")

in tCO2e	2019	2018
Montea property portfolio	coverage:	31,8%
GHG-Indir-Abs	4.051	3.859
GHG-Indir-LFL	2.953	3.019
Montea Corporate offices		
GHG-Indir-Abs	15	16
GHG-Indir-LFL	15	16

Greenhouse gases generated by off-site consumption/incineration are limited to the generation of grey electricity. A conversion factor of 0.2274 kg CO2/kWh was used to calculate the total CO2 tonnage.

8) GHG-INTENSITY

in kgCO2e/m²	2019	2018
Montea property portfolio	coverage:	18,3%
GHG-Int	16,2	15,1
GHG-Int-LFL	13,1	13,4
Montea Corporate offices		
GHG-Int	44,7	54,1
GHG-Int-LFL	44,7	54,1

The energy intensity is expressed on the basis of the generation of greenhouse gases (direct and indirect) reported above, here compared relatively on the basis of the lettable area of the site (kWh / m²).

9) WATER & WATER INTENSITY – Water consumption & intensity

in m³	2019	2018
Montea property portfolio	coverage:	4,2%
Water-ABS	4.676	4.026
Water-LFL	2.979	2.802
Montea Corporate offices		
Water-ABS	290	290
Water-LFL	290	290

in m³/m²	2019	2018
Montea property portfolio	coverage:	4,2%
Water-Int	0,08	0,07
Montea Corporate offices		
Water-Int	0,45	0,45

10) CERTIFICATION – Sustainable certified sites

in #	2019	2018
Montea property portfolio		
Cert-Tot	3	3

The certificates issued are BREEAM and HQE certificates. There is also one BREEAM application pending.

11) DIVERSITY – Gender diversity among employees

		2019	2018
% man / % woman			
Diversity-Emp	The entire company	64 / 36	67 / 33
Diversity-Emp	Montea Management	88 / 12	71 / 29
Average salary of women (%) of the average salary of men			
Diversity-pay	Salaried employees	80%	70%

12) EMPLOYEE – Training, assessment, incoming and outgoing workers

		2019	2018
Emp-Dev	Personal development (%evaluations)	100%	100%
Emp-new hires	New employees (abs / % of employees at year end)	8 / 28%	6 / 20%
Emp-Turnover	Ex-employees (abs / % of employees at year end)	7 / 24%	3 / 10%

13) EMPLOYEE SAFETY – Work related accidents

		2019	2018
H&S-Emp	Work accidents (# related employees / total # hours)	0,000%	0,000%
H&S-Emp	Inability to work (# days inability to work / total # hours)	0,000%	0,000%
H&S-Emp	Work related death	0,0%	0,0%

14) HEALTH & SECURITY – Health and safety assesments

		2019	2018
		Coverage:	13,2%
H&S-Asset	% of the Health & Safety assesments	100%	100%
H&S-Comp	Incidents of non-compliance with impact on Health & Safety	255	247

The reported scope is limited to fire and safety audits carried out in buildings where the operational control lies with Montea (i.e. multi-tenant sites). The ‘incidents’ reported above are remarks and recommendations by the fire and safety expert. Each comment is given priority and a timeframe is set in consultation with the tenant within which to address the remark. These are usually minor adjustments.

15) GOVERNANCE

		2019	2018
Gov-Board	Composition of the highest governing body	See 13.3.2.1 (iii) Composition	See 5.9.4.2 A (iii) Composition
Gov-Selec	Procedure for the nomination and selecting of the highest governing body	See 13.3.2.1 Composition	See 5.9.4.2 A. Composition Board of Directors
Gov-Col	Prodecure for the managing of Conflicts of Interest	See 13.4 Conflicts of Interest	See 5.9.9 Conflicts of Interest
Compty-Eng	Engagement with society	See 6.5.4 Sustainable business Plan 2030/2050	See 7. Corporate Social responsibility

18.12 Detail of the calculation of APMs used by Montea[84]

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)*	31/12/2019	31/12/2018
Result on sale of property investments	434	3
Variations in the fair value of property investments	70.773	31.975
RESULT ON PORTFOLIO	**71.207**	**31.978**

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)*	31/12/2019	31/12/2018
Financial result	-24.095	-13.366
To exclude:		
Variations in fair value of financial assets & liabilities	12.739	3.127
FINANCIAL RESULT excl. variation in fair value of financial instruments	**-11.356**	**-10.239**

84 None of the EPRA measures were audited by the statutory auditor with the exception of the EPRA earnings, EPRA NAV and EPRA NNNAV. The publication of the data is not mandatory according to the Companies and Associations Code and is not subject to review by public bodies.

