Annual Financial Report 2020

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MONTEA
SPACE FOR GROWTH

Montea NV 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, the Netherlands, France and Germany (**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 2020 the property portfolio represented a surface of 1,463,071 m² across 74 sites. Montea NV 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 Sole Director and will be submitted to the annual general meeting of shareholders on 18 May 2021.

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 the 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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Dear Shareholder,

The COVID-19 crisis accelerated the trend of e-commerce enormously this past year.

Successive lockdowns, for example, brought about an absolute breakthrough for e-commerce in Europe. The growth of e-commerce this past year proved to be greater than that of the previous five years combined. It is now already clear that this new form of delivery requires additional storage capacity and new real estate solutions.

Montea is addressing this changing demand and was the partner of several innovative projects for our clients in 2020.

We built the first distribution centre in the Benelux for Amazon Logistics at Schiphol last year. Amazon will in future use this building to serve the Randstad area efficiently. Together with DPD, we are developing Belgium's first contemporary logistics centre on two levels in Vilvoorde. The innovative concept teaches us to make better use of the scarce open space. And together with our partners, we have developed the largest distribution centre for DHL Express at the eco-effective water bound business park Blue Gate Antwerp. These are all solutions that respond to the demand for sustainable consumer deliveries in an urban area.

In addition, these innovative projects, we remained true to our logistical growth ambitions. We built a logistics hub in Lyon for Renault, and a new 40,000 m² distribution centre for our client Advitam near Arras. Furthermore, we started building a new 50,000 m² distribution centre in Waddinxveen, which has been largely pre-let to HBM.

Our further growth can be meaningful only if it is sustainable also.

2020 was also the year when it became clearer than ever that sustainability must be an essential component of any business strategy. Sustainable business has always been in our DNA. We aim for sustainable value growth, not profit for profit's sake.

In 2020, we took essential steps to turn that Montea DNA into a clear vision and sustainability strategy for the medium and long term (2030 and 2050 respectively). We appointed the very first Group Energy and Sustainability Manager to steer all concrete actions in the right direction and help us attain all our ambitious objectives. We are therefore proud to present Montea's sustainability objectives in our ESG report together with this Annual Financial Report.

The fundamental drivers of our story remain unchanged.

Low debt, high occupancy and strategic top locations each and every time. Earnings per share rose to €3.50, up 7% compared with last year. The dividend per share that we propose to the general meeting of shareholders is €2.83, up by 11% compared with last year.

We also reconfirm the targets of our growth plan for 2021.

A growth of the result per share to €3.68 and an ambitious growth of the portfolio to €1,450 million by 2021.

Montea naturally owes its excellent results to its expert and enthusiastic group of employees, each of whom brings his or her expertise to bear in order to achieve this exceptional growth. We would also like to thank our customers and shareholders once again for their trust and confidence in us.

Montea remains on course for a strong and sustainable growth story.

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 Sole Director 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 Sole Director 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 EY Bedrijfsrevisoren BV, 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 EY Bedrijfsrevisoren BV, 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 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:

- In case of contribution in cash (unless waived unanimously);
- 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 2020, the fixed emolument for the auditors, EY Bedrijfsrevisoren BV, 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: € 50,377
- Legal tasks: € 20,300
- Tax advice: € 2,000
- Other: € 4,500

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.

Montea has two real estate experts:

(i) The experts for Montea are Jones Lang LaSalle BVBA, Marnixlaan 23, 1000 Brussels, for the assets in Belgium, the Netherlands and France (with the exception of those valued by Stadim CVBA). 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. At the board of directors meeting of 29 March 2021, it was resolved to reappoint Jones Lang LaSalle BV, represented by Rod Scrivener, as property expert for a term of three years commencing on 01/07/2021. The mandate ends by operation of law on 30/06/2024.

(ii) Stadim CVBA, Mechelsesteenweg 180, 2018 Antwerp for certain assets in Belgium, the Netherlands and France. Stadim CVBA will be represented by Anton Braet in the performance of its mandate. Stadim CVBA's mandate has a term of three years, beginning on 01/09/2020 and ending automatically on 30/09/2023.

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 2020, the total amount paid in fees in the context of these assignments was € 160,325 (excl. VAT).

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

1.4 Statement on third-party information

The Sole Director, Montea Management NV, certifies that the information provided by the property experts (Jones Lang LaSalle BVBA, represented by Mrs Greet Hex and Stadim CVBA, represented by Anton Braet) and the certified auditor (EY Bedrijfsrevisoren BV, represented by Joeri Klaykens, acting on behalf of an SPRL) was faithfully reproduced. To the extent that the Sole Director 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.[1]

1.5 Statements on the future

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 Statement on the annual accounts

This annual financial report includes information regarding previous years (2018 and 2019). We refer to the table below for an overview regarding this information:

	2020	**2019**	**2018**
	https://montea.com/investor-relations/financial-reports		
Key figures	✓ *Section 5 page 24*	✓ *Section 5 page 20*	✓ *Section 4 page 36*
Property portfolio	✓ *Section 6.6.4 page 60*	✓ *Section 6.6.4 page 49*	✓ *Section 5.2.4 page 50*
Key ratios	✓ *Section 6.3.8 page 37*	✓ *Section 6.3.8 page31*	✓ *Section 5.3.6 page 62*
Shortened consolidated result statement	✓ *Section 8.1.2.1 page 69*	✓ *Section 8.1.2.1 page 60*	✓ *Section 5.4.1 page 67*
Shortened consolidated statement	✓ *Section 8.1.2.2 page 73*	✓ *Section 8.1.2.2 page 63*	✓ *Section 5.4.2 page 70*
Stock performance	✓ *Section 16.1 page 142*	✓ *Section 16.1 page 126*	✓ *Section 6.1 page 139*
Consolidated financial statement	✓ *Section 18 page 149*	✓ *Section 18 page 133 -> 203*	✓ *Section 8 page 146->227*
Incl. report of the auditor	✓ *Section 18.9 page 207*	✓ *Section 18.9 page 194*	✓ *Section 8.8 pag. 201*

[1] Montea hereby confirms that it has received permission from the property experts 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.

1.7 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. With the 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 EY Bedrijfsrevisoren BV, 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 EY Bedrijfsrevisoren BV, 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. Furthermore, Montea takes into account the significance of the risk based on the probability that it will occur and the expected scope of its negative effect in accordance with the Prospectus Regulation. 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 Montea's financial situation

3.1.1 Fluctuation of interest rates

The short and/or long-term interest rates on the (international) financial markets may fluctuate widely.

With the exception of the financial agreements on the other financial debts[2] and (a part of) the bonds, Montea concludes all its financial debts at a variable interest rate (bilateral credit lines at EURIBOR (3 or 6) months + margin), so that Montea can benefit from any low interest rates. An increase in the interest rate will make financing with loan capital more expensive for the Company. The total financial debt subject to variable interest rates on 31 December 2020 stood at € 405,166,667.

For a further explanation on the fair value of the financial liabilities, cf. Section 18.8.1 (Note 39: Fair value hierarchy, point 4: Financial liabilities). More information on net interest charges is provided in Section 18.8.1 (Note 15: Net interest charges) and an explanation of the interest charges reference in Chapter **Error! Reference source not found.** (subtitle: interest expenses).

For a further explanation of our general financing policy and structure, please refer to sections 9.1 and 9.3.

3.2 Legal and regulatory risks

3.2.1 Public domain and airport zones

3.2.1.1 Concessions and rights of superficies

For certain sites, Montea has a building lease right or a concession right on public domain. In particular, reference is made here to (i) the superficies agreements Montea or its subsidiaries have concluded with Brussels Airport Company (BAC) for sites located in the airport zone and (ii) the concession agreements

2 Montea has a financial debt relating to a current financial agreement of € 931,266 (< 0.2% of the total financial debt). This financial agreement (concerns the acquisition of the shares of Orka Aalst NV, with owned solar panels, located in Aalst, on the site leased to Barry Callebaut) expires in the first quarter of 2028. The existing lease agreement was concluded at the time with a fixed annuity per quarter (including the interest charge).

Montea or its subsidiaries have concluded with North Sea Port Flanders (formerly 'Gent Zeehaven') or with De Vlaamse Waterweg (or with one of its legal predecessors Waterwegen en Zeekanaal or De Scheepvaart[3]).

These building and concession rights are limited in time. These rights may also, for reasons of public interest, be terminated by the lessor/concessionaire before their foreseen expiry date.

The associated risk for Montea is twofold. On the one hand, Montea risks losing its building or concession right on the site, and therefore also its investment / its building(s) on the site prematurely. On the other hand, Montea risks being exposed to claims for damages from the user(s) of that (those) building(s) because together with the building lease or concession right on the site, the user agreement necessarily ends prematurely.

This double risk is however almost always limited by (a) provisions in the user agreement according to which, in case of such termination, the user cannot claim damages from Montea and/or because (b) in case of such termination, the lessor / grantor under the building contract / concession agreement is obliged to compensate the full damage of Montea (including damage claims of the user).

Overall, 20.4% of the value of Montea's property portfolio is subject to this risk as at 31 December 2020.

3.2.1.2 (Safety) regulations

Certain Montea sites located on public property or in airport zone are subject to specific (safety) regulations. If these regulations were to change/strengthen, this could have an impact on the rentability of the properties concerned or in some cases activate certain contractual termination options for the users. Overall, 12.9% of the value of Montea’s real estate portfolio is subject to this risk at 31 December 2020.

For one specific Montea site located within an airport zone[4], the user agreement stipulates that as soon as there is a specific reduction, due to amended legislation concerning the night flight regime, in (a) the number of permitted night flights and/or (b) the permitted load to be transported by means of night flights, the user may request a reduction in the user fee and/or terminate the user agreement prematurely after expiry of a minimum duration.

In the event of a reduction in (a) and/or (b) of >25% to 50%, the user can claim a reduction of approximately 6% in the user fee for the duration of the reduction. This risk is limited, however, by the fact that the superficies agreement provides that in that case Montea in turn must pay approximately 11% less superficies fee, and because the user agreement provides that the user fee becomes due in full once the reduced night flight regime ends.

In the event of a reduction of (a) and/or (b) of more than 50%, the user can, for the duration of that reduction, claim a reduction of approximately 11% of the user fee. This risk is also mitigated by the fact that the building contract provides that in that case Montea, in turn, must pay approx. 22% less building fee, and by the fact

[3] More information about the off-balance sheet obligation (bank guarantee) in favour of Scheepvaart NV can be found in Section 18.8.1 (Note 43: Off-balance sheet liability).

[4] Montea focuses its investments on multi-modal top locations, with a preference for port and airport locations in Belgium, France and the Netherlands. For more information, reference is made to Chapters 12.1 and 12.3.

that the user agreement becomes fully due again as soon as the reduced night flight regime ends. The user agreement also provides that if the reduced night flight regime of more than 50% were to change to a reduced night flight regime of > 25% to 50%, the reduction in the user fee would also change from 6% to 11%.

In addition to a reduction in the user fee, the User also has the option, in the event of a reduced night flight regime within the above percentages (i.e. from > 25% of (a) and/or (b) above), to terminate the user agreement prematurely from the expiry of a minimum duration. This risk is also limited by the fact that, as stated, the user agreement can only be terminated after a minimum duration has expired, and also by the fact that the user then owes Montea a fixed compensation equal to the amount of the user fee for 1 year which is owed at that time.

To date this risk (changed legislation concerning the night flight regime & corresponding reduction of the user fee or premature termination) has not arisen under this user agreement.

3.2.2 Legislative and fiscal framework for public real estate investment trusts[5]

As a regulated investment trust (REIT) Montea enjoys a favourable tax regime. The results (rental income and capital gains on sales less operating costs and financial charges) are exempt from corporate tax at the level of the REIT (but not at the level of the subsidiaries). Dividends paid out by an REIT are subject to a withholding tax rate of, in principle, 30%. However, this favourable tax regime is also subject to obligations and restrictions to which Montea must adhere. As an REIT, Montea can invest a maximum of 20% of its consolidated assets in "other real estate" as defined in Article 2, 5° vi to xi of the REIT Act. This limit has not been exceeded by Montea as of 31 December 2020.

If recognition of REIT status is lost, which presupposes a serious and persistent failure by Montea to comply with the provisions of the REIT ACT or the REIT Royal Decree, Montea would lose the benefit of this favourable tax regime.

In addition, such loss of recognition usually results in Montea being required to repay loans early or at an accelerated rate. Finally, Montea is exposed to the risk of future changes to the REIT regime.

3.2.3 Legislative and fiscal framework or FBI[6]

FBI status application for Montea Nederland NV and subsidiaries

In order to carry out real estate investments in the Netherlands, in September 2013 Montea filed for the application of the tax investment institutions (‘*Fiscale Beleggingsinstelling’*) (FBI) regime 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.

[5] For more information on the content of the REIT status, cf. Chapter 10.1
[6] For more information on the content of the FBI status, cf. Chapter 10.3.

In 2016, with reference to certain case law of the Dutch Supreme court, the Dutch tax authorities developed a new view in their policy concerning what the shareholder test will entail. As a shareholder of its FBI (foreign investment institution) subsidiary Montea Nederland BV, the Company would have to show that it can itself be considered as an FBI. Only then can the Company be considered as a qualified shareholder under the FBI regime in the view of the Dutch tax authorities.

Consultations are being held between the Dutch tax authorities, the Dutch Ministry of Finance and the Company on how this can be implemented. In January 2020, the Ministry officially announced that it is not possible to give this interpretation in concrete terms at this time, in particular because it depends on the outcome of ongoing legal proceedings between the Dutch tax authorities and foreign investment funds regarding the refund of dividend tax, which the Ministry does not wish to anticipate. It follows from the judgment of the European Court of Justice of 30 January 2020 (case Köln vs. Aktienfonds Deka) that a foreign body wishing to avail itself of the Dutch FBI regime must meet comparable requirements. This should be tested against the (underlying) purpose of the FBI requirements in question.

Montea maintains ongoing constructive contacts with the Dutch tax administration and the Dutch ministry on the concrete application of the rulings already published and on the comparability of Montea with Dutch institutions with FBI status. Such contacts are aimed at obtaining the FBI regime for Montea Nederland NV and its subsidiaries.

Future of the FBI regime

Furthermore, the Dutch government is looking into whether an adjustment of the FBI regime in general and for real estate funds in particular is necessary, possible and feasible in the long run. Changes to the policy are not expected before 2022.

Accounting treatment and financial impact up to 2020[7]

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 REITs with existing agreements concerning FBI status.

Montea Nederland NV[8] has taken the position in its corporate tax returns for 2015 to 2019 that it qualifies for FBI status which means that it owes zero corporate tax. The Dutch tax inspector has however imposed a (provisional) assessment for 2015 to 2019 taking into account the regular corporate tax rate. In view of the applicable tax rate (basically 8%), Montea has opted to pay these provisional assessments (i.e. a total amount of € 8.2 million for these 5 years).

Montea has received final corporate income tax assessments for 2015 and 2016 (response period for Dutch tax administration would expire for these years). For 2015, this assessment was € 0.1 million higher than the tax return filed. Montea has lodged objections against the final assessments for 2015 and 2016. Montea has

[7] For the accounting treatment, see also Section 18.8.1 (Note 26: Tax receivables and other current assets)

[8] And its Dutch subsidiaries.

also entered the same total amount (€ 8.2 million) as a receivable in its accounts. If FBI status is granted, this full amount will be repaid. If FBI status is refused, however, the assessments were paid correctly and the claim must be written off and would consequently have a material negative impact on Montea's profitability. Montea Nederland NV[9] has complied with the requirement to pay out dividends under the FBI regime every year and has thus paid € 1.5 million in dividend tax for the period 2015 to 2019 inclusive. The dividend tax payments in 2016, 2017 and 2018 were the subject of automatic reduction requests. Objections have been lodged to the dividend tax payments in 2019 and 2020. The dividend tax may be recovered if FBI status is refused after all. The total impact with regard to the years 2015 to 2019 would therefore be € 6.7 million or € 0.42 per share (12% of the EPRA earnings 2020).

Unless events occur that show that a different course of action should be taken, Montea intends to apply the same method for 2020. An amount of approximately € 3.5 million will be paid by way of the provisional corporate income tax assessment for 2020. The figures for 2020 include a debt of € 3.5 million and a receivable of € 3.5 million for this. An amount of ca. € 0.7 million will be provided for the dividend tax due after the pay-out requirement has been met. The impact of not obtaining FBI status for 2020 would therefore be € 2.8 million or € 0.17 per share, i.e. the amount of the expected provisional tax assessment for 2020 less the aforementioned amount of dividend tax.

Accounting treatment and financial impact 2021

Despite the fact that Montea does not yet have approval from the Dutch tax authorities on FBI status, it has conducted its accounting up 2020 as if it had already obtained such status, based in the 'level playing field' principle with other sufficiently comparable Belgian REITs with existing agreements regarding the FBI status. Based on new facts (withdrawal of the fiscal ruling as of 1 January 2021 in case of sufficiently similar Belgian REITs), for the sake of caution, Montea has taken into account in its 2021 forecasts the possibility that the FBI status could be refused for the period starting on 1 January 2021. A provision of € 2.9 million was accordingly included in the 2021 outlook (via the income statement), i.e. the difference between the fiscally transparent status of FBI and the regular taxed sphere.

Supported by European law, Montea's efforts remain nonetheless focused on being able to apply the FBI status in the Netherlands as of 2021. The 2021 tax return will therefore be submitted in an FBI capacity since Montea continues to believe that it meets all the conditions to be able to claim such status.

3.2.4 Legislative and fiscal framework for SIIC[10]

For its real estate investments in France, the Company has opted for the tax system of the listed real estate investment trusts ("*Sociétés d'Investissements Immobiliers Cotées (SIIC)*") (hereinafter referred to as "SIIC"), in accordance with Article 208-C of the Code Général des Impôts français ("CGI"). The main advantage of this scheme consists of an exemption from French corporate tax for certain income derived from real estate (rents, capital gains on property, property income from subsidiaries), largely modelled on the REIT scheme in Belgian corporate tax.

A number of special conditions are attached to the system. For example, the Company must be listed on a French or foreign regulated market and the object of the Company must be geared primarily to the acquisition

[9] And its Dutch subsidiaries.
[10] For more information on the content of the SIIC status, cf. Chapter **Error! Reference source not found.**.

or construction of immovable property with a view to leasing, or the acquisition of a direct or indirect equity interest in companies with a similar object.

If the Company were to lose its SIIC status, e.g. because it no longer complied with one or more conditions under French law, it will be required to make a number of subsequent payments for French corporate income tax purposes. The Company estimates the annual financial impact in such case at €0.06 per share maximum[11] based on the earnings in 2020, without taking into account growth assumptions of the current portfolio.

3.3 Risks relating to the corporate structure of Montea

3.3.1 Risks relating to the Sole Director

In its capacity as controlling shareholder of the Sole Director[12], the De Pauw Family has an important influence, as it determines who will become director of the Sole Director, 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 Sole Director is present. The Sole Director 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 Sole Director 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.

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 2020, Montea had € 79.8 million in borrowed bonds and € 380.2 million in lines of credit at its disposal.

3.4 Risks relating to Montea's property portfolio

For build-to-suit projects, Montea sometimes enters into an agreement with a developer under the terms of which it undertakes to purchase the building in question (or the company to which the building belongs) at a price agreed in advance, provided that a number of conditions precedent are met. These conditions precedent relating in particular to the delivery of the guarantee, the first rent payment, obtaining the

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[11] Calculated here on the weighted average number of shares as at 31 December 2020. The maximum annual impact if SIIC status is lost is estimated at € 1.0 million.

[12] For more information regarding the structure of the Sole Director within Montea, please refer to Section 13.1.1 Corporate Governance Code 2020 and Section 13.3 Administrative management and supervisory bodies and management.

necessary permits and the provisional handover of the building. If the building is delivered later than planned or if one or more of the conditions precedent are not met, Montea may decide not to take over the building (or the company to which the building belongs), or to do so only at a later date, which may have an impact on the projected results of Montea and its future property portfolio.[13]

Overall, 0.8% of the value of Montea's property portfolio is subject to this risk as at 31 December 2020.

[13] For more information on the projected results and Montea's future property portfolio, cf. Chapter 12 Profit forecasts and estimates.

4. Data on 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, the Netherlands and Germany.

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 changed its legal form on 9 November 2020 from a partnership (*commanditaire vennootschap op aandelen)* to a limited liability company (*naamloze vennootschap*. It falls under Belgian Company Law.

The Montea NV registered office in Belgium is located at 27 Industrielaan, 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 SA, 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 head office of Montea Nederland NV is located at 1 Ellen Pankhurstraat, 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

		BE	FR	NL	31/12/2020 12 months	31/12/2019 12 months
Real estate portfolio						
Real estate portfolio - Buildings (1)						
Number of sites		**34**	**18**	**22**	**74**	**69**
Surface of the real estate portfolio						
Logistics and semi-industrial warehouses	m²	645.450	202.702	313.965	1.162.118	1.073.248
Offices	m²	65.724	17.774	30.598	114.096	103.334
Land - rent	m²	6.512	0	180.345	186.858	163.010
Total surface	**m²**	**717.686**	**220.476**	**524.909**	**1.463.071**	**1.339.593**
Development potential (m²) - rent	m²	32.562	0	840.216	872.778	753.542
Development potential (m²) - portfolio	m²	132.007	112.204	160.120	404.331	368.743
Development potential (m²) - in research	m²	0	70.000	0	70.000	0
Development potential (m²) - in option	m²	79.137	0	0	79.137	224.137
Total surface - development potential (m²)	**m²**	**243.706**	**182.204**	**1.000.336**	**1.426.246**	**1.346.422**
Value of the real estate portfolio						
Fair value (2)	K€	607.984	198.833	473.291	1.280.108	1.083.085
Investment value (3)	K€	623.287	212.832	515.709	1.351.828	1.134.150
Occupancy Rate (4)	%	**99,7%**	**97,1%**	**100,0%**	**99,4%**	**99,3%**
Real estate portfolio - Solar panels						
Fair value	K€	24.428	0	5.327	29.755	12.195
Real estate portfolio - Projects under construction						
Fair value (2)	K€	9.964	2.372	42.254	54.590	64.004
Consolidated results						
Results						
Net rental result	K€				69.597	65.063
Property result					74.374	68.135
Operating result before the porfolio result	K€				67.635	61.710
Operating margin (5)*	%				90,9%	90,6%
Financial result (excl. Variations in fair value of the financial instruments) (6)*	K€				-10.950	-11.356
EPRA result (7)*	**K€**				**55.778**	**49.997**
Weighted average number of shares					**15.916.319**	**15.229.606**
EPRA result per share (8)*	**€**				**3,50**	**3,28**
Result on the portfolio (9)	K€				107.308	71.207
Variations in fair value of the financial instruments (10)	K€				-8.077	-12.739
Net result (IFRS)	**K€**				**155.009**	**108.465**
Net result per share	**€**				**9,74**	**7,12**
Consolidated balance sheet						
IFRS NAV (excl. minority participations) (11)	**K€**				**815.311**	**680.029**
EPRA NRV (12)*	**K€**				**911.747**	**747.734**
EPRA NTA (13)*	**K€**				**845.722**	**702.535**
EPRA NDV (14)*	**K€**				**817.356**	**682.907**
Debts and liabilities for calculation of debt ratio	**K€**				**531.279**	470.104
Balance sheet total	**K€**				**1.398.921**	**1.193.698**
Debt ratio (15)	**%**				**38,0%**	**39,4%**
IFRS NAV per share	**€**				**50,88**	**43,09**
EPRA NRV per share (16)*	**€**				**56,90**	**47,38**
EPRA NTA per share (17)*	**€**				**52,78**	**44,51**
EPRA NDV per share (18)*	**€**				**51,01**	**43,27**
Share price (19)	**€**				**93,10**	**81,00**
Premium	**%**				**83,0%**	**88,0%**

1) Inclusive of real estate intended for sale.
2) Accounting value according to the IAS/IFRS rules, exclusive of real estate intended for own use.
3) Value of the portfolio without deduction of the transaction costs.
4) The occupancy rate is calculated on the basis of m². When calculating this occupancy rate, neither the numerator nor the denominator was taken into account for the unleased 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 property result. See section 4.
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. See section 4.
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 3.
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 3.
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 4.
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 Net Reinstatement Value: NRV assumes that entities never sell assets and aims to represent the value required to rebuild the entity. The aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, including real estate transfer taxes. Cf. www.epra.com and section 3.
13) * EPRA Net Tangible Assets assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax. This is the NAV adjusted to include properties and other investments at their fair value and exclude certain line items that are not expected to take shape in a business model with investment properties over the long term. Cf. www.epra.com and section 3.
14) * EPRA Net Disposal Value provides the reader with a scenario of the disposal of the company's assets resulting in the settlement of deferred taxes and the liquidation of debt and financial instruments. Cf. www.epra.com and section 3.
15) Debt ratio according to the Royal Decree of 13 July 2014 on regulated property companies.
16) * EPRA NRV per share: EPRA NRV per share is calculated by dividing the EPRA NRV by the number of shares outstanding at period end. Cf. www.epra.com and section 3.
17) * EPRA NTA per share: EPRA NTA per share is calculated by dividing the EPRA NTA by the number of shares outstanding at period end. Cf. www.epra.com and section 3.
18) * EPRA NDV per share: EPRA NDV per share is calculated by dividing the EPRA NDV by the number of shares outstanding at period end. Cf. www.epra.com and section 3.
19) Share price at the end of the period.