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)*	31/12/2019	31/12/2018
Net rental result	68.135	52.068
Operating result (before the result on the portfolio)	61.710	46.053
OPERATING MARGIN	**90,6%**	**88,4%**

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)	31/12/2019	31/12/2018
Financial result	-24.095	-13.366
To exclude:		
Financial income	-57	-91
Variations in fair value of financial assets and liabilities	12.739	3.127
Inteest expenses erlated to leasing debts (IFRS 16)	2.146	-
Activated interest charges	-896	-1.491
TOTAL FINANCIAL CHARGES (A)	-10.164	-11.821
AVERAGE FINANCIAL DEBTS (B)	463.437	449.223
AVERAGE COST OF DEBT (A/B) (*)	**2,2%**	**2,6%**

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 (in EUR X 1 000)	31/12/2019	31/12/2018
Operational result, before result on portfolio	61.710	46.053
Financial income (+)	57	91
TOTAL (A)	**61.767**	**46.144**
Financial charges (-)	11.309	10.237
TOTAL (B)	**11.309**	**10.237**
INTEREST COVERAGE RATIO (A/B)	**5,46**	**4,51**

18.13 Interim and other financial information

For the Company's interim financial information, cf. the interim reports of 31 March 2019, 30 June 2019 and 30 September 2019, which are included in this annual report by way of reference.

18.14 Auditor’s review of historical annual financial information

For the auditor’s review of the Company’s historical financial information, cf. the annual financial reports (in particular the auditor’s report to the general meeting of shareholders of Montea Comm.VA) for financial years 2017 and 2018 which are included in this annual financial report by way of reference.

Annual financial report 2017	“Auditor’s report to the general meeting of shareholders of Montea Comm.VA for the financial year ended on 31 December 2017” (pp. 179-182)
Annual financial report 2018	“Auditor’s report to the general meeting of shareholders of Montea Comm.VA for the financial year ended on 31 December 2018” (pp. 202-206)
Annual financial report 2019	“Auditor’s report to the general meeting of shareholders of Montea Comm.VA for the financial year ended on 31 December 2019” (pp.)

18.15 Pro forma financial information

There was no significant gross change in financial year 2020. Therefore, no pro forma financial information needs to be included.

18.16 Dividend policy

Pursuant to Article 13 of the RREC RD, Montea must pay out, up to the amount of the net positive result for the financial year and after clearing the losses carried forward and after the entry/exit to/from the reserves referred to in 'Point B'. “Addition/withdrawal of reserves” as defined in Section 4 of Part 1 of Chapter 1 of Annex C of the RREC RD, at least the positive difference between the following amounts by way of remuneration for the capital: 80% of the amount determined in accordance with the schedule set out in Chapter III of Annex C; and the net reduction, during the financial year, of the public RREC's debt.

For the forecast of the dividend for the financial year 2021, cf. Section 12.9 "Dividend forecast" of this annual financial report.

For more information on the tax treatment of dividends, in particular for shareholders resident in Belgium as natural persons, cf. the section entitled "Permanent documents" and the section entitled "Risk factors" of this Montea Annual Financial Report.

18.17 Litigation and arbitration

The Board of Directors of Montea Management NV declares that no government intervention, legal proceedings or arbitration proceedings have been initiated in the 12 months prior to the date of this annual financial report which could have a relevant impact on Montea's financial situation or profitability and that, to the best of its knowledge, there are no situations or facts which could give rise to such government intervention, legal proceedings or arbitration proceedings.

18.18 Significant change in Montea’s financial or trading position

Montea’s financial or trading position had not changed significantly as at 31 December 2019.

19. Additional information

19.1 Share capital

Montea's consolidated share capital as at 31 December 2019 amounted to €321,648,192.51 including the cost of the capital increase and the change in the value of treasury shares.

SHARE CAPITAL AND SHARE PREMIUMS (x EUR 1.000)	Capital	Costs capital increase	Capital shares options staff	Subscription premium	Number of shares
ON 31/12/2017	**236.623**	**-3.688**	**3**	**66.641**	**11.610.531**
Contribution in kind	24.541	-346	-1.070	34.250	1.204.161
ON 31/12/2018	**261.164**	**-4.034**	**-1.067**	**100.891**	**12.814.692**
Contribution in kind and stock dividend	60.484	-1.837	273	108.293	2.967.902
ON 31/12/2019	**321.648**	**-5.871**	**-794**	**209.184**	**15.782.594**

The capital is represented by 15,782,594 fully paid-up ordinary shares without nominal value. There are no preference shares. Each of these shares confers one voting right at the General Meeting of Shareholders. These shares therefore represent the denominator for notification purposes in the event of reaching, exceeding or falling below the statutory or legal thresholds (transparency regulations).