6. Overview of business activities

6.1 Core 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 3 of the articles of association):

"3.1 The Company's object is exclusively:

(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 the RREC and in execution of the decisions taken and regulations set under it; and

(b) within the boundaries of the RREC legislation, to own property within the meaning of the RREC legislation. If the RREC legislation changes in the future and designates other types of assets as real estate within the meaning of the RREC legislation, the Company will also be allowed to invest in these additional types of assets.

(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" (DEF(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:

(i) 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

(ii) 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

(d) 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.

(e) the initial holding of less than 25% of the capital or, if the company concerned has no capital, less than 25% of the equity of a company in which the activities referred to in Article 4.1, (c) above are carried out, insofar as said equity interest is converted into an equity interest in accordance with the provisions of the REIT legislation within two years, or any longer period required by the public entity with which the contract is concluded in this respect, following the end of the construction phase of the PPP project (within the meaning of the REIT legislation) as a result of a transfer of shares.

If the REIT legislation should be amended in the future and authorize the Company to perform new activities, the Company will also be authorized to perform those additional activities.

For the provision of immovable property, the Company may, in particular, carry out all activities relating to the creation, reconstruction, renovation, development, acquisition, disposal, management and operation of immovable property.

3.2 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.

3.3 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).

3.4 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 and since 2020 also in Germany.

For the breakdown of the total revenues for financial year 2020 by geographical markets and by categories of business overview, cf. Section 18.8.1 (Note 1: Rental income) and Section 18.11 (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 2018 and 2019.

Annual financial report 2018	Note 1 to the consolidated financial accounts (p. 164-166)
Annual financial report 2019	Note 1 to the consolidated financial statement (p. 158-161)

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 2018 and 2019 which are included in this annual financial report by way of reference.

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)
Annual financial report 2020	“Significant achievements during the financial year” (p. 30-40)

6.3.2 Rental activity in 2020

Occupancy rate of 99.4%

The occupancy rate on as at 31 December 2020 was 99.4% compared with 99.3% at the end of 2019. Of the 7% of leases that expired in 2020, 99% could be renewed.

The limited vacancy is in Le-Mesnil-Amelot (FR) previously leased to Autoclick and UTC Aerospace.

Long-term partnership with DPD Belgium[14]

The French courier company DPD is investing € 60 million in new depots in our country. The lion’s share (€ 50 million) is being pumped into a brand new, fully automated sorting centre on a Montea site in Vilvoorde. This partnership between the two companies is no coincidence: e-commerce is booming in Belgium like never before due to the coronavirus crisis. This consideration and the strategic location of the site, have moreover induced DPD Belgium to commit immediately to a minimum of 27 years so as to make parcel delivery in our country even smoother.

Belgian e-commerce is on the up and up. Belgian web shops generated a combined turnover of € 8.2 billion last year. That is an increase of 17% compared to the situation in 2018. In the meantime, the number of transactions is also going up and the number of Belgian web shops is growing robustly, as can be gauged from the most recent E-commerce Barometer. Experts expect these figures to increase even more in the coming months due to the coronavirus crisis.

Riding on that crest, Montea and DPD Belgium have entered into a long-term agreement. DPD Belgium (part of the French Postal Service) wants to invest even more in Belgium, because the market for e-commerce continues to grow in our country also. In addition, the French company is investing € 60 million in new depots in Belgium, € 50 million of which in a fully automated sorting centre of approximately 9,000 m² to be located on a Montea site in Vilvoorde (59,500 m²).

[14] Cf. press release of 22/09/2020 or www.montea.com for more information.

Strategic partnership

The site where the two-storey innovative building is to be erected is located on the Tyraslaan near the Vilvoorde exit on the Brussels Ring Road and close to several approach roads to the centre of Brussels. Given its strategic location, DPD wants to commit itself for at least 27 years, while investing in the development of the building. This project will enable DPD to bolster and continue its growth in Belgium. A sustainable delivery is clearly vital in this context. A survey by the French player has in fact shown that no less than 66% of Belgian online shoppers expect companies to take their responsibility towards the environment.

Growing e-commerce

For Montea, this naturally means another long-term investment in a strategic location. The site was acquired in 2017 with the growing e-commerce sector and the future importance of fast distribution in our country in mind. Montea was therefore also looking for a suitable partner to set up a successful joint project. As a result of this partnership, Montea remains the owner of the land and DPD leases it by means of a long lease while remaining the owner of the building for the term thereof. The transaction is carried out at an initial yield of 6.0% and was supervised by Jones Lang Lasalle.

"The Coronavirus crisis is fuelling the demand for regional distribution centres. In the wake of the development of DHL Express on Blue Gate, this project is once again responding to this demand. Furthermore, we are particularly proud to be involved in the first two-storey distribution building in Belgium --- an innovation for the sector that addresses the need to use scarce space sparingly. " **Jo De Wolf, CEO Montea.**

Impact of COVID-19 on rental activity and customer payment behaviour

The COVID-19 crisis had little impact on Montea's activities in 2020.

The risk of non-payment is minimized thanks to its quality and diversified customer portfolio (in geographic as well as sector and site terms). The warehouses remain operational and have even increased their activity in certain cases. Montea is aware of the challenge some of its customers are up against. Requests from tenants to spread the rent owed over time are considered on a case-by-case basis in order to find a balanced solution. Montea has not granted any rent reductions or waivers.

The spread rental sums as a result of the agreements concluded amounted to ca. € 0.5 million at the end of 2020. A provision was earmarked for the totality of these spreads in the 2020 income statement for the sake of prudence.

Montea collected 99% of the rent invoices payable in 2020. Today, the same percentage (99%) of the expired rental invoices of January 2021 (monthly rentals) and the first quarter of 2021 (quarterly rentals) have been received.

6.3.3 Investment activity in 2020

6.3.3.1 Acquisitions

The total acquisition volume in 2020 amounted to € 48 million. All acquisitions were made at an investment value lower than or in line with the value determined by the independent property expert. When fully let, Montea generates a net initial yield of 5.9% exclusive of land reserve, and of 4.9% inclusive of land reserve. All acquisitions are located in the Netherlands.

6.3.3.2 Overview of acquisitions in 2020

Logistics Park A12, Waddinxveen (NL)[15]

In August 2020, Montea exercised its option on a site of ca. 120,000 m² in Waddinxveen. The investment value of the land amounted to ca. € 25 million. The land holds the possibility of a new distribution centre of ca. 100,000 m². Montea will start construction of the first phase in 2021, with a 50,000 m² distribution centre being developed. HBM Machines B.V.**[16]** was the first tenant to sign a lease for a fixed 10-year term for 36,000 m² in this development.

Acquisition of industrial estate, Echt (NL)[17]

In December 2020, Montea acquired a site located between the A2 motorway and the Juliana Canal at the Echt exit. The site is let fully under a triple-net lease for a 15-year term. The site has a total area of ca. 120,000 m², a significant expansion of the yielding land bank, and therefore of Montea's future development potential. This operation represents an investment value of ca. € 23 million.

[15] Cf. press release of 13/03/2017 or go to www.montea.com for more information.
[16] See press release of 21/12/2020 or go to www.montea.com for more information.
[17] Cf. press release of 21/12/2020 or go to www.montea.com for more information.

6.3.4 Development activity in 2020

6.3.4.1 Projects delivered in 2020

An area of ca. 55,000 m² in pre-let projects and ca. 18,000 m² in pre-let sites (parking) were delivered in 2020 for a total investment amount of € 61 million (excluding the investments for solar panels) at a net initial yield of 7.0%. The average term of the leases until first termination option is 13 years.

- **Saint-Laurent-Blangy (FR)** [18]
  - Start of development: Q2 2019.
  - Surface area: ca. 33,000 m² storage space and 1,900 m² office space
  - Leased for 20 years to Groupe Advitam
  - Investment value: ca € 22 million
  - Delivery: 15/06/2020

- **Meyzieu (FR)** [19]
  - Start of development: Q3 2019
  - Surface area: ca 10,000 m² storage space
  - Leased for 9 years to Renault
  - Investment value: ca € 13 million
  - Delivery: 15/06/2020

- **Schiphol Airport (NL)**
  - Acquisition of the plot of land (21,500 m²) in 2019
  - Start development: Q1 2020
  - Surface area of distribution centre: ca. 9,000 m²
  - Office space: ca 1,000 m²
  - Leased for 10 years to Amazon Logistics
  - Investment value: ca € 17 million
  - Delivery: 15/10/2020

- **Schiphol Airport – parking plot 1 (NL)**
  - Acquisition of the plot of land: Q3 2020
  - Start of development: Q4 2020
  - Delivery: 01/12/2020
  - Entry into force of lease: 01/12/2020
  - Surface area of the site: 17,900 m² (331 parking spaces)
  - Leased for 10 years to Amazon Logistics
  - Investment value (land + development): ca. € 9 million

[18] See press release of 04/04/2019 or go to www.montea.com for more information.
[19] See press release of 19/09/2019 or go to www.montea.com for more information.

Impact of COVID-19 on project developments

The projects were delivered on time, in accordance with the arrangements made in the leases, despite a temporary interruption of about one month in April 2020 in France due to the measures taken by the competent authorities.

6.3.4.2 Identified projects in progress in 2021

In addition, Montea has identified a number of projects that are to be delivered or started in 2021, for a total investment of ca. € 163 million.[20] These are mainly sites under Montea's control for which, given the unique location and the current rental market, the company expects to find a customer in the short term and thus to start the construction work.

- **Schiphol Airport - parking plot 2 (NL)**
    - Acquisition of the plot of land: Q4 2020
    - Start of development: Q4 2020
    - Entry into force of lease: Q2 2021
    - Surface area of the site: 4,400 m² (60 parking spaces)
    - Leased for 10 years to Amazon Logistics
    - Investment value (land + development): ca. € 2 million

- **Circular and climate-neutral Blue Gate industrial estate in Antwerp, Belgium** [21]
    - Start of development: Q4 2019
    - Delivery: 08/01/2021
    - Surface area: ca. 4,250 m² distribution centre (urban distribution with electric vehicles, cargo bikes)
    - 15-year fixed lease to DHL Express
    - Investment value: ca. € 10 million

- **Logistics Park A12, Waddinxveen (NL)**
    - Surface area of the site: 120,000 m²
    - Acquisition of the plot of land: Q3 2020
    - Estimated investment budget for land + development: ca. € 80 million
    - **Development phase 1:**
        - Surface area: ca. 50,000 m² storage space
        - Start of development: Q1 2021
        - Expected delivery: Q1 2022
        - Leased area: ca. 36,000 m²
        - Tenant: 10-year fixed lease to HBM Machines B.V.[22]
        - Renting out during the development phase: ca. 14,000 m²
    - **Development phase 2:**
        - Expected surface area of storage space: ca. 50,000 m²
        - Start of development: after commercialization (< Q4 2021)

[20] Of which € 40.8 million were already invested as at 31/12/2020
[21] See press release of 19/12/2019 or go to www.montea.com for more information.
[22] See press release of 21/12/2020 or go to www.montea.com for more information.

- **Extension + parking, De Hulst, Willebroek (BE)**
  - Start of construction: Q2 2021
  - Entry into force of lease: Q4 2021
  - Surface area of parking plot: 7,250 m² (75 parking spaces and 76 truck parking spaces)
  - Surface area cross dock: ca. 2,000 m²
  - Leased for 15.5 years to Dachser Belgium N.V.
  - Investment value: ca. € 2.5 million

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

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

- **Refurbishment projects of existing sites (BE)**[23]
  - Start refurbishment: at the end of the current lease (< Q4 2021)
  - Estimated investment budget: ca. €15 million

- **St-Priest industrial estate (FR)**
  - Acquisition of the plot of land (70,000 m²) in 2022
  - Investment budget for land: ca. € 7 million

6.3.5 Developments in the PV portfolio

The investments in PV installations in 2020 were to bring the total capacity of solar panels to 38 MWp by the end of that year, good for the generation of 35,500 MWh, comparable to the energy consumption of more than 10,000 families or an equivalent CO_2 reduction of 565 hectares of forest. Montea has proceeded to PV installations on the roofs of its Belgian and Dutch portfolio for the time being. In 2021, the first PV installations will be installed on the roofs of the French portfolio.

[23] As part of its sustainability strategy, Montea decided to review the previously planned redevelopments in Aalst and Vorst. In Aalst, Montea decided to reinstate the building as it structurally meets today's requirements. A first phase has already been carried out by renovating the roof and adapting the insulation so that it complies with contemporary standards. The strategy was also changed in Vorst, where initially the two buildings let to Unilever were to be redeveloped. Montea decided to upgrade the current building, where until recently Lipton tea was produced, to a future-proof location, while the second building will be demolished to make way for a new state-of-the-art warehouse.

6.3.5.1 Projects completed in 2020

14 new PV installations on the roofs of Belgian portfolio came into operation in 2020 for a total investment cost of ca. € 11.6 million. With these new installations, the PV plants in Belgium generate ca. 22.500 MWh, i.e. the annual energy consumption of almost 6,500 families.

6 new PV plants were installed in the Netherlands, for a total investment cost of € 4.7 million. The solar panel capacity in the Netherlands will thus be brought to ca. 14.5 MWp, a level needed to cover the annual consumption of 3,800 families.

6.3.5.2 Projects expected after 2020

In the meantime, Montea has actually equipped ca. 81% of all the roofs of its warehouses in Belgium with PV installations. The ambition is to increase this percentage to 95%, the maximum technical capacity of the current portfolio. An investment budget of approximately € 2.7 million is earmarked to that end.

38% of the portfolio of warehouses in the Netherlands has already been fitted with solar panels. That percentage will be increased to 60% in 2021. An investment budget of approximately € 9.1 million is earmarked to that end.

In addition to Belgium and the Netherlands, PV installations are also planned in France as of 2021. An investment budget of ca. € 4 million has been earmarked to that end.

After this operation, the total generation by Montea's PV installations will correspond to the annual consumption of 16,300 families and an equivalent of 950 hectares of forest will be saved in terms of CO_2.

6.3.6 Divestment activity in 2020

No divestments took place in 2020.

6.3.7 Further strengthening and diversification of financing structures

10/06/2020
Optional dividend results[24]

A total of 64.22% of the coupons no. 22 (representing the dividend for the 2019 financial year) were exchanged for new shares. A total of 241,100 new shares were issued for a total issue amount of € 18,004,383.60 (€ 4,913,618.00 in capital and € 13,090,765.60 in issue premium) under the authorized capital. The newly created shares were admitted to trading on Euronext Brussels and Euronext Paris as of 15 June 2020. The authorized capital of Montea is represented by 16,023,694 shares.

[24] Cf. press release of 11/06/2020 or go to www.montea.com for more information.

Financing activities

In addition, Montea was able to commit € 175 million in new financing with a weighted average term of 5.4 years in the second quarter of 2020. Furthermore, credit lines coming to maturity in 2020 and some lines coming to maturity in 2021 were extended.

Impact of COVID-19 on financing activities

In view of the uncertainties caused by the COVID-19 pandemic, Montea has continued to work on strengthening its financial structure, such as a debt ratio[25] of 38.0% and an Interest Coverage Ratio of 6.2x. All other things being equal, Montea has covered its financing needs (obligations including expected expenditures for projects not yet committed in accordance with the prospect of portfolio growth) until August 2021. Montea currently has an undrawn capacity of € 106.5 million in credit lines.

Montea always considers all possible forms of financing. Access to the debt market was not restricted for Montea as a result of COVID-19 thanks to its track record, low debt ratio of 38.0% and the property class (logistics) in which it operates. Taking into account the uncertainties caused by COVID-19, Montea has decided to increase the available debt capacity, which will entail additional financial costs in the form of a reservation fee for the future.

The average cost of debt decreased from 2.2% in 2019 to 1.9% in 2020.

6.3.8 Proposal to pay out a gross dividend of € 2.83 per share

Based on the EPRA earnings of € 3.50, the board of directors of the sole director of Montea will propose a dividend of € 2.83 gross (€ 1.98 net) per share, based on a pay-out ratio of 80%. This means an 11% increase in the gross dividend per share compared with 2019 (€ 2.54 gross per share), despite the 5% increase in the weighted average number of shares as a result of the optional dividend (creation of 241,100 new shares).

KEY RATIO'S	31/12/2020	31/12/2019
Key ratio's (€)		
EPRA result per share (1)	3,50	3,28
Result on the portfolio per share (1)	6,74	4,68
Variations in the fair value of financial instruments per share (1)	-0,51	-0,84
Net result (IFRS) per share (1)	9,74	7,12
EPRA result per share (2)	3,48	3,17
Proposed distribution		
Gross dividend per share	2,83	2,54
Net dividend per share	1,98	1,78
Weighted average number of shares	15.916.319	15.229.606
Number of shares outstanding at period end	16.023.694	15.782.594

(1) Calculation based on the weighted average number of shares.
(2) Calculation based on the number of shares in circulation on the balance sheet date

[25] Calculated in accordance with the Royal Decree of 13 July 2014 on regulated real estate investment trusts.

6.3.9 Other events in 2020

Montea expands activities to Germany through cooperation with the German IMPEC Group [26]

After Belgium, France and the Netherlands, Montea is now ready to enter the German market and thus increase its international position. The strong growth of the logistics market in Europe and the leading role of the German economy are the main drivers for further international breakthrough. For the expansion, Montea enters into a partnership with the IMPEC Group. Montea expects to announce its first projects in Germany before the end of this year.

At present Montea is active in Belgium, the Netherlands and France, but is now expanding its activities to Germany. The reason for this choice: the strong growth ambitions make the stock listed group look at the country with one of the leading economies in Europe. In recent months, Montea embarked on a search for a suitable partner with a similar DNA. They found that partner in the German IMPEC Group.

"This decision was not taken overnight. Its central location, excellent infrastructure, high-technology and building standards make Germany today Europe's most attractive logistics market. We therefore fully believe that we can achieve our ambitions in Germany through a strong cooperation with the IMPEC Group." ***Jo De Wolf, CEO Montea***

Like Montea, the IMPEC Group has grown out of a family business. Moreover, the German group has the same values with a focus on a long-term value creation through built-to-suit developments on strategic positions.

The IMPEC Group – or IMPEC Real Estate GmbH – was founded in 1993 by Gerhard Mannsperger. Since the arrival of son Domenique Mannsperger, a seasoned logistics developer, the company has focused exclusively on logistic developments, with clients like Seifert Logistics, Duvenbeck and Mateco. The IMPEC Group developed over 550,000 m² of leased storage space and has a transactional volume of €400 million in the past years.

Next phase
To consolidate the cooperation arrangement, Montea and the IMPEC Group have concluded an agreement under the terms of which the IMPEC Group will look for high-quality, sustainable development and investment opportunities for Montea on the German market. Montea will act as financial partner for these projects during the development phase and as final investor on completion. The IMPEC Group will already be contributing to Montea's substantial growth ambitions thanks to its experience in sustainable developments and investments.

"The IMPEC Group has managed to show its mettle as a project developer on several occasions in the past. In Montea, we have found a strong partner that applies the same philosophy and quality requirements to its project developments. Together with Montea, as a financially robust partner, we too will now be able to increase our impact significantly and meet the growing demand for high-quality logistics real estate." ***Domenique Mannsperger, Director, Montea Germany***

The growth ambition is clearly present at Montea and due to this partnership Germany will be - next to Belgium, the Netherlands and France - the fourth country where Montea is active. The expansion marks the

[26] Cf. press release of 25/06/2020 or go to www.montea.com for more information.

start of a next phase in the investment strategy in high-quality and sustainable logistics positions. Supported by the resources from the capital increase and the optional dividend, Montea is convinced that it will grow rapidly in Germany. At present, Montea expects to announce its first projects in Germany before the end of this year.

6.3.10 Key events after the balance sheet date

Settlement on pre-emption rights to the site in Tilburg (NL)

In 2017 Montea concluded an agreement with the owner of a site in Tilburg, with Montea having a pre-emption right on a possible sale of the plot with its buildings. In February 2021, a settlement agreement was concluded between the parties concerning the conditions under which Montea waives this pre-emption right, with Montea receiving a total of € 2.6 M (before tax). This remuneration largely compensates for the cautious approach that Montea has adopted since 01/01/2021 with regard to the FBI regime[27].

Disclosure of transparency notice form the BlackRock Groep[28]

Montea received a transparency notice dated 4 March 2021 showing that 10 companies from the BlackRock group together hold 4.02% of Montea's voting rights. They have exceeded the 3% equity interest threshold.

Disclosure of transparency notification by Federale Verzekeringen [29]

Montea received a transparency notification from Federale Verzekeringen dated 29 March 2021 which shows that they hold less than 5% of the voting rights in Montea.