The Statutory Manager was authorized by the Extraordinary General Meeting of Shareholders of 15 May 2018 to increase the share capital on such dates and under such conditions as it shall determine, in one or more instalments, to the amount of €240,762,770.66. This authorization is valid for a period of five years from this publication of the minutes of the extraordinary general meeting of shareholders, i.e. until 5 June 2024. This authorization is renewable.

Since 15 May 2018 the authorized capital has already been used four times:

- The indirect contribution in kind of the plot of land in Tiel (NL), where the capital was increased by €16,247,262.08 through authorized capital;[85]
- The public offering, where the registered capital was increased by €58,036,289.04 through authorized capital;[86]
- On 21 May 2019 the merger went through with Bornem Vastgoed NV, which was a subsidiary of Montea, to the tune of 99.5%. The remaining 0.5% of the shares was in the hands of registered external parties. In exchange for the merger, new shares were created and entered in the name of these external partners in the shares register, and the capital was increased by €1,915.72, via authorized capital;
- The optional dividend, whereby on 12 June 2019 the share capital was increased by €2,445,722.28.[87].

[85] The total capital increase amounted to €41,239,983.68 of which €16,247,262.08 were allocated to share capital and €24,992,721.60 to the share premium.

[86] The total capital increase amounted to €160,041,189.60 of which €58,036,289.04 were allocated to share capital and €102,004,900.56 to share premium.

[87] The total capital increase amounted to €8,733,076.63 of which €2,445,722.28 were allocated to share capital and €6,287,354.35 to share premium.

The balance of the authorized capital amounts to €164,031,581.54 on 31 December 2019.

19.2 Articles of Association

The latest version dates from 12 June 2019 following the capital increase in the context of the optional dividend. Any amendment to Montea's articles of association must comply with the rules set out in the Companies and Associations Code, the RREC Act and the RREC RD.

19.2.1 Purpose

Article 4: Purpose

4.1 The company has a single purpose:

(a) “to make real estate property available to users, directly or via a company in which it owns a holding, in accordance with the terms of this Act and in execution of the decisions taken and regulations set under it; and

(b) within the boundaries of the RREC legislation, to own property as stated in article 2, 5°, vi to x of the RREC Act.

(c) in the long term, to conclude or join one or more contracts with a public client, directly or through a company in which it owns equity interest pursuant to the provisions of the RREC Act and the implementing decrees and regulations, if necessary in cooperation with third parties:

(i) "Design, Build, Finance" (DBF) agreements;

(ii) Design, Build, (Finance) and Maintain" (DB(F)M) agreements;

(iii) (“Design, Build, Finance, (Maintain) and Operate" (DBF(M)O agreements); and/or

(iv) public works concession agreements for buildings and/or other immovable infrastructure and services relating thereto, and on the basis of which:

(1) it ensures the provision, maintenance and/or operation for the benefit of a public entity and/or the citizen as end-user, in order to meet a social need and/or to provide a public service; and

(2) it can bear all or part of the related financing, availability, demand and/or operating risk, in addition to any construction risk, without necessarily having rights in rem; or

(3) in the long term, either directly or through a company in which it owns equity pursuant to the RREC Act and the resolutions and regulations adopted pursuant thereto, if necessary in cooperation with third parties, develop, have developed, set up, manage, operate, run or make available to third parties:

(i) facilities and repositories for the transport, distribution or storage of electricity, gas, fossil or non-fossil fuel and energy in general and related goods;

(ii) utilities for the transport, distribution, storage or purification of water and related goods;

(iii) installations for the generation, storage and transport of renewable or non-renewable energy and related goods; or

(iv) waste and incineration plants and related goods.

The term ‘real estate property’ is understood to mean property in the sense of the RREC legislation.
In the context of making property available, the Company may exercise all activities that are associated with the establishment, alteration, renovation, development, acquisition, disposal, management and operation of real estate property.

4.2. The Company may invest on an ancillary or temporary basis in securities that are not property in the sense of the RREC legislation. These investments will be made in accordance with the risk management policy laid down by the Company and will be diversified so that they ensure appropriate risk diversification. The Company may also hold non-allocated liquid resources in all currencies in the form of at-call or term deposits or in the form of any other easily tradable monetary instrument.

The Company may also engage in transactions regarding hedging instruments on condition that they are only to cover interest and exchange rate risk in the context of financing and managing the Company’s property and to the exclusion of any transaction of a speculative nature.

The Company may give or take one or more properties under lease. The activity of leasing property with an option to purchase may only be conducted as a secondary activity, except where this property is intended for a purpose of general interest, including social housing and education (in which case the activity may be conducted as a principal activity).
4.4. The Company may, by way of a merger or in some other way, take an interest in all businesses, companies or partnerships with a similar or supplementary purpose and which are of a nature to promote the development of its business and it may, in general conduct all transactions that are related directly or indirectly to its corporate purpose and well as all acts that are relevant and necessary for the realisation of its corporate purpose.

19.2.2 Conditions relating to changes in capital - Rights, preferential subscription rights and restrictions for each category of existing shares

Article 7– Capital
7.1. Registration and payment of the capital
The company share capital is set at € 321,648,192.51[88] (three hundred twenty-one million six hundred forty-eight thousand one hundred ninety-two euros and fifty-one eurocents) and is represented by 15,782,594 (fifteen million seven hundred eighty-two thousand five hundred ninety-four) shares without par value, and which each represents 1/15,782,594 (one fifteen million seven hundred eighty-thousand five hundred ninety fourth) part of the capital.
7.2. Authorized capital
The business manager is authorised to increase the company share capital on one or more occasions by a maximum amount of €240,762,770.66 (two hundred forty million seven hundred sixty-two thousand seven hundred seventy euros and sixty-six eurocents) on the dates and in accordance with the terms that the business manager will set, in line with article 603 of the Companies Code. In the event of a capital increase that is coupled with the deposit or registration of an issue premium, only the amount assigned to the capital will be subtracted from the residual available amount of the authorised capital.

[88] The notarial deed of 12 June 2019 contains a material error as a result of which it is erroneously stated that the share capital amounts to €327,935,546.86. A rectification deed was drawn up on 23 December 2019.

This authorisation is granted for a period of five years, beginning from the publication of the minutes of the extraordinary general meeting on 15 May 2018.

Any capital increases decided on accordingly by the business manager may be conducted by subscription for cash or contribution that complies with statutory requirements, or by the incorporation of reserves or issue premiums, with or without the creation of new securities. Capital increases may result in the issue of shares with or without voting rights. These capital increases may also take place through the issue of convertible bonds or subscription rights – whether or not attached to another form of security – which may result in the creation of shares with or without voting rights.

The business manager is authorised to rescind or restrict the preference rights of shareholders, including in favour of specific individuals who are not members of the Company’s staff or of its subsidiaries, on condition that an irreducible allocation right to granted to the existing shareholders on the allocation of new securities. This irreducible allocation right complies with the terms set out in the RREC legislation and article 7.4 of the articles of association. This right may not be granted in the event of a contribution in cash in the context of the payment of an optional dividend, under the circumstances stated in article 7.4 of the articles of association.

Capital increases through contributions in kind will be conducted in accordance with the terms set out in the RREC legislation and in accordance with the terms stated in article 7.4 of the articles of association. Such contributions may also relate to the dividend right in the context of the payment of an optional dividend.

Without infringing the authority granted to the business manager, as set out in the paragraphs above, the extraordinary general meeting of 30th September 2014 authorised the business manager to proceed with one or more capital increases in the event of a public takeover bid, under the terms provided for in article 607 of the Companies’ Code and in compliance, where appropriate, with the irreducible allocation right set out in the RREC legislation. The capital increases conducted by the business manager pursuant to the aforementioned authorisation will be charged to the authorised capital that may still be used in accordance with this article. This authorisation does not restrict the business manager’s authority to proceed with other transactions using the authorised capital provided for in article 607 of the Companies’ Code.

If the capital increases decided on pursuant to these authorisations feature an issue premium, after the settlement of any costs, placed in a special, unavailable account called ‘issue premiums’, which, like the capital, constitutes the guarantee for third parties and which cannot be reduced or closed, except by decision taken by the general meeting assembled according the attendance and majority requirements established for a capital reduction, subject to it being incorporated in the capital.