Montea invests in multimodal urban logistics in Brussels[30]

Montea and the Port of Brussels have joined forces and signed a land concession agreement for a fixed period of 30 years (extendable by periods of 10 years) for a site of approx. 35,000 m². This site is located on the Vilvoordeselaan and is immediately adjacent to the TTB terminal (Trimodal Terminal Brussels) of Brussels. This means that the site offers - in addition to the access road to the centre of Brussels - exceptional multimodal possibilities for rail and canal traffic. Montea and DSV signed a purchase agreement for a distribution centre of approx. 20,000 m², located on the above-mentioned concession land in the Port of Brussels. As of Q2 2021 the former DSV site will be leased for 10 years to Van Moer Logistics for its water-bound goods flows towards Brussels. Van Moer Logistics will also reactivate the adjacent tracks and thus make the hub fully trimodal.

[27] A provision of € 2.9 million was consequently included in the outlook of 2021 via the income statement (the difference between the fiscally transparent FBI status and the regular taxed sphere). See 1.2.8. Policy developments concerning the Dutch REIT status

[28] Cf. press release of 08/03/2021 or go to www.montea.com for more information.

[29] Cf. press release of 01/04/2021 or go to www.montea.com for more information.

[30] Cf. press release of 12/04/2021 or go to www.montea.com for more information.

Montea raises € 235 million through the issuance of Green Bonds via the US Private Placement Market[31]

Montea has successfully completed its first US Private Placement by issuing € 235 million in Green Bonds. The bonds are divided into four tranches:

- €50 million - 10-year term (maturing on 27/04/2031) - coupon: 1.28%
- €30 million - 10-year term (maturing on 23/06/2031) - coupon: 1.28%
- €85 million - 12-year term (maturing on 4/01/2034) - coupon: 1.42%
- €70 million - 15-year term (maturing on 23/06/2036) - coupon: 1.44%

The bonds were issued within the framework of the Company's new Green Finance Framework. Sustainalytics, Second Party Opinion provider, also confirmed that this financing programme is in line with the Green Bond Principles and the Green Loan Principles. The bonds were placed through a US private placement with six large institutional investors. Montea emphasises its sustainability ambitions and strengthens its long-term liquidity and financing position through this diversification and unique maturities. The average term of Montea's debts is extended considerably at an average coupon well below the current cost of debt.

[31] Cf. press release of 14/04/2021 or go to www.montea.com for more information.

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 Most important investments made in each financial year closed 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 Essential Montea investments that are currently in progress or for which firm commitments have already been made

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 interest in the capital of 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

Ever since being listed on the stock exchange in 2006, Montea has endeavoured to secure sustainable growth of its quality portfolio. Montea is not about profit for profit's sake or growth for growth's sake but about sustainable value creation. Sustainability, in the broadest sense of the term, has long been ingrained in Montea's DNA and extends far beyond purely ecological considerations. Montea endeavours to think further ahead than the current standards and legislation.

Active efforts have been made since the Strategic Plan 2030/2050 - 'Sustainability Vision for the Future' was launched in 2020 to make this plan a reality. The renewed vision and ambitions are linked to the 4Ps approach (People, Planet, Profit and Policy), which is broader than the ESG (Environmental, Social and Governance) criteria.

The first phase of the Plan, i.e. stock-taking, has already been completed. It kicked off with a baseline measurement. The level playing field was also determined. The number of Montea's stakeholders is constantly increasing, and they are included in this study accordingly. 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 e.g. mobility, use of space, pollution, etc. Montea is fully aware of this impact and does not think in purely economic terms.

The existing portfolio and future projects are currently being analysed in depth and tested against the needs of the future. The action plan and the determination of concrete objectives for the medium and long-term will be developed further in 2021. The climate goals for 2030 set by the European Union and the European Green Deal 2050 will be duly taken into account. Given the importance of this study for Montea, its stakeholders and society at large, the Company has surrounded itself by experienced partners in this field so as to achieve the best possible result.

Montea will make its own operations CO2 neutral by way of an objective for 2021. To this end, it has entered into a partnership with CO2logic, which will supervise and certify the entire process. Montea has joined the Science Based Targets initiative to underline its ambition and commitment in the fight against climate change. It also aspires to develop and implement a Green Finance Framework in 2021.

Montea will of course continue its current efforts on sustainability. These efforts consist of the following:

- ✓ 70% of our warehouses are already equipped with energy monitoring systems for the daily assessment of the energy consumed by tenants. Deviations in energy consumption can thus be identified at an early stage and action taken quickly. Energy consumption is moreover an important parameter for calculating the ecological footprint. All Montea sites will be equipped with energy monitoring systems by the end of 2021.
- ✓ The relighting programme is being further implemented in our warehouses. The lighting in all our older buildings is being replaced by energy-efficient LED lighting, resulting in significantly lower energy costs and CO2 emissions, but also in greater safety and well-being on the shop floor. Our LED lighting is combined with daylight and motion detection.
- ✓ The use of heat pumps, recovery and reuse of water and the installation of charging stations for electric vehicles are now standard features for a new project to be developed. Existing installations are also revamped to meet the strictest standards.
- ✓ Newly developed buildings are no longer linked to the gas network but are either connected to a heat network or are heated/cooled by means of heat pumps.
- ✓ In 2019, Montea joined the Flemish Government's Green Deal on Circular Construction, which pays more attention to a circular way of building.
- ✓ Further research into the feasibility of a hydrogen storage system at one of our sites to gain insight into and a deeper understanding of this promising energy storage system.
- ✓ Montea supports the Dennie Lockefeer fundamental research chair at the University of Antwerp, which organizes scientific research into multimodal transport, in particular how the use of inland waterways can serve as a possible solution for improving mobility.
- ✓ Montea organizes seminars for the sector with partners (including VIL, Spryg) at regular intervals to share knowledge with as many stakeholders as possible.

Montea as an organization is also responsible for the health and well-being of its own employees in particular through:

- ✓ A fully digital environment
- ✓ online ‘stay connected & in good shape’ work-outs
- ✓ online team moments
- ✓ access to a training platform with a wide range of topics

Montea encourages its employees to be active in socially relevant initiatives alongside their work and is happy to support projects and initiatives in which they are closely involved.

- ✓ Roparun: Montea was to have taken part in this annual relay race from Paris to Rotterdam in 2020 to support organizations working with people suffering from cancer, but this event was cancelled because of COVID-19.
- ✓ Montea takes part every year in the IMMOrun, a sporting form of networking in the real estate world.
- ✓ Montea supports various good causes, including De Kampenhoeve, a therapy centre with horses and donkeys – an initiative by one of Montea’s employees.
- ✓ Montea organizes activities and trips for its employees and their families on a regular basis.

6.6 Real estate report[32]

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.

6.6.1 Belgium

Belgian Economy (source Oxford Economics January 2021)

We have based our economic analysis on outputs from Oxford Economics in their latest forecast, which we find to be considered and reasonable.

Short-term data points to a marked rebound in activity in December after the economic impact of the second lockdown. But prospects for 2021 have deteriorated as the more transmissible variants of the COVID-19 virus have already reached Europe, while deployment of the vaccines has been markedly slower than in some other EU countries. Overall, we now see GDP dropping by 7.1% in 2020, 0.1pps up from last month, but expect a markedly milder rebound of 4.1% next year, down from 5.2% seen last month.

Hard data for November show that the economy fell by more than we had expected in the second lockdown. Retail sales tumbled by a massive 15.9% m/m, an even larger monthly drop than during the first lockdown. Industrial production also suffered, contracting by 3.5%, but the drop followed two months of strong growth that saw October output exceeding pre-crisis levels, so output fell back to pre-crisis levels in November. Both consumer and business confidence were pretty positive in December, suggesting activity had rebounded strongly.

The short-term outlook for 2021 has deteriorated as vaccination roll-out has been particularly slow in Belgium. We expect the pace of vaccination to ramp up over the next weeks as logistical issues are resolved, but it is unlikely that enough inoculation to allow economic activity to normalize will be reached before Q3. As the new variants of the COVID-19 virus from abroad that are more transmissible have already reached Europe, this means new containment measures are likely to be needed. Further policy support will be needed to smooth the economic impact of these repeated shocks, notably for businesses. Around 9% of firms continue to worry about bankruptcy, lower than in November but still high.

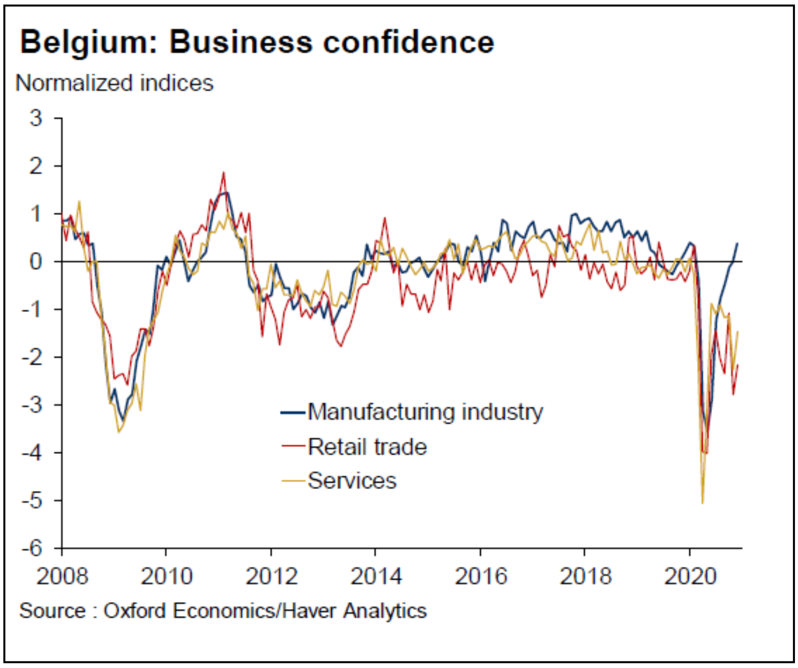
Surveys suggest activity had rebounded strongly since the lockdown was eased in early December, allowing the re-opening of non-essential shops. Consumer confidence, which suffered markedly less than in the spring, recovered swiftly in December, driven by household intentions of making major purchases, probably supported by delayed purchases for the Christmas season. Business confidence also showed a broad-based recovery in December, but the divergence across sectors remains staggering. Indeed, the manufacturing sector continues to enjoy a solid momentum as external demand keeps driving industrial order books up. We expect manufacturing to maintain its impetus through 2021, remaining a key support for the recovery. In contrast, the services and retail sectors remain depressed as containment measures remain in place.

[32] Source: Report prepared by Jones Lange Lasalle on the one hand and Stadim on the other, as at 31/12/2020, based on the most recent available information. This report was drawn up at the request of Montea, whereby the property experts have agreed to the inclusion of the full report in this annual report.

Prospects for the first months of 2021 have deteriorated markedly as the virus variants from abroad that are more transmissible have reached Europe. This is all the more worrying as the vaccination roll-out has been slow in Europe, particularly in Belgium. In this context, the government has decided to extend the current containment until mid-March at least.

Overall, we still see the economy contracting about 7% in 2020, but expect a markedly milder rebound of 4.1% growth in 2021, down from 5.2% growth seen in December. The following factors underpin our forecasts:

- More transmissible variants of the virus mean the health situation could deteriorate very rapidly: while the lockdown measures imposed since November had proved successful in curbing the number of new COVID-19 cases, the situation remains delicate. The number of contagions had not fallen to the lows seen in the summer and have even started to rise again since the start of the year, while the number of deaths and ICU patients remain very high. This is all the more worrying as developments in the UK show things can deteriorate very rapidly as new variants of the COVID-19 virus are more transmissible.
- Vaccination roll-out has been particularly slow: only 0.4% of the population was vaccinated by mid-January, markedly lower than in Italy or Spain. As in the rest of Europe, this slowness stems from logistical issues and an official vaccination calendar that has limited doses available. Although we expect the pace of vaccination to ramp up as logistical issues are sorted out, it seems unlikely that enough inoculation will allow economic activity to normalize before Q3.
- Containment measures have been extended until mid-March at least: since early-December, non- essential shops and some customer-contact services (cinemas, theatres, museums) have been allowed to open, but with a reduced number of customers. Restaurants, bars and coffeeshops remain closed, while the 10pm-6am curfew will remain in place. Although authorities had decided not to tighten the measures for now, we think new restrictions and even a harder lockdown cannot be ruled out if the level of contagion starts to surgeries again. As a result, risks to the short- term outlook are on the downside.
- It should get better by the autumn: we expect GDP growth to pick up strongly in Q3 as restrictions are eased, daily activities resume and the impact of monetary and fiscal policy stimulus feeds through. H2 this year should also see European recovery funds starting to flow to member states, which should support growth and notably investment.



Confidence indicators Q4 20

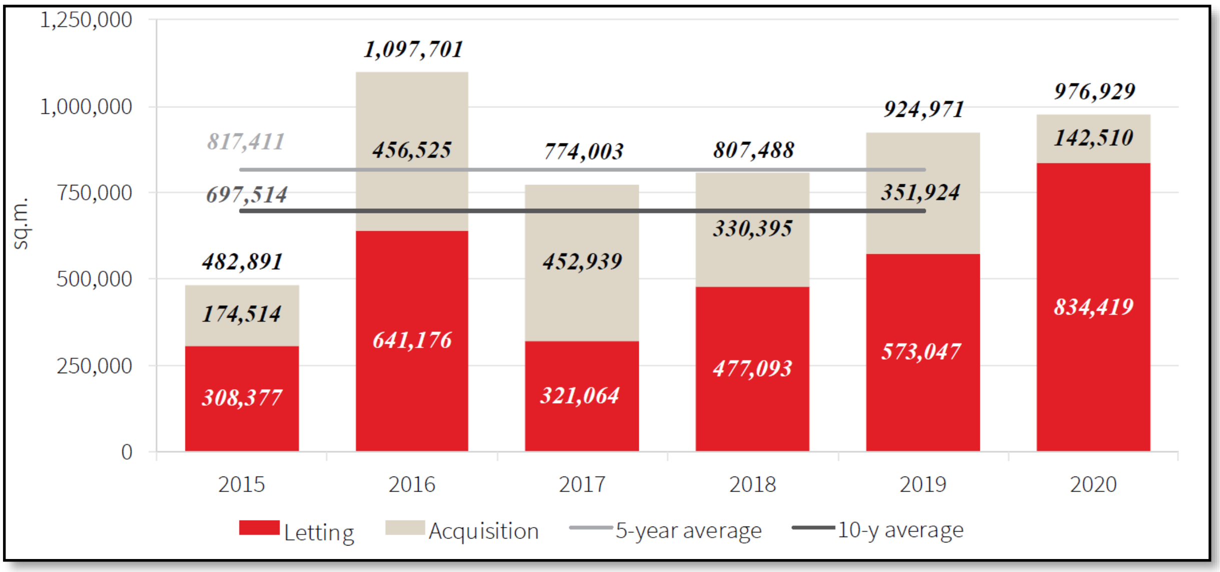
Occupier Market

TAKE-UP

The corona crisis caused a shock in the operations of many companies, resulting in high market demand in the logistics sector. Trends that were already noticeable in the logistics market accelerated and brought about a domino effect. The market did not come to a standstill during the lockdown periods, quite the contrary. Logistics supply chains were drastically altered and a growing demand for space arose, especially for buffer stocks - temporary or otherwise - and a supply chain changed by e-commerce.

Despite the corona crisis and the subsequent lockdowns, the logistics market did not stand still in 2020. Logistics properties are an essential part of the logistics chain and as such the sudden increase in online sales and the demand for buffer stocks boosted the demand for distribution space. The demand for fast local distribution also implied a higher demand for large distribution centres and local distribution platforms. In total, 976,920 sq.m. of logistics real estate was leased or purchased in Belgium in 2020. That is still 6% more than in 2019 which was an excellent year in terms of logistics real estate take-up.

The largest area category, that of the large distribution centres of over 20,000 sq.m., but also the smallest area categories, between 1,000 and 2,500 sq.m., performed particularly well. In the latter category, 10 transactions were recorded, compared to an average of 3 in the previous five years. 2020 was a successful year thanks to 28 transactions in the fourth quarter, 6 of which were in the surface area category above 20,000 sq.m., out of a total of 69 for the year.


1,250,000
1,000,000
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sq.m.
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482,891
174,514
308,377
774,003
452,939
321,064
807,488
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924,971
351,924
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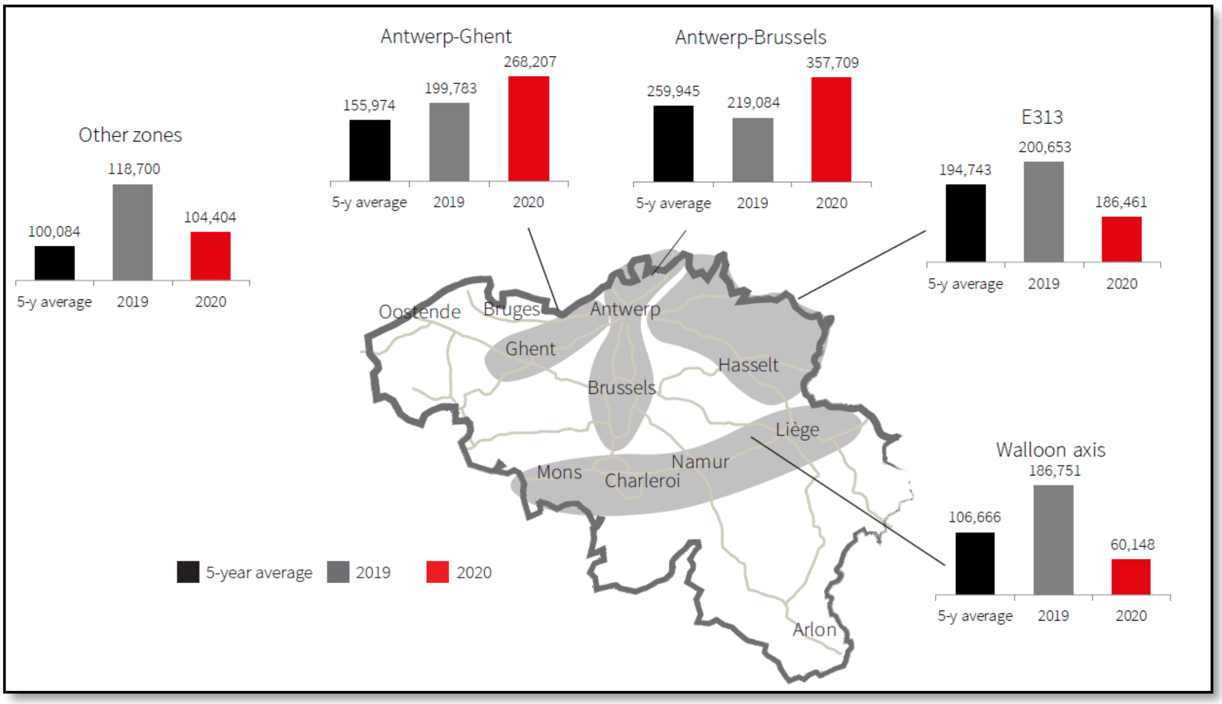
2015
2016
2017
2018
2019
2020
Letting
Acquisition
5-year average
10-y average


Other zones
100,084
118,700
104,404
5-y average
2019
2020
Antwerp-Ghent
155,974
199,783
268,207
5-y average
2019
2020
Antwerp-Brussels
259,945
219,084
357,709
5-y average
2019
2020
E313
194,743
200,653
186,461
5-y average
2019
2020
Walloon axis
106,666
186,751
60,148
5-y average
2019
2020
Oostende
Bruges
Antwerp
Ghent
Hasselt
Brussels
Liège
Mons
Namur
Charleroi
Arlon
5-year average
2019
2020

Not all transactions are a result of the COVID-19 crisis. Many logistics transactions were initiated before the pandemic and were completed without negative impact. Demand remains high, but the duration of transactions is lengthening, partly due to stricter financing conditions and complicated permit procedures.

The five largest transactions in 2020 were four lettings and one purchase for own use, with JLL acting as broker each time. The largest transaction of the year concerns a distribution centre of 150,000 sq.m. at the Kluizendok in Ghent, which is being developed by WDP and Legio Invest to suit retailers X²0, Overstock Home and Overstock Garden. The second largest transaction of the year was signed by Eutraco and concerned a new logistics warehouse of 60,000 sq.m. that was built to suit in Park MG De Hulst in Willebroek, a realisation by developer MG Real Estate. Eutraco was one of the most active logistics players on the real estate market in 2020, with two other transactions in which JLL was involved: the letting of 34,000 sq.m. in Tri Access Logistics in Willebroek and the purchase of 22,000 sq.m. in Sint-Niklaas in a property of which a large part was already occupied by Eutraco.

Another active market player in 2020 was DPD Belgium with 5 transactions between 13,500 sq.m. and 27,000 sq.m. spread over Flanders. One of these concerns a unique location along the Brussels ring road in Vilvoorde. DPD will occupy a hypermodern sorting centre for e-commerce under a long-term lease with Montea. This will enable DPD to respond to the growing demand for sustainable urban distribution. New in Belgium is that the sorting centre will have two floors. In third position, Cebeo-Sonepar will build a distribution centre of 53,800 sq.m. for its own use in the Tournai-Ouest 3 industrial zone on 120,000 sq.m. land, a transaction in which JLL mediated the purchase of the land and advised Cebeo. Ex aequo on places 4 and 5: in Genk-Zuid Logistics an existing distribution centre of 48,900 sq.m. owned by KBC Real Estate was subsequently let twice, to Eddie Stobart Logistics and to VAB Fleet Services respectively.

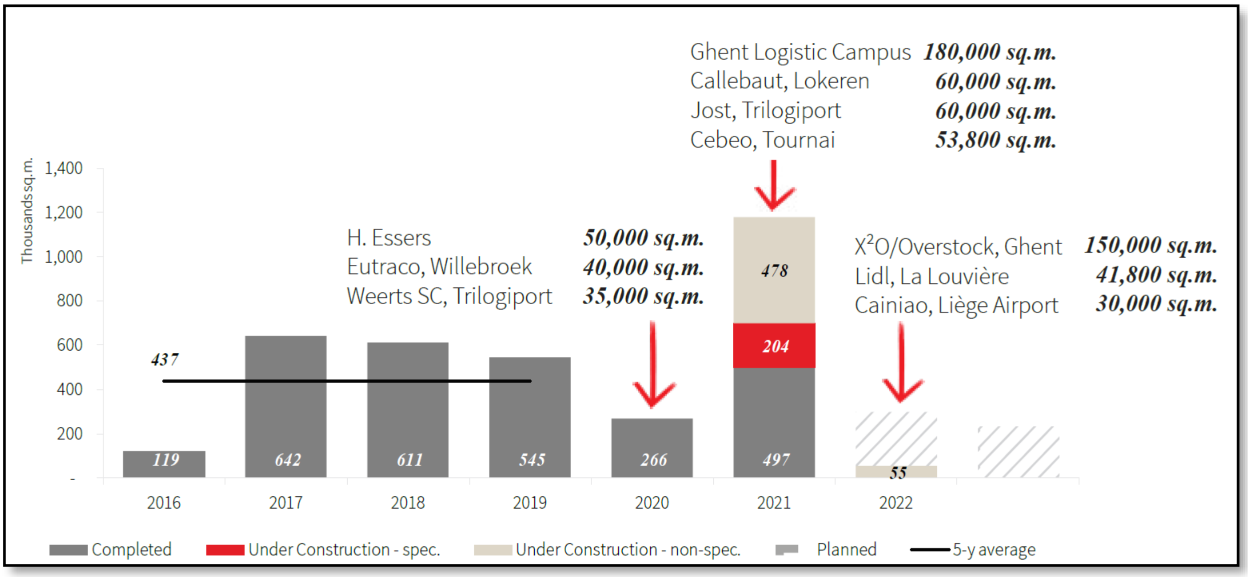
VACANCY

The high take-up volume has ensured that the vacancy rate, which was already low due to the preference of developers for build-to-suit developments, has fallen even further. JLL estimates the availability rate per Q4 2020 for the whole of Belgium at 1.5%, whereas an availability rate of 5% is desirable for a market in balance.