7.3. Acquiring, pledging and disposing of own shares.

The business manager is allowed, for a period of three years from publication in the Belgian Official Gazette of the decision taken by the extraordinary general meeting on 15 May 2018, on behalf of the Company, to acquire, pledge or dispose of the Company’s own shares without a prior decision by the general meeting, on condition that this acquisition or disposal is necessary in order to avoid serious or impending damage for the Company. This authorization shall extend to the acquisition and disposal of the Company’s shares by one or more direct subsidiaries of the Company, within the meaning of the legal provisions concerning the acquisition of the parent company’s shares by subsidiaries.

7.4. Capital increase
Any capital increase will take place under the terms of articles 581 to 609 of the Companies' Code and the RREC legislation.
The Company is forbidden to subscribe directly or indirectly to its own capital increase.
On the occasion of such a capital increase, the business manager will determine the price, any issue premium and the terms of issue of the new shares, unless the general meeting determines them itself.
When issuing shares without par value below par, the summons to the general meeting must expressly make mention of this.
If the general meeting decides to ask for an issue premium, this issue premium must be deposited in an unavailable reserve account that can only be reduced or closed by a decision taken by the general meeting consulting in line with the requirements that apply for amending the articles of association. The issue premium, in the same way as the capital, will have the nature of common collateral in favour of third parties.
Contributions in kind may also relate to the dividend right in the context of the payment of an optional dividend, with or without additional contribution in cash.
In the event of a capital increase by contribution in cash approved by a decision by the general meeting or in the context of authorised capital, the preference right of shareholders may only be restricted or lifted on condition that an irreducible right of allocation is granted to the existing shareholders on allocation of new securities in line with the terms stated in the RREC legislation.
Capital increases by contribution in kind are subject to the terms of articles 601 and 602 of the Companies' Code and must be carried out in accordance with the terms provided in the RREC legislation.
7.5. Capital reduction
The Company may proceed with capital reductions subject to compliance with the statutory requirements therein.
7.6. Mergers, splits and similar transactions
Mergers, splits and similar transactions, as provided for in articles 671 to 677, 681 to 758 and 772/1 of the Companies' Code, will be carried out in accordance with the terms provided in the RREC legislation.
7.7. Capital increases of a subsidiary with the status of an institutional RREC
Any capital increase of a subsidiary with the status of an institutional RREC by contribution in cash for a price that is 10% or more lower than the lowest value of: either (a) a net value per share that dates at the most four months prior to the commencement of the issue, or (b) the average closing price for thirty calendar days prior to the commencement of the issue, will be carried out in accordance with the terms provided in the RREC legislation.

19.2.3 Amendment of the rights of shareholders

Pursuant to Article 657 in conjunction with Articles 558 and 560 of the Companies Code, the rights of shareholders may be amended only by an extraordinary general meeting of shareholders. The document with information on the shareholders' rights as referred to in Article 657 in conjunction with Articles 533ter and 540 of the Company Code can be consulted on Montea's website (www.montea.be).

19.2.4 Procedure for convening annual and extraordinary general meetings of shareholders

Article 20 – General meeting of shareholders
The annual general meeting will convene on the third Tuesday of May at 10.00 am.
If this day falls on a statutory public holiday, the meeting will be held on the previous working day at the same time (Saturdays and Sunday are not working days).
The ordinary or extraordinary general meeting will be held at the Company's registered office or at any other location stated in the letter of summons or in any other way.
The threshold from which one or more shareholders may demand the calling of a general meeting in order to present one or more proposals, and in accordance with article 532 of the Companies' Code, is set at 20% of the whole of the shares with voting rights.
One or more shareholders, who together own at least three per cent (3%) of the Company's share, may in accordance with the terms of the Companies' Code request that the topics to be discussed be included on the agenda of any general meeting and may propose items to be decided on in relation to the topics to be discussed that are on the agenda or that will be included on it.

Article 21 – Attendance at the meeting
The right to attend a general meeting and to exercise a voting right depends on the accounting registration of the shareholder's registered shares at midnight (Belgian time) (referred to below as the registration date), either by registering them in the Company's registered shares register, or by registering them in the accounts of an accredited account holder or settlement institution, regardless of the number of shares owned by the shareholder in the day of the general meeting.
They owners of dematerialised shares who wish to take part in the meeting must submit a certificate issued by their financial intermediary or accredited account holder, stating the number of dematerialised shares registered on the registration date in their accounts in the name of the shareholder and for which the shareholder has indicated that he or she wishes to attend the general meeting. This submission must take place at the latest on the sixth day prior to the date of the general meeting at the register office or at the institutions named in the invitation to attend the meeting. They owners of registered shares who wish to attend the meeting must notify the Company of their intention by ordinary letter, fax or e-mail at the latest on the sixth day prior to the date of the meeting.

Article 24 – Number of votes
Each share entitles the holder to one vote, without prejudice to cases where the voting right provided for in the Companies' Code has been suspended.

19.2.5 Change in control

The transfer of Montea's shares is not subject to any legal or statutory restrictions.

19.2.6 Threshold above which shareholding has to be disclosed

Article 10 – Listing on the stock exchange and disclosure of major holdings
The Company's shares must be allowed to trade on a Belgian regulated market, in accordance with the RREC legislation.
The thresholds which when exceeded will result in a notification obligation under the law in terms of the disclosure of major holdings in issuers whose shares are allowed to be traded on a regulated market, are set at 3%, 5% and any multiple of 5% of the total number of existing voting rights.
Subject to the exceptions provided for in the Companies' Code, no one may attend the Company's general meeting with more voting rights than those linked to the securities that they own, in accordance with article 514 of the Companies' Code, have notified at least twenty (20) days prior to the date of the general meeting.

19.2.7 Provisions concerning members of administrative, managerial or supervisory bodies

Article 11 – Conducting business
11.1. The Company will be managed by a business manager, who must be a managing partner, as designated in these articles of association.
11.2. Appointed as the only statutory business manager for a period of ten (10) years, commencing on 1st October 2006: the public limited company, Montea Management, whose registered office is situated at 27 Industrielaan, 9320 Erembodegem, entered in the register of legal entities for Dendermonde under number 0882.872.026.
11.3. The Company's business manager is a public limited company, which depending on the nature of the actions that are required to be taken in the Company, acts via its board of directors, its permanent representative and, if applicable, the person(s) tasked with the day-to-day management. The directors and the persons tasked with the day-to-day management of the public limited company that is the Company's business manager, may not personally be persons tasked with the day-to-day management of the Company.
11.4. The board of directors of the business manager will number at least three independent directors in the sense of article 526c of the Companies' Code.
Subject to the transitional provisions stated in the RREC legislation, the directors on the board of directors must be natural persons; they must comply with the requirements of dependability and expertise provided for in the RREC legislation and may not come under the scope of the prohibitions stated in the RREC legislation.
11.5. The appointment of the business manager must be submitted in advance for approval to the Financial Services Markets Authority (FSMA).

Article 12 – End of the business manager's mandate
12.1. The statutorily appoint business manager is appointed permanently and its appointment is irrevocable, except by a court, and for legal reasons.
12.2. The functions of the business manager will come to an end under the following circumstances:
- the expiration of the term of its mandate;

- resignation: the business manager may only resign if the resignation is possible in the context of the business manager's undertakings vis-à-vis the Company and insofar as it does not cause the Company any difficulties; the business manager's resignation must be notified by convening a general meeting for which the agenda is to establish the resignation and the measures to be taken; this general meeting must be convened at least one month before the resignation comes into effect;
- the dissolution, declaration of bankruptcy or any other similar procedure relating to the business manager;
- the loss, in terms of all members of the management bodies or the day-to-day management of the business manager, of the requirements of dependability, qualifications and experience required by the RREC legislation; if this should be the case, the business manager or company auditor must convene a general meeting for which the agenda is the establishment of the loss of the requirements and the measures to be taken; this meeting must be convened within six weeks; if one or more members of the management bodies or the day-to-day management of the business manager no longer meet the requirements stated above, the business manager must replace them within one month; after this period, the Company meeting will be convened as set out above; this will be the case in any one instance, subject to the measures that the FSMA might take pursuant to the powers provided by the RREC legislation;
- the prohibition in the sense of article 15 of the RREC Act that all members of the management bodies or the day-to-day management of the business manager might encounter; in this case, the business manager or the company auditor must convene the general meeting for which the agenda is to establish the loss of these requirements and the decisions to be taken; this meeting must take place within one month; if one or more members of the management bodies or the day-to-day management of the business manager no longer meet the requirements stated above, the business manager must replace them within one month; after this period, the Company meeting will be convened as set out above; this will be the case in any one instance, subject to the measures that the FSMA might take pursuant to the powers provided by the RREC legislation.