On the logistics axis Antwerp-Brussels, JLL has calculated a vacancy rate of barely 1.2%, which makes it extremely difficult to fill large demands.

FUTURE SUPPLY

Developers see the low availability and high demand as a reason to start speculative developments. An example of this is the Ghent Logistic Campus project by Groep Heylen, a phased development of 150,000 sq.m. at risk on the Rieme-Noord industrial estate, a trimodal location in the port of Ghent. Another speculative development under way is Genk Green Logistics, the redevelopment of Ford Genk, that will be delivered in phases on a speculative basis. A total of 250,000 sq.m. will be developed here. The Chinese Lingang Group is in the starting blocks to start up its logistics project of 76,000 sq.m. in the port of Zeebrugge. By way of comparison: in 2020, only 42,700 sq.m. of a total development volume of 497,000 sq.m. was delivered on a speculative basis. In the last five years, an average of 436,600 sq.m. has been developed annually, almost entirely non-speculative. In total, 737,000 sq.m. of logistics space are currently under construction or scheduled for completion in the next 12 to 15 months, a large proportion of which is speculative.



PRIME RENTS

The ‘prime’ rent for logistics, that for the Antwerp-Brussels axis, rose to 60 €/sq.m./year at the beginning of 2020, an increase of 9% compared to 2019. On the Antwerp-Ghent axis, where the take-up volume was 34% higher than in 2019 and 72% higher than the five-year average, the prime rent also rose, from 45 to 46 €/sq.m./year. This brings the prime rent for the Antwerp-Ghent and Antwerp-Limburg- Liège logistics axes to the same level. For logistics property in the Liège region, the prime rent is € 48/sq.m./year.

For 2021, we expect demand for buffer stocks, e-commerce and grocery distribution to result in new supply chain strategies, which will drive transaction volumes. Real estate becomes “supply chain real estate”, with more emphasis on fulfilment centres, cross-docks, urban logistics and last-mile delivery platforms. Automatisation and digitalisation of warehouses will continue. Immediate vacancy which is currently extremely low is expected to remain so until the delivery of new supply.

New speculative development is under way in Ghent and in Genk and is expected to pick up in other prime logistics locations. Prime rents remain under upward pressure, particularly in well located multimodal sites (Antwerp, Liège, Ghent).

LAND PRICES

Land prices are under upward pressure due to the lack of availability. The highest land prices apply to the province of Flemish Brabant and the Brussels Region, where land for industrial use is extremely scarce. Top prices (for privately held land without the restrictions applied by the Intercommunales) in these locations vary from 310 to 350 € per sq.m. In East Flanders the top land price at end 2020 was 180 € per sq.m., with upward pressure towards 220 € per sq.m. In the provinces of Liège and Hainaut the prime land price currently amounts to 100 € per sq.m.

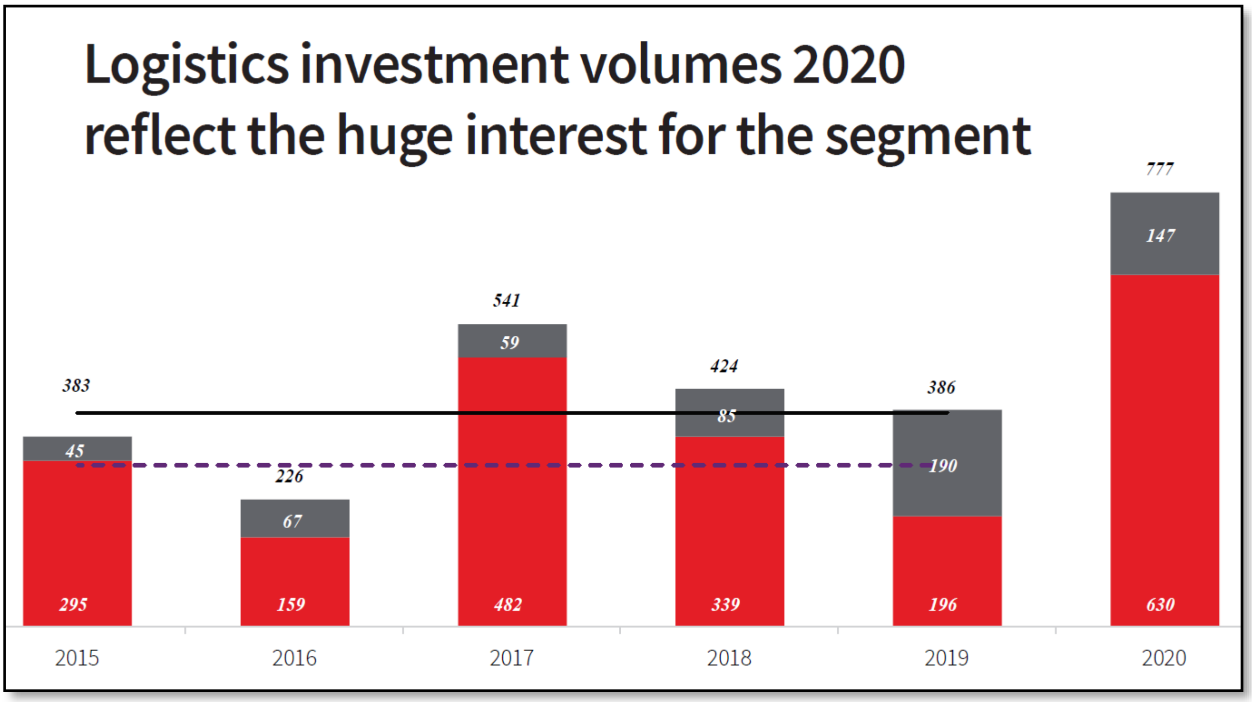
Investment Market

Prime land prices (€ / sq.m.)

Province	Bottom	Top
Brussels	250	350
Flemish Brabant	200	310
Antwerp	170	250
East Flanders	135	225
Liège	55	100
Hainaut	60	100

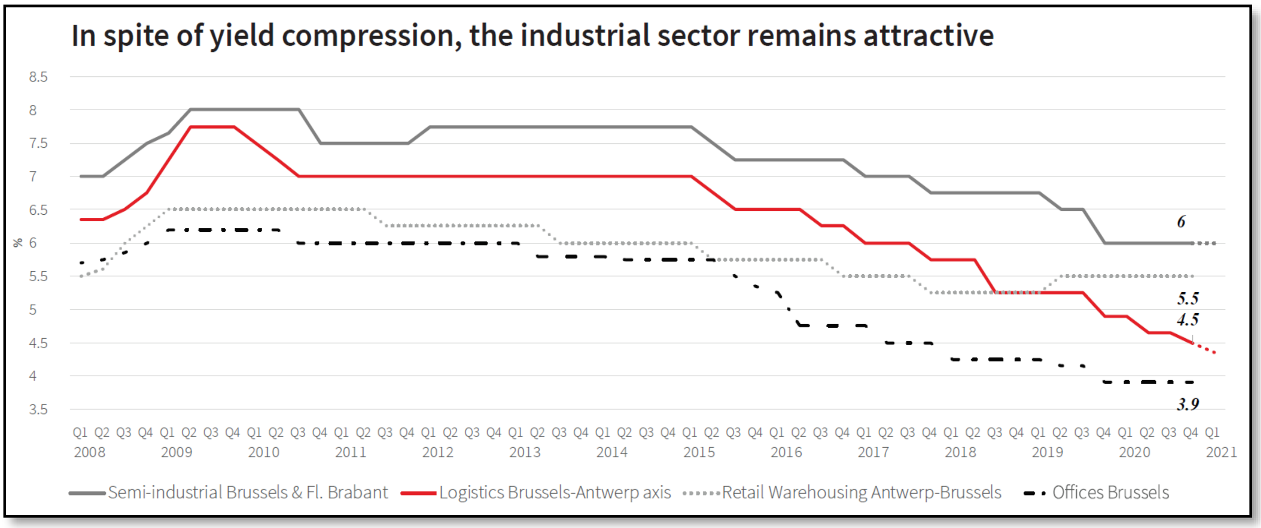
The investment volume is by far the highest annual volume ever recorded. In total, €777 million was invested in industrial and logistics real estate in Belgium. Of this amount, € 630 million was invested directly in real estate and € 145 million via joint ventures or participations, such as Van Wellen, which is acquiring part of the portfolio of Van Moer Logistics via sale and rent-back and Ethias, which is investing in 7 existing sites of Weerts Group and will help finance future projects. The investment volume is by far the highest annual volume ever recorded. Until now, the record was set in 2015, when € 540 million was invested in Belgian semi-industrial and logistics real estate. The annual volume would have been even higher if more products had been available. The largest transaction of the year 2020 was the sale of a logistics portfolio from AG Real Estate to Prologis for €127 million, a transaction in which JLL acted for the seller. In addition, the units occupied by Eutraco and PostNL in the logistics park De Hulst in Willebroek were sold to CBRE Global Investors for €79 million. The same investor also bought the recent Casa distribution centre in Olen for € 56 million.

In addition, a warehouse including logistics areas and a maintenance workshop at the military airport in Melsbroek, leased long-term to the Ministry of Defence, was purchased by AG Real Estate for €49.6 million.



Interest in logistics is still on the rise. As in the rest of Europe, institutional investors and fund managers continue to show huge interest in logistics property. The demand, from both domestic and foreign investors, far exceeds the supply. In addition, investors who do not have a large logistics component in their portfolios are now looking at the asset class as part of the diversification of their portfolios. They are attracted by the recently proven resilience of the logistics property sector.

Given the wall of money aimed at the segment, prime yields for logistics space fell by 40 basis points year-on-year, to currently 4.35%. Due to the imbalance between the high investor interest for the asset class and the low supply, the prime yield trend for 2021 remains downward. It cannot be ruled out that transactions will be concluded below 4.00%, as is already the case in our neighbouring countries.

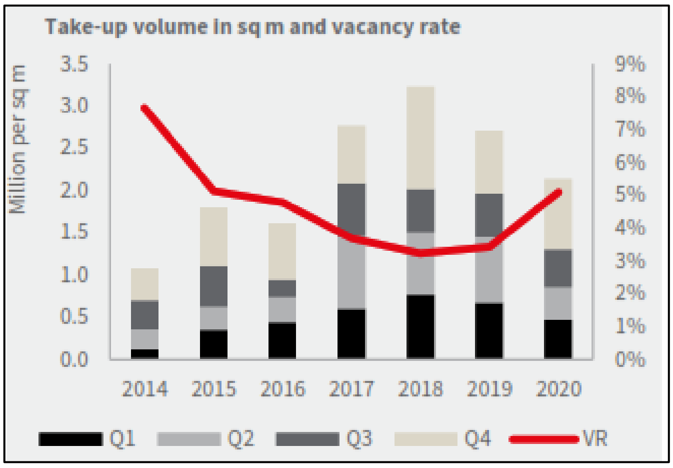


6.6.2 The Netherlands

Occupier market

TAKE-UP

The logistics market has been one of the greatest performing sectors during the COVID-19 pandemic in 2020. The total take-up in the fourth quarter of 2020 reached approx. 830,000 sq m, leading to a total volume of 2.1 million sq m in 2020. This is a decrease of 21% compared to 2019.



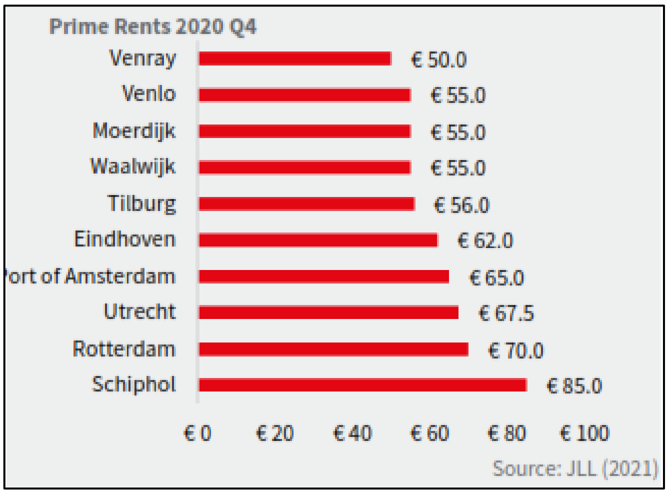
Take-up in 2020 was mainly driven by 3PL parties and retailers who benefitted from the increase in e-commerce, which has now gained a permanent spot in the shopping behaviour of consumers. The largest transaction in 2020 Q4 was 56,000 sq m built-to-suit warehouse near Cuijk by Danone.

VACANCY

Preliminary numbers have shown that supply has remained stable over the quarter and currently stands at 5.1%. Supply has increased significantly compared to 2019, due to the completion of speculative developments and vacancy in low quality warehouses.

PRIME RENTS

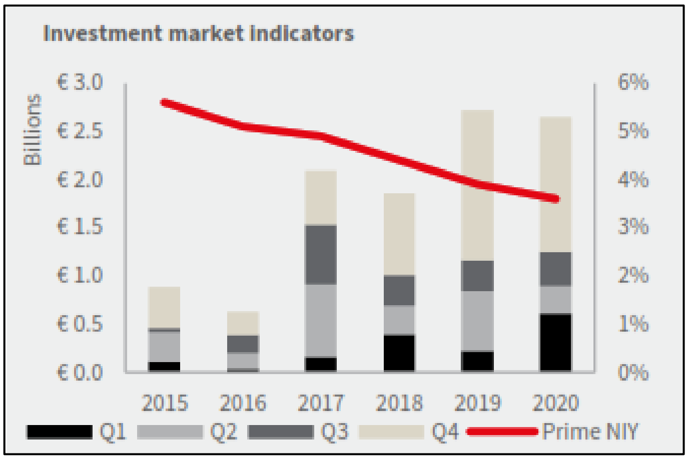
Prime rents have remained stable in 2020 Q4.



Investment market

Despite the uncertainty in the market, the appetite for logistics real estate investment has remained high. The total investment volume in 2020 was €2.7 billion euros, of which €1.4 billion came from Q4. This is only 1% lower than the record high volume in 2019.

The strong desire for logistics real estate is visible in the compressed yields. Due to the high investor demand and the strong performance of the occupier market, yields have compressed further, standing at 3.6% NIY.



Outlook

Although vaccination has started, the Netherlands is still in strict lockdown; this continues to drive online consumer spending. This trend is expected to at least partly remain after the lockdown. Online spending has a positive effect on logistics real estate on the occupier and investment side.

3PL parties and online retailers have been performing well; under the current circumstances, it is expected that this will continue in 2021. Therefore, JLL expects that take-up will increase and scarcity in high quality warehouses in logistics hotspots will remain.

The investment market has seen a relatively low amount of portfolio deals. JLL expects that the number of portfolio deals will increase and therefore the investment volume. Also, speculative developments will most likely gain popularity amongst investors who are looking for a way into this sector.

The year 2020 has shown the resilience and strength of the logistics real estate market and this will continue into 2021.

Fundamentals		Forecast
Take-up 2020	2.1 million sq m	▲
Vacancy rate 2020 Q4	5.1%	=
Investment 2020	€ 2.7 billion	▲
Prime net initial yield	3.6%	▼

6.6.3 France

Economic climate

France, where GDP fell by -13,8% over Q2 2020, saw a sharp uptick over Q3 with +18,7% growth. Household consumption and business investment rallied considerably, while exports rose more than imports.

Due to the lockdown, there was misleading decrease in the unemployment rate over Q2 (7,1% in June) which was followed by a considerable increase over Q3 (+1,9%). The unemployment rate therefore reached 9% of the active population. In addition, according to DARES, the number of furloughed workers fell to 1,3 million in August and September before rising to 1,6 million in October, before the second lockdown. Unsurprisingly, the sectors most-affected by this support scheme are hospitality, business services and retail. Finally, again according to DARES, since mid-November, there has been a greater uptake of employment protection plans by larger businesses than before: 3.200 employees on average compared with 1.100 over the 2 previous weeks.

Since the beginning of March, a total of 76.100 employment contract have been considered under the employment protection plans, almost 3 times as many as over the same period in 2019. In over 40% of the cases, these were in companies with 1,000 or more employees and in almost 30% of cases in companies with fewer than 250 employees. Manufacturing accounted for 37% of cases, followed by retail and automotive repairs (20%), then transport and warehousing and hospitality/food and beverage (9% each). According to an initial summary by ATOUT FRANCE, receipts from tourism fell by -41% between 2019 and 2020 to €89 billion. Receipts from international tourism fell by -56% to €25 billion.

The Business Climate, which had gradually improved from May to September reaching 92 points, posted a slight decrease in October (90) before falling sharply (79) with the second lockdown in November. In December, the index returned to the level seen in September but remains fragile and highly dependent on changes in the health crisis and the resulting restrictions.

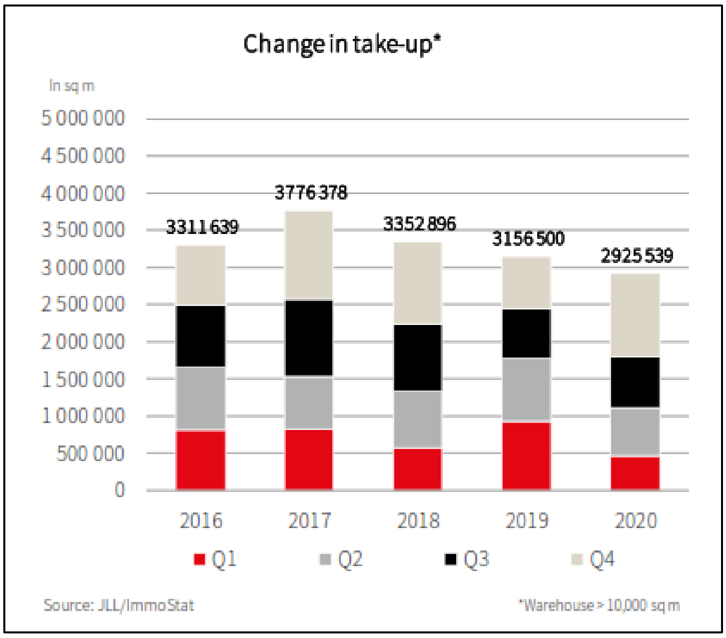
Householder Confidence dipped sharply to 89 in November; this is lower than during the first lockdown. However, levels recovered to 95 in December, the same as in September.

Occupier Market

TAKE-UP

2.926.000 sq m of take-up was recorded for warehouses over 10.000 sqm in France in 2020. Given the COVID-19 crisis, this volume was more than respectable. Take-up therefore posted a -7% year-on-year decrease and was -10% lower than the long-term average.

Although not obvious from these figures, the market was affected by the crisis. However, following a decrease over Q1, the logistics real estate market rapidly adapted to the unprecedented crisis. The food and pharmaceuticals sectors helped to sustain activity in the market.

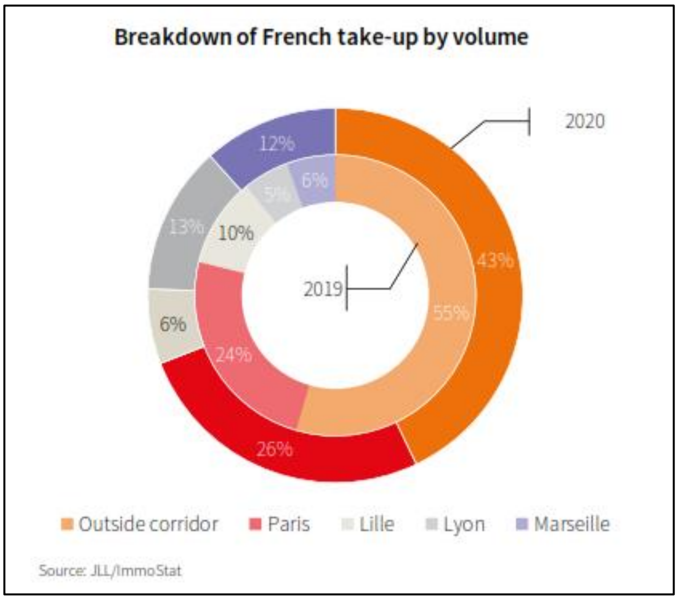


Connecting and enhancing networks to make supply chains as resilient as possible was an increasingly important issue during the crisis. As a result, it came as no surprise that a substantial proportion of transactions were for medium-sized warehouses. There were 79 transactions in the 10.000 – 20.000 sq m segment; this is far higher than the average (61).

Conversely, uncertainty in the market led to decisions regarding the largest transactions to be postponed: XXL transactions (>40.000 sq m) were therefore down with 12 recorded compared with an average of 16 per year since 2011. The largest transactions included RENAULT with 78.200 sq m in Puiseux-Pontoise and SAMADA with 99.500 sq m in Moissy-Cramayel.

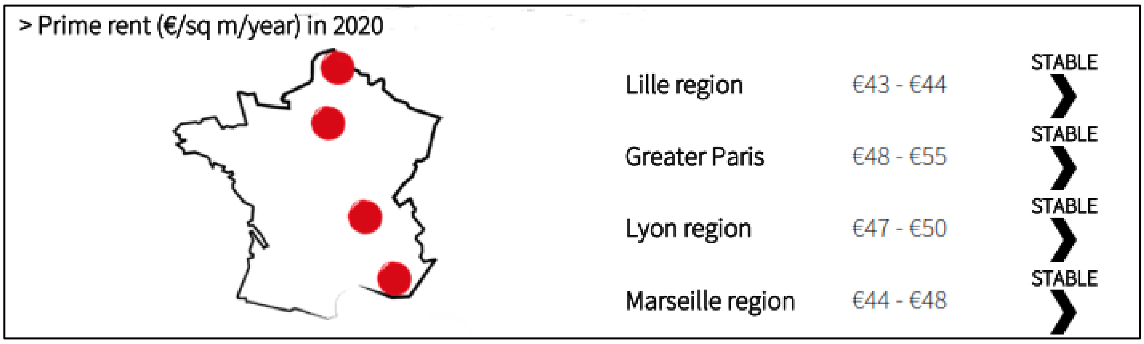
3PLs and shippers were on a level pegging with 50% of take-up each.

57% of 2020 take-up was recorded along the Logistics Corridor. The Paris region alone accounted for 26% of activity. The Lyon and Marseille markets, which both posted year-on-year increases, secured 13% and 12% of the take-up volume, compared with just 6% for the Lille market.



PRIME RENT

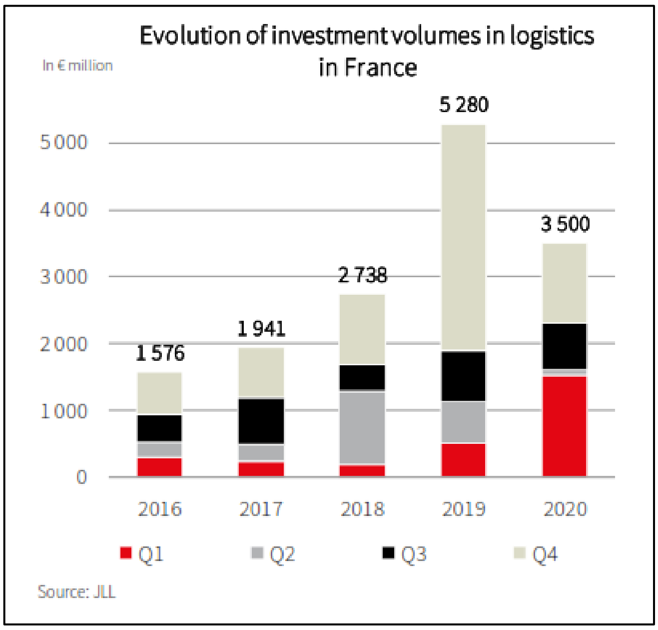
The prime rent in the Paris region stood at €55 per sq m/year, the highest in the country. Elsewhere, rents stood at €50 in the Lyon region, €48 in the Marseille region and €44 in the Lille market.



Investment market

By the end of 2020, a total of €3,5 billion was invested in the French logistics real estate investment market. This may be 34% lower than in 2019 but was still an exceptional performance.

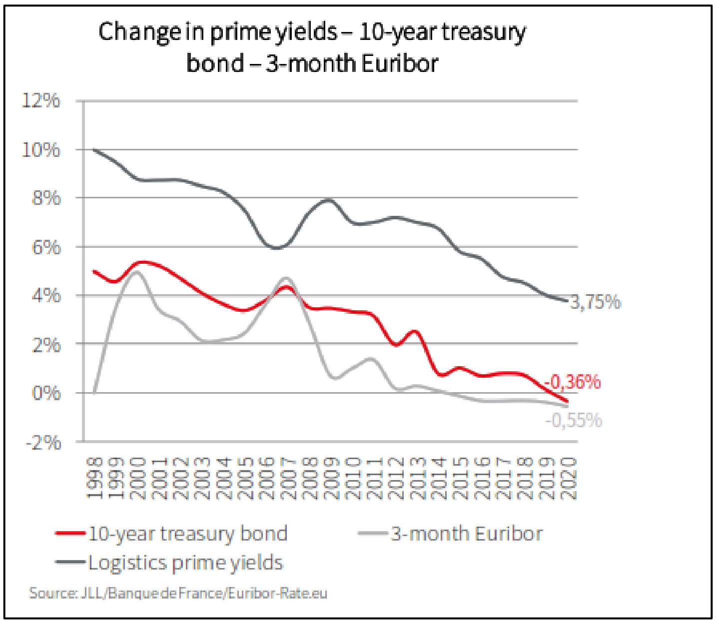
The year began with a particularly strong performance (€1,5 billion). A sharp lockdown then followed over Q2 (€85 million in investments). H2 saw levels return to a similar level of activity as before the health crisis. A total of €3,5 billion was therefore invested in 2020, far higher than the 10-year average of €1,8 billion.



This strong performance was partly due to major transactions. A total of 8 deals for lot sizes over €100 million were recorded in 2020.

French investors accounted for 20% of the investment volume. The French market therefore remained attractive to foreign investors who accounted for 80% of investments.

British investors were the most active in 2020 with 18% of investments, this was particularly due to 5 portfolio transactions. With the PATRIZIA acquisition of the Mercury portfolio, Germany accounted for 16% of investments. American investors had a 14% market share.



The prime yield saw further compression to 3,75% by the end of the year. A further decrease is likely to be seen at the beginning of 2021.

Outlook

The logistics real estate investment market proved to be resilient throughout the crisis in 2020 as the strong activity seen in 2019 continued.

The crisis has in fact emphasised the important role that the logistics sector plays and has been a catalyst for structural change in recent years with shifts in consumption and the rise of e-commerce, particularly in the B2B sector. Given this context, everything leads us to believe that 2021 should be just as exceptional.

The prime yield, which has already reached a record low of 3,75%, could be subject to further compression in 2021.

6.6.4 Montea's property portfolio as at 31/12/2020

Montea's total property portfolio amounts to € 1,364.4 million, consisting of the valuation of the property portfolio buildings, inclusive of the fair value of the current developments (€ 54.6 million) and the fair value of the solar panels (€ 29.8 million).

For more information on Montea's property portfolio as at 31/12/2020, cf. Section 8.1.2.2.

6.6.5 Conclusions of the real estate experts[33]

To the directors of

Montea NV

Industriezone III Zuid
Industrielaan 27 bus 6

9320 Erembodegem

Brussels, 29 January 2021

Dear Sir, Dear Madam,

In accordance to the article 47 of the law of 12 May 2014 on the Belgian Real Estate Investment Trusts (SIR/RREC), you asked Jones Lang LaSalle (JLL) and Stadim to value the buildings situated in Belgium, France and The Netherlands and belonging to the BE-REIT.

Our mission has been realized in complete independence.

In accordance with established practice, our mission has been realized based on the information communicated by Montea NV regarding rental condition, charges and taxes carried by the lessor, work to be realized, as well as all other elements that might influence the value of the buildings. We suppose this information to be exact and complete. As stated explicitly in our valuation reports, this does not include in any way the valuation of structural and technical quality of the building, nor an analysis of the presence of any harmful material. These elements are known by Montea NV, that manages its portfolio in a professional manner and carries a technical and juridical due diligence before the acquisition of each building.

[33] The full report of the real estate experts of 31/12/2020 is not included in this annual report, only the conclusions, for said full report contains confidential information that may be of importance for the competition. This report was compiled at the request of the issuer, whereby the real estate experts have agreed to the conclusions being included in this annual report.

Every building has been visited by the experts. They work with different software, such as Argus Enterprise or Microsoft Excel.

The investment value can be defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The experts have adopted different methods.

JLL have adopted two different methods: the « Term and Reversion » method and the « Hardcore » method. Besides, they also did a control in terms of price per m².

According to the « Term and Reversion » method, the capitalization of the revenues considers the actual revenue until the end of the current contract, and then takes the estimated rental value in perpetuity. According to the « Hardcore » method, the estimated rental value is capitalized in perpetuity before looking at adjustments that consider surfaces that are rented below or above their rental value, void, etc.

The method used by Stadim is based on Discounted Cash Flow (DCF), in combination with the capitalisation method when desired. The Stadim approach is characterized by reference prices on the one hand and the factoring in of future earnings on the other.

The yield, used for these methods, represents the expected yield for investors for this kind of properties. It reflects the intrinsic risks of the good and the sector (future void, credit risk, maintenance obligations, etc.). To determine this yield, experts based themselves on the most comparable transactions and current transactions in their investment department.

When there are unusual factors or specific factors applicable to a property, corrections will be applied (important renovations, non-recoverable costs…).

The sale of a property is in theory subjected to transaction costs. This amount depends among others on the method of transfer, the type of buyer and the geographic location of the property. This amount is known once the sale is closed. In Belgium, as independent real estate experts we can admit that based on a representative sample of transactions in the market between 2002 and 2005 (and recently revised for the period 2013-2016), the weighted average of the costs (average of the transaction costs) was 2,5% (for goods with a net value superior to 2.500.000 EUR). The Belgian properties are considered as a portfolio. The transaction costs for buildings located is France is 1,8% when the building is less than 5 years old and between 6,9% and 7,5%, depending on the department, in all other cases and the transaction costs used by Stadim in The Netherlands is 8% whereas the transaction costs used by JLL in The Netherlands is 9%.

Based on the remarks in previous paragraphs, we confirm that the **investment value** of the real estate portfolio of Montea NV on December 31st, 2020 amounts to:

1.438.408.600 EUR

(One billion four hundred thirty-eight million four hundred and eight thousand and six hundred euro)

This amount takes into account the value attributed to the buildings valuated by the companies, Jones Lang LaSalle and Stadim in the 3 countries where Montea NV is present.

After deduction of respectively 2,5% for buildings located in Belgium (average rate of transaction costs defined by the experts of the BE-REITS), 1,8% / 6,9%-7,5% for buildings located in France and 8%-9% for buildings located in The Netherlands, as transaction cost on the investment value, we obtain a Fair Value of Montea NV real estate assets as of December 31st, 2020 at :

1.365.289.300 EUR

(One billion three hundred sixty-five million two hundred and eighty-nine thousand and three hundred euro)

This amount takes into account the value attributed to the buildings valuated by the companies Jones Lang LaSalle and Stadim in the 3 countries where Montea NV is present.

We stay at your entire disposition if any questions about the report would remain. In the meantime, we offer you our kind salutations, Sincerely yours,

Greet Hex MRICS
Director
JLL Belgium

Justin Stortelers RT
Director
JLL The Netherlands

Christophe Adam MRICS
Director
JLL Expertises

Nicolas Janssens
Partner
Stadim

Opinion of Jones Lang LaSalle

Jones Lang LaSalle estimates, for its part of Montea's NV real estate portfolio valued at 31st December 2020, the investment value at EUR 1.408.620.400 and the fair value (transaction costs deducted) at EUR 1.337.707.600.

Greet Hex MRICS

Justin Stortelers RT

Christophe Adam MRICS

Director	Director	Director
JLL Belgium	JLL The Netherlands	JLL Expertises

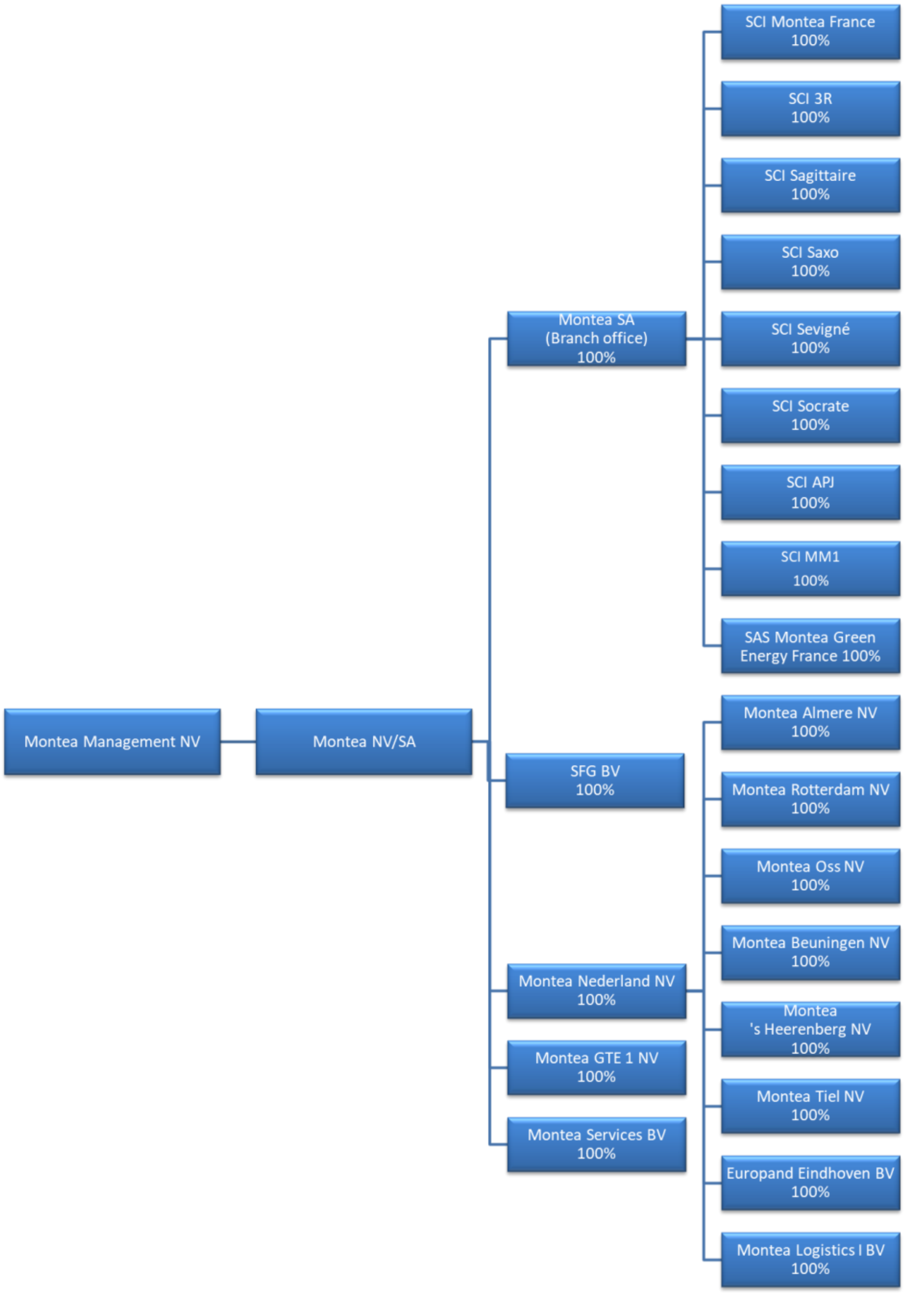
Opinion of Stadim

Stadim estimates, for its part of Montea NV's real estate portfolio valued at 31st December 2020, the investment value at EUR 29.788.200 and the fair value (transaction costs deducted) at EUR 27.581.700.

Nicolas Janssens
Partner
Stadim

7. Organizational structure

The Montea group comprised the following companies as at 31 December 2020:



Montea Management NV
Sole Director of Montea.

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

2. Montea SA[34] (Branch) (100%)
Registered Office: FR-75008 Paris, 18-20 Place de la Madeleine
RCS PARIS 497 673 145 00023 | VAT FR06497673145

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

a. SCI[35] Montea France (100%)
Registered Office: FR-75008 Paris, 18-20 Place de la Madeleine
RCS PARIS 493 288 948 | VAT FR33493288948

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

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

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

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

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

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

34 *Société d'Investissement Immobiliers Cotée.*
35 *Société Civile Immobilière* of burgerlijke vastgoedvennootschap.

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

i. SAS Montea Green Energy France (100%)
Registered Office: FR-75008 Paris, 18-20 Place de la Madeleine, France
RCS PARIS 889 967 162 | VAT FR69889967162

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

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

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

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

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

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

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

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

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

   h. Montea Logistics 1 BV (100%)
   Registered Office: EnTrada, Ellen Pankhurststraat 1C, NL-5032 Tilburg | VAT NL 8614 0847 0B01

5. Montea Services BV (100%)
Registered Office: Industrielaan 27, bus 6, B-9320 Erembodegem (Aalst)
VAT 0742.845.794

6. Montea GTE 1 NV (100%)
Registered Office: Industrielaan 27, bus 6, B-9320 Erembodegem (Aalst)
VAT 0757.964.037

8. Operating results and financial situation

8.1 Financial situation

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 2018 and 2019 which are included in this annual report by way of reference.

Financial situation (Annex 1 of Regulation (EG) no. 2019/980, sub 7.1)	
Annual financial report 2018	"Key figures" (p. 33-34) "Consolidated balance sheet as at 31 December 2018" (p. 137) "Overview of changes in the consolidated equity and reserves as at 31 December 2018" (p. 141)
Annual financial report 2019	"Key figures" (p. 20-21) "Consolidated balance sheet as at 31 December 2019" (p.137) "Overview of changes in the consolidated equity and reserves as at 31 December 2019" (p. 141)
Annual financial report 2020	"Key figures" (p. 24-25) "Consolidated balance sheet as at 31 December 2020" (p.150) "Overview of changes in the consolidated equity and reserves as at 31 December 2020" (p. 154)

8.1.2 Summary of financial results

8.1.2.1 Condensed consolidated overview of the results before profit appropriation as at 31 December 2020 (in thousands of euros)

ABBREVIATED CONSOLIDATED PROFIT & LOSS ACCOUNT (K EUR) Analytical	31/12/2020 12 months	31/12/2019 12 months
CONSOLIDATED RESULTS		
NET RENTAL RESULT	**69.597**	**65.063**
PROPERTY RESULT	**74.374**	**68.135**
% compared to net rental result	**106,9%**	**104,7%**
TOTAL PROPERTY CHARGES	**-2.229**	**-2.047**
OPERATING PROPERTY RESULT	**72.145**	**66.089**
General corporate expenses	-4.378	-4.207
Other operating income and expenses	-133	-172
OPERATING RESULT BEFORE THE PORTFOLIO RESULT	**67.635**	**61.710**
% compared to net rental result	**97,2%**	**94,8%**
FINANCIAL RESULT excl. Variations in fair value of the hedging instruments	**-10.950**	**-11.356**
EPRA RESULT FOR TAXES	**56.684**	**50.354**
Taxes	**-906**	-357
EPRA Earnings	**55.778**	**49.997**
per share	**3,50**	**3,28**
Result on disposals of investment properties	0	434
Result on disposals of other non-financial assets	0	0
Changes in fair value of investment properties	107.308	70.773
Other portfolio result	0	0
PORTFOLIO RESULT	**107.308**	**71.207**
Changes in fair value of financial assets and liabilities	-8.077	-12.739
RESULT IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**-8.077**	**-12.739**
NET RESULT	**155.009**	**108.465**
per share	**9,74**	**7,12**

Summary

- The EPRA earnings increased by 12% from € 50 million in 2019 to € 55.8 million in 2020. The EPRA earnings per share amounted to € 3.50 for 2020, an increase of 7% compared with 2019 (€ 3.28).

The increase in the EPRA earnings was due mainly to the strong growth of the property portfolio in 2019 and 2020, whereby operational and financial costs are monitored closely and managed as such.

The Operating result for the earnings on the property portfolio amounted to € 67.6 million, an increase of 10% compared with 2019.

- The net rental result amounted to € 69.6 million, up by 7% (or € 4.5 million) compared with the same period in 2019 (€ 65.1 million). This increase is due mainly to the recent acquisitions of new properties, leased land and completed projects, which generate additional rental income. With an unchanged portfolio (and therefore excluding new acquisitions, sales and project developments between both comparative periods 2020 and 2019), the level of rental income rose by 1.2%, driven mainly by the indexing of leases.

- The property earnings amounted to € 74.4 million and were up by € 6.2 million (or 9%) compared with the same period last year (€ 68.1 million) due mainly to the increase in net rental income (€ 4.5 million), an increase in solar panel income (€ 0,9 million) as well as an increase in project and property management fees (€ 0.5 million) and a decrease in non-rechargeable property costs as a result of the recovery of Belgian withholding tax paid for vacant warehouses that was paid in the past (€ 0.3 million).
- The property costs and general overheads rose slightly by € 0.4 million for 2020 compared with 2019 as a result of the growth in the portfolio and the increase in the subscription tax following the strengthening of equity in 2019. Due to this increase, the operating result before the result on the portfolio were up by € 5.9 million or 10% compared with the same period last year (from € 61.7 million in 2019 to € 67.6 million in 2020).
- The operating margin[36]* amounted to 90.9% for the entire year 2020, compared with 90.6% for 2019.

- The financial result excluding changes in the fair value of financial instruments amounted to € -11.0 million compared with € -11.4 million in 2019

The higher amount of outstanding financial debts was offset by the positive effect of the elaboration of the hedging strategy.

The total financial debt (inclusive of bond loans and leasing debts, including the recurring cost of land under concession) on 31 December 2020 is 85% hedged.

The average financing cost[37]* calculated on the basis of the average financial debt burden amounted to 1.9% for financial year 2020 compared with 2.2% for financial year 2019.

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

- EPRA earnings of € 3.50 per share, up by 7% compared with 2019.

The EPRA earnings for 2020 amounted to € 55.8 million, up by 12% compared with the same period last year. The EPRA earnings per share increased by 7% to € 3.50 in 2020, whereby due account was taken of a 5% increase in the weighted average number of shares.

- Proposed gross dividend of €2.83 per share, an increase of 11% compared with 2019.

Based on the distributable result, Montea will propose a gross dividend of € 2.83 per share to the general meeting of shareholders. This represents an increase in the gross dividend per share of 11% compared with 2019.

36 *The operating margin is obtained by dividing the operating result by the result on the property portfolio.

37 *This finance cost is an average over a full year and based on the total financial result compared to the average of the opening and closing balance of the financial debt without taking into account the valuation of hedging instruments and interest costs relating to lease obligations booked in accordance with IFRS 16.

- The result on the property portfolio[38] amounted to € 107.3 million.

The result on the property portfolio for financial year 2020 amounted to € 107.3 million or € 6.74 per share.[39] The increase in value concerns the latent capital gain on the completed project developments and the long-term lease to DPD for the site in Vilvoorde (€ 14.5 million). The increase can moreover be explained by an increase in the fair value of the existing property portfolio, linked to developments on the market (€ 92.8 million). This gives the following results per country: Belgium + € 72.8 million, France + € 12.3 million and the Netherlands + € 22.2 million. For the Netherlands, the increase in registration duties (transfer tax) from 6% to 8% as of 1 January 2021 is included. The transfer tax is deducted for the calculation of the fair value of the portfolio.

The result on the property portfolio is not a cash item and does not impact the EPRA earnings in any way.

- The negative change in the fair value of the financial instruments amounted to € -8.1 million.

The negative change in the fair value of the financial instruments amounted to € -8.1 million or € -0.51 per share at the end of 2020. The negative impact arises from the change in the fair value of the concluded interest rate hedges as at 31 December 2020 due to the declining long-term interest rates in 2020.

The changes in the fair value of financial instruments are not a cash item and do not have any impact on the EPRA earnings.

- Net result (IFRS)

The net result consists of the EPRA earnings, the result on the portfolio and the changes in the fair value of the financial instruments. The net result for 2020 (€ 155.0 million) increased by € 46.5 million compared with last year as a result of an increase in the EPRA earnings (+ € 5.8 million), a positive change in the value of the property portfolio (+ € 36.1 million) and the negative change in the fair value of the hedging instruments (+ € 4.7 million) in 2020 compared with 2019.

The net result (IFRS) per share[40] amounted to € 9.74 compared with € 7.12 in 2019.

[38] *Result on the property portfolio: this concerns the negative and/or positive changes in the fair value of the property portfolio + any capital losses or gains from the realization of real estate.
[39] Calculated as the result on the property portfolio based on the weighted average number of shares.
[40] Calculated on the basis of the weighted average number of shares.

8.1.2.2 Condensed consolidated balance sheet as at 31 December 2020

	CONSOLIDATED BALANCE SHEET (EUR)	31/12/2020 Conso	31/12/2019 Conso
I.	**NON-CURRENT ASSETS**	**1.360.538.550**	**1.161.380.537**
II.	**CURRENT ASSETS**	**38.382.025**	**32.317.252**
	TOTAL ASSETS	**1.398.920.575**	**1.193.697.790**
	SHAREHOLDERS' EQUITY	**815.310.611**	**680.029.177**
I.	**Shareholders' equity attributable to shareholders of the parent company**	815.310.611	680.029.177
II.	**Minority interests**	0	0
	LIABILITIES	**583.609.964**	**513.668.613**
I.	**Non-current liabilities**	477.806.518	412.772.382
II.	**Current liabilities**	105.803.445	100.896.231
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1.398.920.575**	**1.193.697.790**

On 31/12/2020 the total assets (€ 1,398.9 million) consisted mainly of investment properties (92% of the total) solar panels (2% of the total) and developments (4% of the total). The remaining amount of the assets (2% of the total) consisted of the other tangible and financial fixed assets including assets for own use and current assets comprising cash investments, trade and tax receivables.