12.3. In the event of the termination of the functions of the business manager, the Company will not be dissolved. This business manager will be replaced by the general meeting, deliberating in the same way as for an amendment to the articles of association, after being convened by the company auditor or, if there is not one, at the request from any stakeholder, by the temporary administrator appointed by the president of the commercial tribunal, whether this person is a partner or not. The temporary administrator will convene the general meeting within fifteen days of being appointed in the way defined by the articles of association. The temporary administrator is then liable no further for the execution of his assignment.
The temporary administrator will conduct urgent, purely management matters until the time of the first general meeting.

Article 13 – Minutes
The business manager's deliberations will be recorded in minutes that will be signed by him.
These minutes will be recorded in a special register. The delegations, recommendations and votes that are made in writing, as well as any other documents, will be attached to it.
The statements or extracts to be presented in court or elsewhere will be signed by the business manager.

Article 14 – Remuneration of the business manager
14.1. The business manager will receive remuneration established in accordance with the terms defined below pursuant to the RREC legislation.
The business manager will also be entitled to the reimbursement of expenses connected with his assignment.
14.2. The fixed part of the statutory business manager's remuneration will be set annually by the Company's general meeting. This remuneration will not be less than fifteen thousand euro (15,000.00 EUR) on an annual basis.

The variable statutory part is equivalent to zero point two-five per cent (0.25%) of the Company's net consolidated result, with the exclusion of all fluctuations in the fair value of the assets and hedging instruments.
14.3. Calculation of the remuneration is subject to checks by the company auditor.

Article 15 – Powers of the business manager
15.1. The business manager possesses the most extensive powers to conduct all transactions that may be necessary or of value to achieve the corporate purpose, with the exception of dealings that are reserved to the general meeting by law or by the articles of association.
15.2. The business manager will draw up the half-yearly reports, as well as the draft of the consolidated and individual financial statements and annual reports.
The business manager will appoint experts in accordance with the RREC legislation and, where appropriate, will propose any change to the list of experts included in the dossier appended to the application for accreditation as a RREC.
The business manager may transfer his powers in relation to special and specific purposes in full or in part to any authorised representative.
The business manager may, in accordance with the RREC legislation, set the remuneration of any authorised representative to whom special powers are allocated. The business manager may revoke the mandate of this (these) authorised representatives at any time.

Article 16 – Advisory and specialise committees
The business manager's board of directors will establish an audit committee and a remuneration committee in its midst and define their composition, tasks and powers. The business manager's board of directors may also establish one or more consultative committees in its midst and under its responsibility, for which it will define and composition and tasks.

Article 17 – Actual management
Without prejudice to the transitional provisions provided by the RREC legislation, the actual management of the Company will be entrusted to at least two natural persons.
The persons charged with the actual management must comply with the requirements of dependability and expertise, as provided for in the RREC legislation, and may not fall within the scope of the prohibition conditions set out in the RREC legislation.
The appointment of the actual managers must be submitted in advance to the FSMA for approval.

Article 18 – Representation of the Company and signature of documents
Except where there is special transfer of powers by the business manager, the Company will be validly represented in all dealings, including those for which a public or ministry official provides collaboration, as well as in court, either as plaintiff or defendant, by the business manager in accordance with the legal and statutory rules of representation of that business manager/legal entity.
The Company is therefore validly represented by special authorised representatives of the Company within the limits of the mandate assigned to them by the business manager for that purpose.

Article 19 – Audit supervision

The Company will appoint one or more auditors to exercise the functions with which they are charged in accordance with the Companies' Code and the RREC legislation.

The auditor must be approved by the FSMA.

20. Material contracts

No significant agreements have been concluded to date that are not in line with the normal business operations of the Company, of which the Montea group is part.

21. Documents available

The articles of association and deed of incorporation of Montea can be consulted at the Registry of the Ghent Commercial Court, Dendermonde Division. The articles of association may also be consulted at Montea's registered office and on the website www.montea.com.

Montea's statutory and consolidated accounts have been filed with the National Bank of Belgium in accordance with the relevant legal provisions. Resolutions relating to the appointment and dismissal of members of the Board of Directors are published in the annexes to the Belgisch Staatsblad [Belgian Official Gazette]. Notices convening general meetings of shareholders are published in the annexes to the Belgian Official Gazette and in two financial newspapers.

Such notices and all documents (including reports, correspondence, other documents, historical financial information) relating to general meetings of shareholders are concurrently available on www.montea.com. All press releases, annual reports, half-yearly reports and other (historical) financial information of the Montea group can be consulted on www.montea.com and in the Company's Registered Office. The reports of the statutory auditor and of the real estate expert can be consulted in Montea's annual reports, which are available on www.montea.com[89]. They are sent each year to holders of registered shares and to those who have requested them.