Value and composition of the real estate portfolio on 31/12/2020

Montea's total property portfolio amounted to € 1,364.4 million, consisting of the valuation of the portfolio buildings including those held for sale (€ 1,280.1 million), the fair value of the current developments (€ 54.6 million) and the fair value of the solar panels (€ 29.8 million).

	Belgium	France	The Netherlands	Total 31/12/2020	Total 31/12/2019
Real estate portfolio - Buildings (0)					
Number of sites	34	18	22	74	69
Warehouse space (sqm)	645.450	202.702	313.965	1.162.118	1.073.248
Office space (sqm)	65.724	17.774	30.598	114.096	103.334
Land space - rent (sqm) (1)	6.512	0	180.345	186.858	163.010
Total space (sqm)	**717.686**	**220.476**	**524.909**	**1.463.071**	**1.339.593**
Real estate portfolio - Land					
Development potential (sqm) - rent	32.562	0	840.216	872.778	753.542
Development potential (sqm) - portfolio	132.007	112.204	160.120	404.331	368.743
Development potential (sqm) - in research	0	70.000	0	70.000	0
Development potential (sqm) - in option	79.137	0	0	79.137	224.137
Total surface - development potential (sqm)	**243.706**	**182.204**	**1.000.336**	**1.426.246**	**1.346.422**
Fair value (K EUR)	607.984	198.833	473.291	1.280.108	1.083.085
Investment value (K EUR)	623.287	212.832	515.709	1.351.828	1.134.150
Annual contractual rents (K EUR)	**35.464**	**10.593**	**26.810**	**72.867**	**67.217**
Gross yield (%)	5,83%	5,33%	5,66%	5,69%	6,21%
Gross yield on 100% occupancy (%)	5,86%	5,74%	5,66%	5,77%	6,28%
Un-let property (m²)	1.958	15.873	0	17.831	9.373
Rental value of un-let property (K EUR) (2)	177	826	0	1.003	850
Occupancy rate	99,7%	97,1%	100,0%	99,4%	99,3%
Real estate portfolio - Solar panels (3)					
Fair value (K EUR)	24.428	0	5.327	29.755	12.195
Real estate portfolio - Developments					
Fair value (K EUR)	9.964	2.372	42.254	54.590	64.004

(0) including the buildings held for sale and the right of use, related to the land held in concession in accordance with IFRS 16.
(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 area of the property portfolio amounted to 1,463,071 m², spread over 74 sites, including 34 in Belgium, 18 in France and 22 in the Netherlands.

Montea also has a total land bank of 1,426,246 m² of development potential, of which 872,778 m² of leased land in portfolio, 404,331 m² of unleased land in portfolio, 70,000 m² of land in research phase and 79,137 m² in option. This land bank is expected to result in approximately 50% lettable area on average (approximately 710,000 m²).

The gross property yield on the total of the investment properties amounted to 5.8% based on a fully let portfolio, compared with 6.3% as at 31/12/2019. The gross yield, taking into account the current vacancy rate, was 5.7%.

The contractual annual rental income (excluding rental guarantees) amounted to € 72.9 million, up by 8.4% compared with 31/12/2019, attributable mainly to the growth of the property portfolio.

The occupancy rate amounted to 99.4% as at 31/12/2020 compared with 99.3% as at the end of December 2019. The limited vacancy is located in Le-Mesnil-Amelot (FR), previously let to Autoclick and UTC Aerospace.

- The fair value of the ongoing developments amounts to € 54.6 million and consists of:

- the site in Lummen (BE) (cf. section 6.3.4.2)
- the site in Bornem (BE)
- the site in Senlis (FR)
- the parking project at Schiphol Airport (NL) (cf. section 6.3.4.2)
- the site in Etten-Leur (NL) (cf. section 6.3.4.2)
- the site in Waddinxveen (NL) (cf. section 6.3.4.2)
- solar panels under construction (BE + NL) (cf. section 6.3.5)

- The fair value of the solar panels of € 29.8 million concerns 32 solar panel projects spread across Belgium and the Netherlands.

Composition of equity and liabilities

- The total liabilities consist of equity of € 815.3 million and a total debt of € 583.6 million.

- Equity (IFRS) amounted to € 815.3 million as at 31 December 2020 compared with € 680.0 million at the end of 2019.

- The total liabilities (€ 583.6 million) consist of:
- € 380.2 million of drawn credit lines with 8 financial institutions. Montea had € 486.7 million in contracted lines of credit as at 31 December 2020 and an undrawn capacity of € 106.5 million;
- € 79.8 million in bond loans that Montea took out in 2014 and 2015;
- a current lease liability of € 46.9 million, consisting mainly of the recognition of a lease liability for the concession land (entry into force of IFRS 16) and for the financing of the solar panels on our site in Aalst;
- the negative value of current hedging instruments of € 31.1 million; and
- other debts and accruals[41] amounting to € 45.6 million.

The weighted average maturity of the financial debts (lines of credit, bond loans and leasing obligations) amounted to 3.9 years as at 31 December 2020. The average maturity of the interest rate hedges was 6.6 years at the end of 2020. The hedge ratio, which represents the percentage of financial liabilities with a fixed or a floating interest rate subsequently hedged by a hedging instrument amounted to 85.3% (compared to 99.1% per 31/12/2019).

41 The accrued charges and deferred income comprise largely rent already invoiced in advance for the next quarter.

The Interest Coverage Ratio[42] was equal to 6.2x at the end of December 2020 compared with 5.5x at the end of 2019.

The average financing cost of debt was 1.9% for 2020 (compared with 2.2% in the same period the previous year).

- Montea's debt ratio[43] was 38.0% at the end of 2020 (compared with 39.4% at the end of 2019).

Based on this current debt ratio (38.0% as at 31/12/2020), the investment potential would be approximately € 1,081.1 million without exceeding the maximum debt ratio of 65% (see table below).[44]

(EUR)	31/12/2020	Investment potential	Balance sheet after investment potential
Investment properties	1.364.452.197	1.081.128.563	2.445.580.760
Other assets	34.468.377		34.468.377
TOTAL ASSETS	**1.398.920.575**	**1.081.128.563**	**2.480.049.137**
Own capital	**815.310.611**	**-**	**815.310.611**
Liabilities	**583.609.964**	**1.081.128.563**	**1.664.738.526**
Non-current liabilities	**477.806.518**	**1.081.128.563**	**1.558.935.081**
Provisions	-		-
Other non-current financial liabilities	31.064.834		31.064.834
Deferred taxes - liabilities			-
Other non-current liabilities	446.741.684	1.081.128.563	1.527.870.246
Current liabilities	**105.803.445**	**-**	**105.803.445**
Provisions			-
Other current financial liabilities	-		-
Accruals	21.265.844		21.265.844
Other current liabilities	84.537.602		84.537.602
TOTAL LIABILITIES	**1.398.920.575**	**1.081.128.563**	**2.480.049.137**
Debt ratio	**38,0%**		**65,0%**

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

[42] The interest coverage ratio is calculated by dividing the sum of the operating result before the result on the portfolio, together with the financial income, divided by the net income.
[43] Calculated in accordance with the Royal Decree of 13 July 2014 on regulated real estate companies.
[44] 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.

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 may not exceed 60%. As a result, Montea has an investment potential of approximately € 770.3 million before reaching a debt ratio of 60%.

(EUR)	31/12/2020	Investment potential	Balance sheet after investment potential
Investment properties	1.364.452.197	770.327.222	2.134.779.420
Other assets	34.468.377		34.468.377
TOTAL ASSETS	**1.398.920.575**	**770.327.222**	**2.169.247.797**
Own capital	**815.310.611**		**815.310.611**
Liabilities	**583.609.964**	**770.327.222**	**1.353.937.186**
Non-current liabilities	**477.806.518**	**770.327.222**	**1.248.133.741**
Provisions	-		-
Other non-current financial liabilities	31.064.834		31.064.834
Deferred taxes - liabilities	-		-
Other non-current liabilities	446.741.684	770.327.222	1.217.068.906
Current liabilities	**105.803.445**		**105.803.445**
Provisions	-		-
Other current financial liabilities	-		-
Accruals	21.265.844		21.265.844
Other current liabilities	84.537.602		84.537.602
TOTAL LIABILITIES	**1.398.920.575**	**770.327.222**	**2.169.247.797**
Debt ratio	**38,0%**		**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 € -582.0 million. This corresponds to a 42.7% decrease in the current portfolio.

In euro	31/12/2020	Investment potential	Balance sheet after investment potential
Investment properties	1.364.452.197	- 581.961.246	782.490.952
Other assets	34.468.377		34.468.377
TOTAL ASSETS	**1.398.920.575**	**- 581.961.246**	**816.959.329**
Own capital	**815.310.611**	**- 581.961.246**	**233.349.365**
Liabilities	**583.609.964**		**583.609.964**
Non-current liabilities	**477.806.518**	**-**	**477.806.518**
Provisions	-		-
Other non-current financial liabilities	31.064.834		31.064.834
Deferred taxes - liabilities	-		-
Other non-current liabilities	446.741.684		446.741.684
Current liabilities	**105.803.445**	**-**	**105.803.445**
Provisions	-		-
Other current financial liabilities	-		-
Accruals	21.265.844		21.265.844
Other current liabilities	84.537.602		84.537.602
TOTAL LIABILITIES	**1.398.920.575**	**- 581.961.246**	**816.959.329**
Debt ratio	**38,0%**		**65,0%**

8.1.3 Conclusions for financial year 2020

On the financial front, 2020 was characterized primarily by good operating results for Montea:

- The EPRA earnings rose by 12% compared with the same period the previous year.
- The EPRA earnings per share amounted to € 3.50 compared with € 3.28 per share for the same period the previous year.
- An operating margin[45] of 90.9% compared with 90.6% in 2019.

8.1.4 Appropriation of the result

On the basis of the results as at 31 December 2020, the Board of Directors of Montea Management NV is to propose to the General Meeting of Shareholders on 18 May 2021 to distribute a gross dividend of € 2.83 gross per share, which corresponds to a net dividend of € 1.98 per share.

[45] See section 18.12.

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 2018 and 2019 which are incorporated by way of reference in this annual financial report and in the present annual financial report.

Operating results (Annex I to Delegated Regulation (EU) no. 2019/980, sub 7.2)	
Annual financial report 2018	"Key figures" (p. 36-37) "Consolidated statement of recognized and unrecognized income before profit appropriation as at 31 December 2018" (p. 147) "Consolidated comprehensive income before profit appropriation as at 31 December 2018" (p. 148) "Consolidated cashflow as at 31 December 2018" (p.149)
Annual financial report 2019	"Key figures" (p. 20-21) "Consolidated statement of recognized and unrecognized income before profit appropriation as at 31 December 2019" (p. 138) "Consolidated income before profit appropriation as at 31 December 2019" (p. 139) "Consolidated cashflow as at 31 December 2019" (p. 140)
Annual financial report 2020	"Key figures" (p. 24-25) "Consolidated statement of recognized and unrecognized income before profit appropriation as at 31 December 2020" (p. 151) "Consolidated income before profit appropriation as at 31 December 2020" (p. 152) "Consolidated cashflow as at 31 December 2020" (p. 153)

9. Capital resources

9.1 General financing policies

Montea's total capital amounts to € 326,561,810.51 at 31 December 2020 and is represented by 16,023,694 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 2020.

The Sole Director 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 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 Sole Director 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 Sole Director 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;[46] a second time on 5 March 2019 for the capital increase of € 58,036,289.04 for the public offering ;[47] 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[48] and a fifth time on 11 June 2020 in the form of an optional dividend of € 4,913,618[49].

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.

[46] 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.

[47] 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.

[48] 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.

[49] The total capital increased amounted to € 18,004,383.60 of which € 4,913,618 was allocated to share capital and € 13,090,765.60 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 31/12/2020 are as follows:

- total liabilities amount to € 583.6 million, consisting of
  - € 380.2 million in drawn credit lines with 8 financial institutions. Montea has € 486.7 million of contracted credit lines as at 31 December 2020 and an undrawn capacity of € 106.5 million;
  - € 79.8 million in bond issues concluded by Montea in 2014 and 2015;
  - a current lease debt of € 46.9 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 € 31.1 million; and
  - other debts and accrued charges[50] and deferred income amounting to € 45.6 million.
- a consolidated debt ratio of 38.0%;
- a weighted average duration of financial debt of 3.9 years;
- a weighted average duration of the hedging instruments of 6.6 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 85.3% as at 31 December 2020);
- an average financing cost on the total financial debt in 2020 (margin and hedging costs included) of 1.9% at 31 December 2020;
- an interest coverage ratio[51]* of 6.2x as at 31 December 2020.

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

[51] *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 Cashflows

The cashflow overview as at 31 December 2020 is explained below:

CONSOLIDATED CASH FLOW STATEMENT (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR (A)	**7.690**	**4.634**
Net result	**155.009**	**108.465**
Financial cash elements (not deductible of the net profit) to become the operating result	**10.950**	**11.356**
Received interests	-94	-57
Payed interests on finances	11.045	11.413
Received dividends	0	0
Taxes (deducted from the net result) to become the operating result	**906**	**357**
Non-cash elements to be added to / deducted from the result	**-99.395**	**-58.570**
Depreciations and write-downs	**743**	**255**
Depreciations/write-downs (or write-back) on intangible and tangible assets (+/-)	278	256
Write-downs on current assets (+)	465	-1
Write-back of write-downs on current assets (-)	0	0
Other non-cash elements	**-100.138**	**-58.825**
Changes in fair value of investment properties (+/-)	-107.308	-70.773
IFRS 9 impact (+/-)	8.077	12.739
Other elements	0	0
Realized gain on disposal of investment properties	0	-434
Provisions	-1	0
Taxes	-906	-357
NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS (B)	**67.470**	**61.608**
Change in working capital requirements (C)	**1.791**	**3.294**
Movements in asset items	**-2.663**	**7.406**
Trade receivables	-186	-7
Other long-term non-current assets	31	2.194
Other current assets	-460	4.681
Deferred charges and accrued income	-2.048	537
Movements in liability items	**4.454**	**-4.112**
Trade debts	3.079	-4.302
Taxes, social charges and salary debts	673	-1.626
Other current liabilities	-30	101
Accrued charges and deferred income	732	1.714
NET CASH FLOW FROM OPERATING ACTIVITIES (A)+(B)+(C) = (A1)	***76.951***	***69.536***
Investment activities	**-98.695**	**-136.504**
Acquisition of intangible assets	-327	-168
Investment properties and development projects	-82.611	-136.027
Other tangible assets	-29	-195
Solar panels	-15.728	-548
Disposal of investment properties	0	434
Disposal of superficy	0	0
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B1)	**-98.695**	**-136.504**
FREE CASH FLOW (A1+B1)	**-21.744**	**-66.968**
Change in financial liabilities and financial debts	**57.479**	**-51.704**
Change in other liabilities	**0**	**0**
Change in shareholders' equity	**-19.727**	**137.717**
Dividend paid (+ profit-sharing scheme)	**0**	**0**
Financial cash elements	**-10.950**	**-11.356**
NET FINANCIAL CASH FLOW (C1)	**26.801**	**74.658**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (A1+B1+C1)	**5.057**	**7.690**

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 2020.

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

- Capitalisation at 31 December 2020

On 31 December 2020, the consolidated shareholders' equity amounted to € 815,310,678.80.

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	
N 31/12/2017	**256.063**	**100.891**	**12.020**	**64.575**	**0**	**19**	**433.568**
ements directly recognized as equity	**58.920**	**108.292**	**-237**	**0**	**0**	**-19**	**166.956**
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
btotal	**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
N 31/12/2019	**314.983**	**209.183**	**47.397**	**108.465**	**0**	**0**	**680.029**
ements directly recognized as equity	**4.829**	**13.091**	**2.402**	**0**	**0**	**0**	**20.322**
Capital increase	4.829	13.091	0	0	0	0	17.919
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	2.402	0	0	0	2.402
Own shares	0	0	0	0	0	0	0
Own shares held for employee option plan	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0
Corrections	0	0	0	0	0	0	0
btotal	**319.812**	**222.274**	**49.799**	**108.465**	**0**	**0**	**700.351**
Dividends	0	0	-40.049	0	0	0	-40.049
Result carried forward	0	0	108.465	-108.465	0	0	0
Result for the financial year	0	0	0	155.009	0	0	155.009
N 31/12/2020	**319.812**	**222.274**	**118.215**	**155.009**	**0**	**0**	**815.311**

- Debt as at 31 December 2020

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 2020 amounted to € 583.6 million (€ 477.8 million long-term and € 105.8 million short-term):

- a total amount of credit lines drawn of € 380.2 million. On 31/12/2020, Montea had confirmed bilateral credit lines with eight financial institutions totaling € 486.7 million, of which 78.1% has been drawn. The weighted average term of these credit lines on that same date was still 3.9 years.
- a total amount of leasing debts of €46.9 million, of which €46.0 million consists mainly of the recognition of the lease obligations on the concession land, pursuant to IFRS 16.
- a total amount of €79.8 million relating to outstanding bond loans. Montea did not enter into any new bond loans in 2020. On 31/12/2020, the weighted average term of the current bond loans was still 3.6 years.

- the negative value of the current hedging instruments of € 31.1 million; and
- other debts and accruals[52] for an amount of € 45.6 million.

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 2020.

FINANCIAL DEBTS (EUR x 1.000)	31/12/2020	31/12/2019	31/12/2018
NON-CURRENT FINANCIAL DEBTS	**446,742**	**389,741**	**416,969**
Credit institutions	350,167	261,667	305,000
Bond loan	49,787	79,648	109,491
Securities, bank guarantees by means of deposited funds	1,707	1,641	1,431
Financial leasing	833	943	1,047
Other	44,247	45,844	0
- Other loans	0	0	0
- Rent guarantees received	0	0	0
- Advances on income from real estate with claims of more than one year	0	0	0
- Waived income from real estate with claims of more than one year	0	0	0
- Other (*)	44,247	45,844	0
CURRENT FINANCIAL DEBTS	**61,819**	**61,340**	**45,085**
Credit institutions	30,000	29,600	45,000
Bond loan	30,000	30,000	0
Financial leasing	98	92	85
Other	1,721	1,648	0
- Other loans	0	0	0
-Rent guarantees received	0	0	0
- Advances on income from real estate with claims of more than one year	0	0	0
- Waived income from real estate with claims of more than one year	0	0	0
- Other (*)	1,721	1,648	0
TOTAL	**508,561**	**451,082**	**462,054**

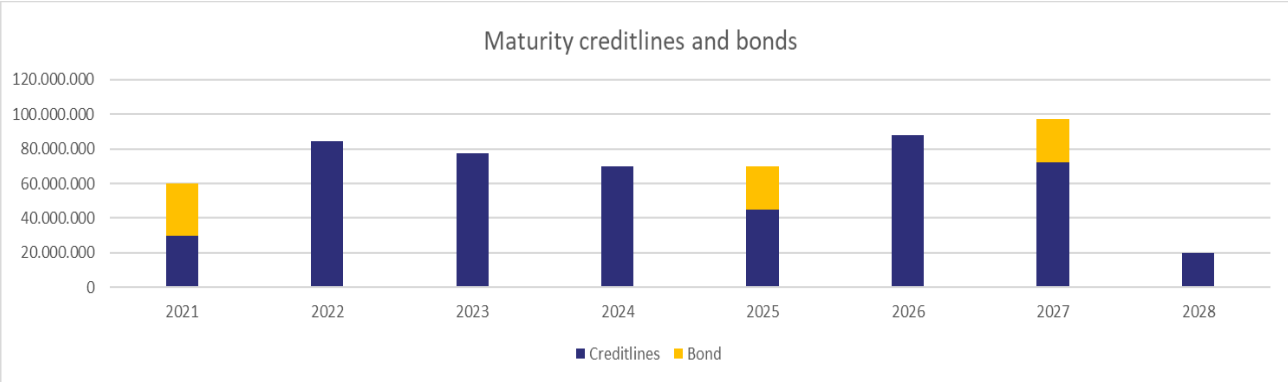
(*) The heading "Other" comprises mainly the lease obligations relating to the concession land in accordance with IFRS16.

The investment commitments as at 31 December 2020 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 50% à 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%.

[52] Accruals and deferred income largely comprise rent already invoiced in advance for the following quarter.

As at 31 December 2020, 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 31/12/2020, 85.3% of the variable rate financial debt was covered by hedging instruments.

On 31/12/2020, the Company had concluded a total of € 387.5 million in interest rate swap and interest rate cap hedging contracts.

The weighted average term of the interest rate hedges amounted to 6.6 years as at 31 December 2020.
For a description of Montea's hedging instruments, cf. Section 18.8.1 (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 38.0%, 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. Regulation

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 report.

10.1 The regulated real estate investment trust 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 limited liability company or a 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[53] 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% (subject to certain exceptions) on dividends from regulated real estate companies, discharging natural persons residing in Belgium.
- Companies which obtain a license as a regulated real estate company or merge with a regulated real estate company are subject to a tax (exit tax) of 15% (as of assessment year 2020 for a taxable period starting on 1 January 2020 at the earliest) on latent capital gains and exempted reserves.

10.2 "Société d'investissements immobiliers Cotée" (SIIC) (listed real estate investment trust) 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 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 19%. 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 95%, but after deducting write-downs.

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 70% 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 Fiscale beleggingsinstelling (FBI) (fiscal investment institution) in the Netherlands

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

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

(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) and Montea Logistics 1 BV (incorporated in 2020) have never been included in the tax group for corporate income tax purposes. These companies have been subject to independent taxation since they were incorporated and have 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 license 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. Trends

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, the Netherlands and Germany. The company is a reference player in the first three markets and is developing rapidly in the fourth market. Montea's real estate portfolio includes quality buildings located close to airports, railways, waterways and motorways.

In the year 2021, 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 2020) to the date of this annual financial report.

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

12. Profit forecasts or estimates

12.1 COVID-19

In 2021, Montea will continue to guarantee the various measures taken to ensure the continuity of its activities in the various countries in which it operates, putting the health and well-being of all its stakeholders first. Teleworking is the norm for all tasks that do not require physical presence. Montea has a digital environment and modern communication tools, so this measure does not present any particular difficulties. The continuity of service to the tenants is guaranteed by the operational teams that are in close contact with the tenants.

The risk of default is minimized. thanks to its qualitative and diversified customer portfolio (at geographical, sector and site level), the risk of default. The warehouses are operational and, in some cases, even have an increased activity. Montea is aware of the challenge some customers face. Requests from tenants to spread the rent owed over time are considered on a case-by-case basis in order to find a balanced solution. No rent reductions or waivers were granted by Montea. The spread rent payments as a result of the agreements made represent an amount of approximately € 0.5 million at the end of 2020. For reasons of produce, a provision was made in the 2020 income statement for the totality of these spread rents.
Montea has collected 99% of the rental invoices due for financial year 2020.

Montea heeft bovendien verder gewerkt aan de versteviging van haar financiële structuur, zoals een schuldratio van 38,0% en een Interest Coverage Ratio van 6,2x. Als voor het overige alles gelijk blijft, heeft Montea haar financieringsbehoeften (verplichtingen inclusief verwachte uitgaven voor nog niet geëngageerde projecten conform vooruitzicht portefeuillegroei) tot augustus 2021 gedekt. Montea had per 31/12/2020 een niet-opgenomen capaciteit van kredietlijnen van € 106,5 miljoen.
Montea always considers all possible forms of financing. Access to the debt market was not restricted for Montea as a result of COVID-19 thanks to its track record, low debt ratio and the property class (logistics) in which it operates. Taking into account the uncertainties caused by COVID-19, Montea has decided to increase the available debt capacity, which will involve additional financial costs in the form of a reservation fee for the future.
The average cost of debt dropped from 2.2% in 2019 to 1.9% in 2020.

Logistics is the property class that is not expected to be affected by the crisis, or may even be affected positively:

- Companies will want to reduce their dependence on Asian countries and build up strategic inventories;
- Consumer expectations for shorter delivery times will increase, causing several companies to increase their stock levels;
- Companies that did not provide online services yet will be forced to adapt and will continue to provide their online services after the crisis;
- Consumers who did not yet know the advantages of online services have been forced to learn to order via the Internet, which will bring about a change in behaviour among late adopters.

12.2 Specific forecasts for Montea

Various trends in the logistics sector were accelerated by the COVID pandemic. For example, e-commerce has grown even faster and the importance of certain market trends such as omnichannel, nearshoring, sustainable e-commerce, use of data analytics and robotization in particular is constantly increasing. Thanks to the rising importance of these trends, the in-house know-how (track record as a developing end investor), well-filled development pipeline and numerous land positions, Montea is reconfirming the further growth of its real estate portfolio to at least € 1,450 million by the end of 2021. 77% of the targeted growth of € 300 million had already been identified by the end of 2020.

The establishment of various partnerships, including the cooperation with the German IMPEC Group, will enable Montea to continue its solid growth story over the next few years.
This growth will be achieved in particular through:

- A combination of acquiring land positions with a view to developing pre-let build-to-suit projects;
- Sale-and-lease back transactions;
- Investments within the expanded REIT legislation;
- Investments in renewable sources.

Based on current knowledge and estimation of the coronavirus, and excluding heavy negative consequences of a possible new wave or lockdown, Montea expects for 2021:

- ✓ growth in EPRA earnings per share to € 3.68
(+ 12% compared with 2019 or + 5% compared with 2020)
- ✓ an increase of the dividend per share to € 2.96
(+ 17% compared with 2019 or + 5% compared with 2020)

In 2021 Montea will continue its strategy of subjecting its portfolio to continuous arbitrage. This strategy results in exceptional property-related performance indicators such as occupancy rate (99.4% at the end of 2020), average term of leases until the first termination option (7.7 years at the end of 2020) and average age of buildings (7.9 years at the end of 2020). Thanks to its focus on the type of client and their activity (such as the health care sector, recycling sector, etc.) as well as on strategic locations with high added value (such as airports, water locations, etc.), Montea has succeeded in expanding its real estate portfolio in optimal manner. Montea therefore expects to maintain the occupancy rate at least above 97%.

Montea aspires to make its own operations CO2-neutral by the end of the year by reducing CO2 emissions (stimulating the use of public transport, electric cars, etc.), improving energy efficiency (energy monitoring, etc.) and using renewable energy sources (such as solar panels and heat pump applications). A cooperation arrangement with CO2logic has been set up to guide and certify the process. Montea is joining the Science Based Targets initiative to underline its ambition and commitment in the fight against climate change.

In 2021 Montea intends to devise and implement a Green Finance Framework.

12.3 Assumptions about prospects for EPRA results

In the outlook we describe the expected results concerning the consolidated EPRA earnings and the consolidated balance sheet for financial year 2021 on the basis of figures as indicated in the annual report as at 31 December 2020, 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 2020 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 2021 outlook, the following elements were taken into account to determine the investment properties:

- an identified growth of € 230 million (77% of the targeted € 300 million of the 2020-2021 growth plan)
- an addition total ambition of € 70 million (23% of the targeted € 300 million of the 2020-2021 growth plan).

12.5 Hypotheses 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 2021.

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

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

(i) Investments to be completed in 2021 (cf. section 6.3.4.2) contribute to the net rental result one month after the expected completion date on average.

(ii) Investments in solar panel projects (cf. section 6.3.5.2) do not contribute to the net rental result, except in the Netherlands; the revenues linked to these investments are included under 'Other rent related operating income'.

(iii) Additional ambition of € 70 million (category 2. described above) does not contribute to the net rental result of 2021. 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 income and expenses

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 recognized 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 2021 (cf. section 6.3.5.2) generate revenue as of the expected delivery date in Belgium and France.

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 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 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 Sole Director 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 2020 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 2020 of € 583.6 million, consisting of € 380.2 million of outstanding credit lines, € 79.8 million of outstanding bond loans, € 46.9 million of finance lease debt, the negative value of current hedging instalments of € 31.1 million and other debts and accruals of € 45.6 million;
- the expected changes in the financial debt in 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 2021 is calculated at a maximum of 2.0% (compared to 1.9% for the full year 2020) 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 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 SA (branch in France). On an estimate of the taxable basis of Montea Netherlands and its subsidiaries, corporate income tax (rate = 25%) is provided in this section.

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 regarding factors which Montea cannot directly influence

An indexation level in 2021 based on economic consensus expectations is taken into account in the development of rental income, corrected by a margin of caution of 0.5%. 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 EPRA earnings forecast

On the basis of the foregoing assumptions and current forecasts for 2021, Montea expects an increase in EPRA earnings per share to € 3.68 per year in 2021 (an increase of 5% compared with 2020).

(EUR x 1.000) POST-MONEY	31/12/2021 12 months	31/12/2019 12 months
Net rental result	74.193	69.597
Property result	83.404	74.374
Total Property charges	-2.208	-2.229
OPERATING PROPERTY RESULT	**81.197**	**72.145**
General corporate expenses	-5.199	-4.378
Other operating income and expenses	-95	-133
OPERATING RESULT BEFORE PORTFOLIO RESULT	**75.902**	**67.635**
Result on disposal of investment properties	-	-
Result on disposal of other non-financial assets	-	-
Changes in fair value of investment properties	-	107.308
OPERATING RESULT	**75.902**	**174.943**
Financial result	-12.229	-19.027
PRE-TAX RESULT	**63.673**	**155.915**
Taxes	-4.249	-906
NET RESULT	**59.424**	**155.009**
EPRA RESULT (1)	**59.424**	**55.778**
Number of shares in circulation entitled in the result of the period	16.197.026	16.023.694
Weighted average of number of shares of the period	16.133.801	15.916.319
NET RESULT PER SHARE (2)	**3,67**	**9,67**
EPRA RESULT PER SHARE (2)	**3,67**	**3,48**
EPRA RESULT PER SHARE (3)	**3,68**	**3,50**

(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 Consolidated balance sheet forecast

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 2020 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. 45% at the end of 2021.

In euro	Q4 2020	Q4 2021
Investment properties	1.358.231.597	1.579.794.815
Other assets	40.688.978	40.821.226
TOTAL ASSETS	**1.398.920.575**	**1.620.616.042**
TOTAL SHAREHOLDERS' EQUITY	**815.310.611**	**843.397.113**
LIABILITIES	**583.609.964**	**777.218.929**
Non-current liabilities	**477.806.518**	**699.501.985**
Provisions	-	-
Other non-current financial liabilities	31.064.834	31.064.834
Deferred taxes - liabilities	-	-
Non-current financial debts	446.741.684	668.437.151
Current liabilities	**105.803.445**	**77.716.944**
Provisions	-	-
Other current financial liabilities	-	-
Accrued charges and deferred income	21.265.844	21.265.844
Current financial debts	84.537.602	56.451.100
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1.398.920.575**	**1.620.616.042**
Endebtedness	**38,0%**	**44,7%**

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 2020 Montea expects a further rise of the dividend in line with the increase in EPRA earnings per share, i.e. 5% compared with 2020, which will lead to a gross dividend per share of € 2.96 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 2021

Building a better working world

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

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 NV ("the consolidated financial forecasts") for the accounting year 2021, and included in chapter 12 of the annual report as approved on 8 February 2021 by the Statutory Manager of the Company.

The assumptions included in paragraph 12.4, 12.5, 12.6 and 12.7 result in the following EPRA result for the accounting year 2021:

Date: 1 January 2021 – 31 December 2021

EPRA result: 59.4 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 NV. 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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Building a better working world

Statutory auditor's report of 15 April 2021 on the consolidated financial forecasts of Montea NV

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 NV.

Brussels, 15 April 2021

EY Bedrijfsrevisoren BV/EY Réviseurs d'Entreprises SRL
Statutory auditor
Represented by

Joeri Klaykens (Signature)
Digitaal ondertekend door Joeri Klaykens (Signature)
DN: cn=Joeri Klaykens (Signature), c=BE
Datum: 2021.04.15 08:25:51 +02'00'

Joeri Klaykens*
Partner
* Acting on behalf of a BV/SRL

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13. Statement on good governance

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 2020.

In this respect, Montea has applied the recommendations included in the Belgian Corporate Governance Code 2020 as reference code since 1 January 2020 (www.corporategovernancecommittee.be). Should it deviate from this, it shall include this deviation in this corporate governance statement, pursuant to 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.

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 to Article 3:6, §2 of the Companies and Associations Code.

Montea itself has assumed the form of a partnership and has only one managing director appointed pursuant to the articles of association (the Sole Director). This Sole Director, Montea Management NV, assumes the form of a limited liability company.

13.1 Statement on corporate governance code

13.1.1 Corporate Governance Code 2020

The Company and its Sole Director respect the provisions of the Belgian Corporate Governance Code 2020 and the legal recommendations on corporate governance by applying these within the organisation of the management of the Sole Director. As managing body of the Sole Director 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 limited liability company 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 Sole Director, Montea Management NV.

The Company has so far complied with the provisions of the Corporate Governance Code 2020 with the exception of the following provisions:

- pursuant to provision 5.6 of the Corporate Governance Code 2020, 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.
- By way of derogation from provisions 7.1 to 7.3 of the Corporate Governance Code 2020, the Company does not yet have a remuneration policy approved by its general meeting of shareholders. A remuneration policy will be submitted for approval for the first time at the forthcoming annual general meeting of shareholders on 18 May 2021, which will in principle apply for four years;

- 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 7.6 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 concern 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 13.3.3.2 of this annual financial report);
- The contracts of the executive management do not provide any right of claw back 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 control and risk management systems

13.2.1 General

The board of directors of the Sole Director 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[54] 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.

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

13.2.2 The audit environment

The main characteristics of the control environment consist of:

- The risk culture

  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 two investment committees[55]. The audit committee has the specific task of handling the company's internal auditing and risk management. Montea is assisted by third parties (EY/Deloitte Legal, Primexis and ABAB/Meijburg and Co 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.

[55] This concerns the Investment Committee France, the Investment Committee Netherlands and until 6 February 2020 the Investment Committee Belgium. The Investment Committee Belgium was subsequently revised.

13.2.3 Risk analysis and audit activities

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 Sole Director
  - 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 retro planning 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 the internal audit

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 until 31 December 2020) to an external contractor BDO Bedrijfsrevisoren CV, represented by Mr Steven Cauwenberghs. As of 1 January 2021, and for a period of 3 years until 31 December 2023, the internal audit has been delegated to and shall be exercised by the external service provider Trifinance Belgium NV, represented by Mr Alexander Van Caeneghem.The final responsibility for the internal audit lies with the effective manager Jo.

13.3 Administrative, executive and supervisory bodies and management

13.3.1 General

In accordance with the Companies and Associations Code Code and its articles of association, Montea is managed by its Sole Director, Montea Management NV ("Montea Management" or the "Sole Director"), 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 Sole Director 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 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 public limited liability company is totally transparent. This means that all of the rules of the RREC Act and the RREC RD apply to its management body, the Sole Director and the directors of the Sole Director.

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

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

- the management bodies, on two levels:
  - the Sole Director, 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 Sole Director 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 Sole Director 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 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 Sole Director 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) Qualification's 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 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 2020

Name	Capacity/Position	Start of first term of office	End of first term of office
Dirk De Pauw	Executive director and, since 1/10/2014, also chairman of the board	01/10/2006	18/05/2021
Jo De Wolf	Executive 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	17/05/2022
Greta Afslag	Non-executive director	16/05/2017	18/05/2021

The general meeting of Montea Management NV on 18 May 2021 will be asked to

- to renew the appointment of Dirk De Pauw as executive director for four years until the annual meeting of 2025;
- to renew the appointment of Peter Snoeck as a non-executive director by four years until the annual meeting of 2025;
- to renew the mandate of Philippe Mathieu as independent director for four years until the annual meeting of 2025;
- to appoint Barbara De Saedeleer as independent director for a period of three years until the annual meeting of 2024;
- to appoint Koen Van Gerven as independent director for a period of three years until the annual meeting of 2024.

The Board of Directors currently has three female members, which means that more than 1/3 of the directors are of a different gender than the other directors. From 18 May 2021, the board of directors will consist of seven members, two of whom will be women.

(iv) Curricula

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 NV, pursuant to Article 14 of the REEC Act.
b) Current mandates:

He has been managing director of NV CLIPS in Asse since 1982, of NV K& D Invest since 2006 and of Fadep NV since 2018. In addition, he has been a director in Tack Buro BV since 2020. Finally, as permanent representative of DDP Management BV, he has been a director in Project Planning Degroote CV since 2018. Dirk De Pauw is Chairman of the Board of the Sole Director of Montea and chairman of the Company's investment committees[56].

Jo De Wolf
Executive director and CEO
Start of mandate: 30/09/2010 - Reappointed till 17/05/2022[57]

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 NV, 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.

[56] This concerns the Investment Committee France, the Investment Committee Netherlands and until 6 February 2020 the Investment Committee Belgium. The Investment Committee Belgium was subsequently revised.
[57] In previous annual reports, the end date of the mandate of Jo De Wolf BVBA was incorrectly stated.

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 Sole Director 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

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.

Presentation Barbara De Saedeleer
Independent, non-executive director
Start of mandate: 18/05/2021 – Appointed till 21/05/2024

Barbara De Saedeleer, born in 1970, obtained a master's degree in business and financial sciences, with a specialisation in quantitative business economics at the VLEKHO Business School in Brussels. She also holds a degree in marketing. She started her career in corporate banking in 1994 at Paribas Bank Belgium (later Artesia Bank and Dexia Bank Belgium), after which she became regional director Corporate Banking East Flanders. In 2004, she joined Omega Pharma as Group Treasury Manager and member of the Executive Committee from 2007 to 2016. In 2017, she became Chief Investments and Operations Officer at Ghelamco until March 2021.

Barbara De Saedeleer is currently independent director at Beaulieu International Group NV, where she is also chairman of the Audit Committee. She is also independent director of UTB NV.

Presentation Koen Van Gerven
Independent, non-executive director
Start of mandate: 18/05/2021 – Appointed till 21/05/2024

Koen Van Gerven, born in 1959, obtained a degree in Business Engineering as well as a degree in Business and Information Systems Engineering at the KU Leuven. He then studied at Cornell University in the US to obtain his MBA. He is an experienced board member and has held a large number of board positions related to his executive functions. Having been CEO of Bpost for six years, he has a good understanding of the needs and challenges of a logistics player in e-commerce.

Koen Van Gerven is currently non-executive director at HRworx Holding NV, Universitair Ziekenhuis Gasthuisberg, Algemeen Ziekenhuis AZ Diest and ING Belgium (as independent director).

13.3.2.2 Remit

Montea Management NV acts, in carrying out its duties in the capacity of Sole Director, 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;
- discussion of the internal risks;
- discussion and approval of the proposals submitted by the audit committee and the remuneration and appointments committee;
- other duties expressly assigned to the Sole Director (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 Management report of the board of directors

The board of directors met on six occasions and also on 1 occasion via teleconferencing in 2020.[58] 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 1st term of office**	**End of term of office**	**Presence in 2020**
Dirk De Pauw	Chairman and executive director	October 2006	May 2021	7/7
Jo De Wolf	Managing director	September 2010	May 2022	7/7
Philippe Mathieu	Independent, non-executive director	May 2018	May 2021	7/7
Peter Snoeck	Non- executive director	October 2006	May 2021	7/7
Jean-Marc Mayeur	Non-executive director	May 2012	May 2021	7/7
Ciska Servais	Independent, non-executive director	May 2013	May 2021	7/7
Sophie Maes	Independent, non-executive director	October 2013	May 2022	6/7
Greta Afslag	Non-executive director	May 2017	May 2021	7/7

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[59];
- deliberation and decisions regarding investments and divestments on the advice of the investment committees[60];
- 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;
- alteration of Montea's articles of association and renewal of statutory authorizations as a result of the Companies and Associations Code;

[58] 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.

[59] This concerns the Investment Committee France, the Investment Committee Netherlands and until 6 February 2020 the Investment Committee Belgium. The Investment Committee Belgium was subsequently revised.

[60] This concerns the Investment Committee France, the Investment Committee Netherlands and until 6 February 2020 the Investment Committee Belgium. The Investment Committee Belgium was subsequently revised.

- deliberation and decisions concerning the increase of capital in consideration of the optional dividend on 18 May 2020;
- appointment of additional real estate expert;
- (re)appointment of internal auditor;
- Succession of property development.

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 3.5.3 of the Belgian Corporate Governance Charter of Montea. These external experts may be appointed in the light of new purchases, divestments and new regulations on environmental and legal matters.

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 2020, Montea held informal training sessions on, among other things, the evolution of the logistics property market and the new company legislation.

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 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 2020, 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.

According to 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. Audit committee remit

The audit committee is charged with the legal duties in accordance with 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;
- the approval of new financing and hedging agreements;
- 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 five times in 2020. The members' attendance was as shown in the table below:

Name	Position	Attendance in 2020
Phillippe Mathieu	Independent, non-executive director and Chairman	5/5
Sophie Maes	Independent, non-executive director	4/5
Jean-Marc Mayeur	Non-executive director	5/5

The following matters are attended to in particular:

- 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;
- discussion of risk factors;
- discussion of the annual budget;
- alteration of Montea's articles of association and renewal of the statutory authorizations as a result of the Companies and Associations Code;
- deliberation and decisions on the increase of capital in consideration of the optional dividend on 18 May 2020;
- implementation of SRD II;
- reporting to the full board of directors on the main findings of the audit committee;
- appointment of additional real estate expert;
- (re)appointment of internal auditor;
- Monitoring of property development.

The foregoing points were also discussed with the auditor at three of meetings and with the CEO and the CFO at all the meetings.

D. Audit committee assessment

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 appointment committee

A. Composition of the remuneration and appointment committee

(i) Set-up

The Board of Directors has established a Remuneration Committee in accordance with Article 7:88 of the Companies and Associations Code. The Remuneration Committee also functions as an 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.[61]

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.

B. Tasks of the remuneration and appointment 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;
- the preparation of the remuneration policy;
- 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.

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

C. Remuneration and appointment committee's activity report

The Remuneration and Appointments Committee met three times in 2020. The members' attendance was as shown in the table below.

Name	**Position**	**Attendance in 2020**
Ciska Servais	Independent, non-executive Director and charman of the committee.	3/3
Sophie Maes	Non-executive and independent director	3/3
Philippe Mathieu	Non-executive and independent director	2/3[62]

The following issues were discussed at these meetings:

- evaluation of management for 2020 and discussion of the objectives for 2021;
- discussion and evaluation of the overall staff policy;
- discussion of the status of the stock option plan and the share purchase plan;
- discussion and preparation of the remuneration policy for employees and executive management;
- discussion and preparation of the remuneration report 2020;
- discussion and preparation of a remuneration policy;
- discussion and preparation of the amended Corporate Governance Charter.
- discussion and preparation of the appropriate remuneration report;
- discussion and preparation of a private statement for the employees.

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.

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

13.3.3.3 Investment committees

A. Composition of the investment committee

(i) Situation

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. In 2020, the board of directors decided to reconsider the investment committee in Belgium. The last meeting of the investment committee in Belgium was held on 6 February 2020.

(ii) Composition

The investment Committee Belgium consists of the following parties [63]:

- 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);
- EMOR 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:

- 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 CommV, represented by Peter Demuynck (Chief Commercial Officer) (CCO);
- HOAM BV, represented by Hylke Okkinga, director Netherlands;
- PSN Management BV, represented by Peter Snoeck;
- Ard De Keijzer;

[63] This investment committee was reviewed by the board of directors. Its last meeting took place on 6 February 2020.

- 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 2020, the Investment Committee Belgium met once. The members' attendance was as shown in the table below:

Name	Position	Attendance in 2020
DDP Management BV, represented by Dirk De Pauw	Chairman	1/1
Jo De Wolf	Member	1/1
PSN Management BV, represented by Peter Snoeck	Member	1/1
Elijarah BV, represented by Els Vervaecke	Member	1/1
PDM CommV, represented by Peter Demuynck	Member	1/1
Emor BVBA, represented by Francis Rome	Member	1/1
Insumat NV, represented by Sophie Maes	Member	0/1
Brix & Co, represented by Patricia Laureys	Member	1/1

In 2020, the Investment Committee France met twice. The members' attendance was as shown in the table below:

Naam	Position	Attendance in 2020
DDP Management BV, represented by Dirk De Pauw	Chairman	2/2
Jo De Wolf	Member	2/2
Elijarah BV, represented by Els Vervaecke	Member	2/2
Jean de Beaufort	Member	2/2
SAS Casamagna, represented by Laurent Horbette	Member	2/2

In 2020, the Investment Committee Netherlands met three times. The members' attendance was as shown in the table below:

Name	Position	Attendance in 2020
DDP Management BV, represented by Dirk De Pauw	Chairman	3/3
Jo De Wolf	Member	3/3
Elijarah BV, represented by Els Vervaecke	Member	3/3
PSN Management BV, represented by Peter Snoeck	Member	3/3
PDM CommV, represented by Peter Demuynck	Member	3/3
HOAM BV, represented by Hylcke Okkinga	Member	3/3
Ard De Keijzer	Member	3/3
Rien van den Heuvel	Member	3/3

13.3.4 Executive management and day-to-day management

13.3.4.1 Composition of executive management and day-to-day management

In view of the further growth of Montea, in the beginning of 2020, the board of directors of the Sole Director 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)

The executive management is assisted in the performance of their duties by the country managers:
- 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[64] also qualify as effective leaders within the meaning of Article 14 of the RREC Act.

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

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 Operation 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.

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 Audit – Internal supervision – Supervision of the executive management

The supervision of the executive management is the responsibility of the full board of directors of the Sole Director.

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 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. The independent compliance function resides with Montea's Chief Property Manager Jimmy Gysels [65].

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 on market abuse. The compliance officer is also charged with supervising compliance with the rules regarding conflicts of interest, as set out in section 11 of Montea's corporate governance charter with regard to the incompatibility of mandates.

The Compliance Officer reports to the effective leader, Jo De Wolf.

[65] Jimmy Gysels has been the Compliance Officer since 1 April 2020. Previously, this was Elhanafi Oubial.

13.3.6.2 Person in charge of the company's risk management

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.