The following documents may be consulted in the Company's Registered Office or www.montea.com during period of validity of this annual financial report:

- Montea's Articles of Association;
- All reports, correspondence and other documents, historical financial information as well as valuations and statements made by experts at the request of Montea, some of which are included or referred to in this Annual Financial Report;
- the historical financial information of Montea and its subsidiaries for the two financial years preceding the publication of this annual financial report.

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[89] Hereby Montea confirms that the real estate expert and the auditor have agreed to include their reports in this annual report and the format or context in which these reports are included.

22. Glossary

Acquisition value	Total cost for acquiring property, including transaction cost.
Occupancy rate	The occupancy rate is based on the number of m². When calculating the occupancy rate no account is taken, either in the denominator or in the numerator, of the non-lettable m², intended for redevelopment or held with the land bank.
Gross property yield	The contracted rental income including concession and building rights, divided by the fair value of the property portfolio.
Concentration risk	Concentration risk pursuant to article 30, §1 to 5 of the Regulated Real Estate Companies Act of 12 May 2014.
Covenants	Undertakings entered into by the company with its financial institutions.
Dividend yield	Gross dividend divided by the share price at the end of the period.
EPRA result	This concerns the underlying result of the core activities and indicates to what extent the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) excluding the result on the portfolio and the variations in the real variations of financial instruments. See also www.epra.com.
FBI	Tax Investment Institution within pursuant to Article 28 of the Corporate tax Act of 1969.
FSMA	Financial Services and Markets Authority.
Financial plan	Financial plan within the meaning of Article 24 of RREC RD
Contracted annual rental income	The contracted annual rental income, as agreed in the leases with the various tenants.
Estimated rental value	Estimated rental value per m², as established with the property assessor, taking account of the location, features of the building, type of business, etc., multiplied by the number of m².
Consolidated and single debt ratio	Debt ratio calculated pursuant to art. 23 of the Royal Decree of 13th July 2014 governing regulated property companies.
Average term of lease	The weighted average of the term of the current leases until the first possible break date
Average financial debt	The average of all financial debts over a specific period, excluding the negative value of the hedging instruments
RREC RD	Royal Decree of 13 July 2014 on regulated real estate companies, as amended from time to time
RREC Act	Regulated Real Estate Companies Act of 12 May 2014, as amended from time to time
ICC	Indice de coût de construction [construction cost index]
IFRS	International Financial Reporting Standards.
Investment value	Value of the property portfolio, without

	deductingtransaction costs.
IPO	Initial public offering of Montea shares that expired when these shares were admitted to Euronext Brussels on 17 October 2006.
IRS	Interest Rate Swap.
Optional dividend	A dividend where the shareholder has the option of receiving the dividend payment in cash or in shares
EPRA result	Net result without the result on the property portfolio and without the variation in the valuation of the financial hedgings. We refer to the definition in section 9.9 EPRA Performance measures.
Net initial yield	The contracted annual rental income, including concession and building rights, divided by the acquisition value of the property portfolio.
Net property yield	The contracted rental income, including concession and building rights, divided by the fair value of the property portfolio.
Bonds	The various Montea bond issues: (i) of 28 June 2013 for a total of €30 million; (ii) of 28 May 2014 for a total of €30 million; 30 June 2015 for a total of €50 million.
Operating margin	Net result without taking account of the result on the property portfolio and without taking account of the variation in values of the hedging instruments.
Premium/discount	Difference in % between the share price and the net asset value per share.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.
Fair value	Book value according to IAS/IFRS rules. Value of the property portfolio, including deduction of the transaction costs relating to the property portfolio in France and the Netherlands. For the Belgian property portfolio, the transaction cost is 2.5%
Result on the property portfolio	Negative and/or positive variations in the fair value of the property portfolio + and losses or profits resulting from the realisation of property.
Result on the financial instruments	Negative and/or positive variations in the fair value of the interest rate/hedging instruments, according to IAS39.
SIIC	Sociétés d'Investissement Immobilières Cotées according to Article 208-C of the French Code Général des Impôts (CGI) [General Tax Code].
Insured value	The total new-build value of the buildings, including non-reclaimable VAT.
Velocity	Volume over a specified period divided by the number of shares.
WVV	The Belgian Companies and Associations Code (Wetboek van Vennootschappen en Verenigingen), as amended from time to time.