At Montea, Jan Van Doorslaer (Finance & Risk Manager) is in charge of the risk management function with effect from 1 April 2020, terminable at any time by decision of the Board of Directors of the Sole State Director[66]. 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;

[66] Jan Van Doorslaer has been charged with the Risk Management function since 1 April 2020. Previously, this was Elhanafi Oubial

- 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 23 September 2017 and ending on 31 December 2020), delegated to and carried out by the external service-provider, BDO Bedrijfsrevisoren CV, represented by Steven Cauwberghs. From 1 January 2021, the internal audit function at Montea will be carried out by Trifinance, represented by Alexander Van Caeneghem (this mandate runs until 31 December 2023). It reports to the executive directors, who in turn report to the full board of directors of the Sole Director, if 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.

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 Person in charge of the financial service

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

The provision of this financial service entailed a total cost of € 27,314.12 (excl. VAT) in 2020. 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 activities

Montea does not carry out any research and development activities.

13.4 Conflict of interests

13.4.1 Companies Code

Pursuant to Article 7:96 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 7:97 of the Companies and Associations Code, every decision or transaction relating to a related party within the meaning of IAS 24, including subsidiaries in which the controlling shareholder holds a stake of at least 25% and including decisions or transactions by subsidiaries, must be submitted to a committee of three independent directors who will draw up a written recommendation for the Board of Directors. A report will also be prepared by the statutory auditor on the fairness of the data in the advisory committee. Finally, a press release will have to be issued at the latest when the decision is taken, including the independent committee's advice and the statutory auditor's assessment. Customary decisions and transactions at market conditions (and securities), transaction value <1% of consolidated net assets, decisions regarding remuneration, acquisition or disposal of treasury shares, payment of interim dividends and capital increases within the framework of the authorized capital, without restriction or withdrawal of preferential rights shall be exempted from this procedure.

In the course of financial year 2020, The board of directors had to apply the procedure provided under Article 7:96 in conjunction with 7:102 of the Companies and Associations Code three times in financial year 2020, butdid not have to apply the procedure provided for in Article 7:97 of said Code.

Excerpt from the minutes of the Board meeting of 11 February 2020

"Reporting of conflicts of interest

The chairman asked the persons with a potential conflict of interest to declare it.

Jo De Wolf declares that he has a direct or indirect interest of a patrimonial nature in his capacity as director which is contrary to a decision that falls within the competence of the Board of Directors, because in agenda item II.h. the Board of Directors will evaluate the performance of the executive management (including a discussion of their remuneration) and he, as CEO, is part of this.

In accordance with Article 7:96 of the Companies and Associations Code, the director concerned cannot participate in the deliberations or decision and these minutes must contain the following entries: nature of the transactions, justification of the decisions taken, the patrimonial consequences of the transactions for the Company. These entries are included in agenda item II. h.

The Montea auditor will be informed of this conflict of interest.
(...)

h. Evaluation of the performance of the executive management and employees (incorporated in Annex 5)

In application of Article 7:96 of the Companies and Associations Code, Jo De Wolf leaves the meeting.

The board of directors takes note of the evaluation by the remuneration and nomination committee of Jo De Wolf, including the proposal for the variable remuneration to be granted for 2019 and the proposal for the fixed and variable remuneration for 2020.

DECISION: *The board of directors approves the proper evaluation of Jo De Wolf and makes the following decisions regarding Jo De Wolf's remuneration:*

- As Jo De Wolf has reached his targets for 2019, the board of directors decides to grant 100% of his target variable remuneration, which amounts to EUR 202,000

- The Board of Directors decides to modify Jo De Wolf's remuneration as of 1 January 2020 to a fixed remuneration of EUR 655,000 and a target variable remuneration of EUR 220,000

Jo De Wolf rejoined the meeting of the board of directors.

(...)"

Excerpt from the minutes of the Board meeting of 5 August 2020

"Reporting of conflicts of interest

The Chairman asked the persons with a possible conflict of interest to declare this.

Jo De Wolf, Dirk De Pauw and Peter Snoeck declared that they had a direct or indirect interest of a patrimonial nature in their capacity as directors which was in conflict with a decision that fell within the competence of the Board of Directors, since the Board of Directors would decide in agenda item V. c. whether or not it would use its right of veto against the decision to retain Montea Management NV as the only director under the articles of association of Montea Comm. VA.

In accordance with article 25 of the articles of association of Montea Comm. VA, decisions of the general meeting (including the amendment of the articles of association) can only be taken with the approval of the manager. Montea Management NV must therefore, in its capacity as current manager of Montea Comm. VA, must decide how it will vote at the planned extraordinary general meeting of shareholders of Montea Comm. VA. One of the agenda items of this extraordinary general meeting concerns the conversion of Montea Comm. VA into a limited liability company with sole director with adoption of amended articles of association, whereby Montea Management NV would become the sole director of Montea NV (under the same conditions as today, i.e. until 30 September 2026 and a remuneration consisting of (i) a fixed annual remuneration of at least EUR 15,000 to be determined by the general meeting, (ii) a variable annual remuneration equal to 0.25% of the consolidated net result of Montea, excluding all fluctuations of the fair value of the assets and hedging instruments and (iii) reimbursement of the costs related to its assignment).

Since Jo De Wolf, Dirk De Pauw and the wife of Peter Snoeck are shareholders in Montea Management NV, these directors have a patrimonial interest that is contrary to the aforementioned decision of the board of directors.

In accordance with Article 7:96 of the Companies and Associations Code, the directors concerned may not take part in the deliberation or decision and these minutes must contain the following entries: nature of the transactions, justification of the decisions taken, the patrimonial consequences of the transactions for the Company. These entries are included above and in agenda item V. c.

The Montea auditor will be notified of this conflict of interest.

Jo De Wolf, Dirk De Pauw and Peter Snoeck left the meeting.

c. Approval by Montea Management of the conversion of Montea Comm. VA into a limited liability company with sole statutory director and decision to retain Montea Management as sole statutory director of Montea.

On the basis of article 25 of the Montea statutes, decisions of the general meeting (including the amendment of the statutes) can only be validly taken with the approval of the managing director.
Montea Management, as manager of Montea, must therefore decide whether or not it approves (i) the proposed conversion of Montea to a NV with sole statutory director and (ii) the retention of Montea Management as sole statutory director of Montea.
The board of directors refers to the deliberations of the previous meetings of the board of directors as well as to the recommendation of the audit committee to convene a general meeting of shareholders and to propose to it to adopt the legal form of a PLC with one director as this is most in line with its current legal form. The board of directors also notes that the adoption of a form other than a limited liability company with a single director could activate the change of control clause in the various bonds issued by Montea.

DECISION: *The board of directors decides to approve (i) the proposed conversion of Montea to a NV with sole statutory director and (ii) the retention of Montea Management as sole statutory director of Montea.*

Jo De Wolf, Dirk De Pauw and Peter Snoeck rejoined the meeting.

(...)"

Excerpt from the minutes of the Board meeting of 18 December 2020

"Reporting of conflicts of interest

The chairman asked the persons with a potential conflict of interest to declare it.

Jo De Wolf declared that in his capacity as director he had a (in)direct interest of a financial nature that conflicts with a decision that falls under the purview of the board of directors, since in agenda item 6 the Board of Directors would deliberate on the approval of a stock option plan.

Under this stock option plan, a number of options would be granted to certain employees and members of the Montea management, including Jo De Wolf. More specifically, it was proposed to grant Jo De Wolf 2,500 options with the exercise price set at € 90.70 per option.

As Jo De Wolf is both a director of the company and a beneficiary under the option plan, he has a financial interest that is contrary to the aforementioned decision of the board of directors.

Pursuant to Article 7:96 of the Companies and Associations Code, Jo De Wolf cannot take part in the deliberation or decision and these minutes must contain the following entries: nature of the transactions, justification of the decisions taken, the financial consequences of the transactions for the Company. These entries are included above and in agenda item 6.

The Montea auditor was informed of this conflict of interest.

(…)

6. Report of the Remuneration and Appointment Committee (Annex already sent on 14/12/2020)

(…)

Jo De Wolf left the meeting.

c. Approval of stock option plan

The board of directors took note of the draft share option plan as well as the proposed numbers, i.e. 2,500 options per person for management and 500 options per person for employees.

*The board of directors took note of the proposal to grant options to the persons listed in Annex 1 (together the **Beneficiary Options**) on 18 December 2020 (the **Offer**).*

Pursuant to Article 43 of the Share Options Act, the taxable amount of the benefit must be determined with the option provider (i.e. Montea) deciding whether the value of the share is:

1. *Either equal to the average closing price of the Montea share during 30 days prior to the Offer (being EUR 94.28);*
2. *Or equal to the last closing price preceding the date of the Offer (i.e. €90.70)*

The board of directors indicated that own shares should be acquired in due course, as required in order to be able to deliver the shares if the options were exercised, should be timely done.

***RESOLUTION**: The board of directors resolves that the stock option plan is in line with the intended long-term incentive programme for the employees. The board of directors decides to approve the stock option plan and to offer options to the Beneficiary-Options on 18 December 2020 at an exercise price of €90.70.*

Jo De Wolf rejoined the meeting.

(…)"

13.4.2 Companies and Associations Code Act

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:

(i) in connection with the amendment of the articles of association as part of the conversion to the legal form of limited liability company ("*naamloze vennootschap")* with a sole director under the articles of association and the adaptation of the object of Montea, the renewal of certain authorizations concerning the authorized capital and the acquisition and pledging of own shares. There was a possible conflict of interest in the aforementioned amendment of the articles of association 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.

(ii) In connection with the increase of capital within the authorized capital by the Company by means of an optional dividend.[67] There was a possible conflict of interest in the aforementioned increase of capital on the part of the following persons because they (could) act as counterparty to this transaction or (could) obtain financial benefit from it:

- 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;
- M. Dirk De Pauw, as director of the statutory manager;
- Mr Peter Snoeck, as director of the statutory manager;
- Mr Jimmy Gysels, as effective manager;
- The main 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.

[67] For more information, cf. the press release of 19 May 2020 (www.montea.com)

13.5 Family ties 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:

- 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.

Based on the notifications received by Montea within the framework of the transparency regulations, they hold 12.81% of the voting rights of Montea NV.

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 Sole Director Montea Management NV; Peter Snoeck is a non-executive director. The latter is the spouse of Dominika De Pauw.

13.6 Statement of the board of directors of the Sole Director

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
  - (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.[68]

[68] See Section "Executive Management and day-to-day management of the Sole Director."

- 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 2020, 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.[69]

[69] For more information cf. section **Error! Reference source not found.** of this annual report.

14. Remuneration and benefits

This remuneration report pertains to all remuneration of directors/members of executive management awarded or due in financial year 2020. It includes the amounts coming from Montea, as well as from its subsidiaries and its sole director.

Pursuant to Article 7:89/1 BCCA and recommendation 7.3 of the Corporate Governance Code 2020, the board of directors has charted a remuneration policy for the coming financial year that will be submitted for approval to the general meeting of shareholders of 18 May 2021.

14.1 Remuneration of the Sole Director in financial year 2020

14.1.1 Remuneration policy 2020

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[70] 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 policy in financial year 2020

During the financial year ending on 31 December 2020, the remuneration of the Statutory Manager was € 820,209.91 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 18 May 2021.

[70] 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.

14.2 Remuneration of the members of the board of directors, members of the investment committees and the executive management in the financial year 2020

14.2.1 Remuneration policy 2020

14.2.1.1 Directors

The non-executive directors are remunerated under the form of attendance fees, paid per meeting of the board of directors and of committee meetings in the board of directors actually attended. The chairman of the board of directors receives additional fixed compensation. The independent directors receive an additional annual fixed fee of € 4,000 for attending board meetings or other engagements throughout the year.

The non-executive directors do not receive any additional benefits (company car, pension, options, mobile phone, etc.). They are also not eligible for the allocation of variable compensation.

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.

A proposal will be tabled at the annual general meeting of shareholders of Montea Management NV (to be held on May 18, 2021) to change the compensation of the independent directors as of 2021 as follows:

	Proposal – independent directors	
	Fixed	**Attendance fee/meeting**
Board of Directors – Non-executive director	€20,000	€1,500
Audit Committee - Non-executive director – chairman	€15,000	€1,500
Audit Committee - Non-executive director – member	€0	€1,500
Remuneration and Appointment Committee - Non-executive director – chairman	€5,000	€1,500
Remuneration and Appointment Committee - Non-executive director - member	€0	€1,500

If the term of office is less than 6 months in any one calendar year, 50% of the fixed remuneration is awarded. If the term of office exceeds 6 months in a calendar year, 100% of the fixed remuneration is awarded. Fixed remuneration also covers meetings by telephone and in writing.

Executive directors are remunerated only in their capacity as members of the executive management. In accordance with corporate governance principles, directors' compensation is proportionate to their responsibilities and to the time they devote to their duties.

All members of the board of directors are covered also by a directors' civil liability policy. The total premium of € 31,682.50 for all directors together is borne by Montea.
Members of investment committees

With the exception of the executive management, the members of the investment committees in Belgium,[71] the Netherlands and France receive an attendance fee of € 2,000 per attended meeting. The chairman of the investment committees received an annual fee of € 26,225.

14.2.1.2 Executive management

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.

The remuneration policy (which will be submitted for approval to Montea's annual general meeting of shareholders to be held on 18 May 2021) includes a proposal to introduce, as of 2021, a cap on the additional variable compensation that an executive management member may obtain if he or she were to exceed the predetermined performance criteria. It is in particular proposed that in the event of overachievement (on top of his or her fixed remuneration, pension, benefits in kind and on target variable remuneration) an additional amount of variable remuneration may be received by a member of the executive management which may not exceed 25% of the total on target 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.[72]

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. 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 7:90 and 7:91 of the Companies and Associations Code are complied with.

[71] This investment committee was reconsidered by the board of directors. Its last meeting was held on 6 February 2020.
[72] Article 35, §1 (2) of the RREC Act of 12 May 2014 on regulated real estate companies.

14.2.2 Total remuneration in financial year 2020

For the directors, the members of the investment committees and the executive management, the remuneration policy briefly described above led to the following total remuneration for financial year 2020:

TOTAL REMUNERATION DIRECTORS, MEMBERS OF THE INVESTMENT COMMITTEES AND EXECUTIVE MANAGEMENT									
Name, position	1. Fixed remuneration			2. Variable remuneration		3. Extraordinary Items	4. Group insurance	5. Total remuneration	6. Proportion of fixed and variable remuneration
	Base salary	Fees	Other benefits	One-year variable	Multi-year variable				
Dirk De Pauw	**175.167,00**	**-**	**-**	**20.000,00**	**-**	**-**	**-**	**195.167,00**	**Fixed: 0,90** **Variable: 0,10**
- Chairman of the board of directors and non-executive director	60.000,00	-	-	-	-	-	-	60.000,00	Fixed: 1,00 Variable: -
- Chairman of the investment committees*	26.200,00	-	-	-	-	-	-	26.200,00	Fixed: 1,00 Variable: -
- Business Development France*	88.967,00	-	-	20.000,00	-	-	-	108.967,00	Fixed: 0,82 Variable: 0,18
Jo De Wolf	**613.788,00**	**-**	**5.120,00**	**201.743,00**	**-**	**-**	**41.212,00**	**861.863,00**	**Fixed: 0,77** **Variable: 0,23**
- managing director	-	-	-	-	-	-	-	-	Fixed: - Variable: -
- member of investment committee Netherlands and France	-	-	-	-	-	-	-	-	Fixed: - Variable: -
- CEO	613.788,00	-	5.120,00	201.743,00	-	-	41.212,00	861.863,00	Fixed: 0,77 Variable: 0,23
Peter Snoeck	**-**	**8.000,00**	**-**	**-**	**-**	**-**	**-**	**8.000,00**	**Fixed: 1,00** **Variable: -**
- non-independent, non-executive director	-	-	-	-	-	-	-	-	Fixed: - Variable: -
- member of investment committee Belgium and Netherlands	-	8.000,00	-	-	-	-	-	8.000,00	Fixed: 1,00 Variable: -
Jean-Marc Mayeur, non-independent, non-executive director	-	-	-	-	-	-	-	-	Fixed: - Variable: -
Greta Afslag, non-independent, non-executive director	-	-	-	-	-	-	-	-	Fixed: - Variable: -
Ciska Servais, independent, non-executive director	4.000,00	18.000,00	-	-	-	-	-	22.000,00	Fixed: 1,00 Variable: -
Sophie Maes, independent, non-executive director	**4.000,00**	**24.000,00**	**-**	**-**	**-**	**-**	**-**	**28.000,00**	**Fixed: 1,00** **Variable: -**
-independent, non-executive director	4.000,00	24.000,00	-	-	-	-	-	28.000,00	Fixed: - Variable: -
- member of investment committee Belgium	-	-	-	-	-	-	-	-	Fixed: - Variable: -
Philippe Mathieu, independent, non-executive director	4.000,00	26.000,00	-	-	-	-	-	30.000,00	Fixed: 1,00 Variable: -
Other members of the executive management	443.755,65	-	19.500,00	157.808,93		-	9.116,00	630.180,58	Fixed: 0,75 Variable: 0,25

* Through DDP Management BV

14.2.3 Application of the performance criteria in financial year 2020

The performance criteria that used to determine the variable compensation of the members of the executive management for financial year 2020 were set by the remuneration committee at the beginning of financial year 2020 based on the following targets, which proportionally represent a possible variable compensation:

Performance criteria (PC)	Relative weighting		a) Measured performance b) Actual award/remuneration outcome
Jo De Wolf, CEO			
Achieving projected growth of the real estate portfolio in logistics real estate	30%	a) b)	On target € 60.523
Achieving the targeted increase in EPRA earnings per share (EPS)	20%	a) b)	On target € 40.349
Occupancy rate of 97% in the Netherlands, Belgium and France	20%	a) b)	On target € 40.349
Achieving 1 ESG KPI	15%	a) b)	On target € 30.261
Organising and participating in initiatives to keep team spirit, performance and staff satisfaction high	15%	a) b)	On target € 30.261
Other members of the executive management			
Achieving projected growth of the real estate portfolio in logistics real estate	30%	a) b)	On target € 47.343
Achieving the targeted increase in EPRA earnings per share (EPS)	20%	a) b)	On target € 31.562
Occupancy rate of 97% in the Netherlands, Belgium and France	20%	a) b)	On target € 31.562
Achieving 1 ESG KPI	15%	a) b)	On target € 23.671
Organising and participating in initiatives to keep team spirit, performance and staff satisfaction high	15%	a) b)	On target € 23.671
Total Bonus			**€ 359.552**

14.2.4 Share-related remuneration in financial year 2020

Montea set up a stock option plan in 2020 for certain members of management (executive and non-executive) and certain employees, discretionarily designated by the Board of Directors upon the recommendation of the Remuneration and Appointment Committee. The beneficiaries under the stock option plan can acquire options with a term of ten years, exercisable at a price equal to the lower amount of (a) the closing price of the share on Euronext Brussels to which that option gives right on the trading day preceding the day of the offer; and (b) the average closing price of the share on Euronext Brussels to which the option gives right during the period of 20 trading days preceding the day of the offer. The options vest after a three-year period.

Remuneration in share options										
	The main conditions of the share option plans						Information regarding the reported financial year			
							Opening balance	During the year (**)		Closing balance
Name, position	1. Specification of plan	2. Award date	3. Vesting date	4. End of retention period	5. Exercise period (*)	6. Exercise price	7. Share options held at the beginning of the year	8.a) Share options awarded b) Value underlying shares @ offer date	9.a) Share options vested b) Value underlying shares @ vesting date c) Value @ exercise price d) Capital gains @ vesting date	10.Share options awarded and unvested
Jo De Wolf Executive, CEO	SOP 2020	18/12/2020	31/12/2023	N/A	1/03/2024 - 18/12/2030	90,70 €	0	a) 2.500 b) € 226.750		2.500
Jimmy Gysels Executive, CPM	SOP 2020	18/12/2020	31/12/2023	N/A	1/03/2024 - 18/12/2030	90,70 €	0	a) 2.500 b) € 226.750		2.500

(*) The exercise periods are limited to the period from 1 March to 15 March, 1 June to 15 June, 1 September to 15 September and 1 December to 15 December of each year and the last 2 months before their expiry date up to and including said expiry date.
(**) No stock options were exercised and no options lapsed because their option period expired during the year.

14.2.5 Development of remuneration and benefits

The table below provides an overview of the annual change in total remuneration, Montea's developments and performance, the average remuneration of the employees and the ratio between the highest remuneration of the management members and the lowest remuneration of the employees on the basis of full-time equivalent.

The company interprets Article 3:6, §3 (5) of the Companies and Associations Code in such a way that the requirement to include the five-year development of the remuneration in relation to the company’s performance and the average remuneration of the employees applies only as of 2020 and consequently does not require that figures from before 2020 be included in the comparison. It will show the development in the remuneration report as of 2020, but not retroactively.

	2020 vs 2019
Annual change in remuneration of the members of the board of directors and executive management (1)	
· Fixed remuneration	€ 186.615,65
· Variable remuneration	€ 87.544,93
Annual change in the evolution of performance	
· Portfolio growth	+ 18%
· EPS	+ 7%
· DPS	+ 11%
· Occupancy rate	+ 0,1%
· Property result	+ 9%
· EPRA result	+ 12%
· ESG criterion	
· HR management	
Annual change in average employee remuneration (2)	
· Belgian employees	3%
· Dutch employees	17%
· French employees	6%
· On a consolidated basis	8%
Ratio of highest management remuneration to lowest employee remuneration (3)	14

(1) Jimmy Gysels has been employed by Montea only since September 2019. This largely explains the increase in remuneration.

(2) The average remuneration is that of all employees (defined in accordance with the law applicable to this person) with the exception of persons who are also part of the executive management. The average remuneration of an employee is based on the total cost to the company, including social security, pension and benefit costs and other benefits such as company car and expense allowances.

(3) The ratio was calculated based on total cost to the company. The variable remuneration is included in the year that includes the performance year (this is only equal to the short-term variable cash remuneration as described above).

14.2.6 Severance payments in financial year 2020

No severance payments were granted or paid out in in financial year 2020 as no contracts with members of the executive committee were terminated.

14.2.7 Claw-back rights applied in financial year 2020

No possible claw-back rights were applied in 2020.

14.2.8 Deviations from the remuneration policy in financial year 2020

In 2020, the remuneration policy for the directors and executive management was applied as set out above, without any deviation.

15. Employees

On the date of this annual financial report, the workforce amounts to 33 persons, of whom 23 in Belgium, 5 in France, and 5 in the Netherlands.

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

	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Average staff (in FTE)	**23**	**22**	**23**
a) Workers	0	0	0
b) Clerks	*23*	*22*	*24*
Administrative clerks	*13*	*12*	*12*
Technical clerks	*10*	*10*	*12*
Geografical location staff (in FTE)	***23***	***22***	***23***
West-Europe	*23*	*22*	*23*
Belgium	*16*	*15*	*15*
France	*4*	*4*	*4*
The Netherlands	*3*	*3*	*4*
Central- and Eastern-Europe	*0*	*0*	*0*
Staff costs (in EUR x 1000)	**2.923**	**2.582**	**2.177**
a) Remuneration and direct social benefits	*2.153*	*1.921*	*1.617*
b) Corporate contributions for social insurance	*657*	*549*	*439*
c) Corporate premiums for non-statutory insurance policies	*66*	*48*	*65*
d) Other staff costs	*48*	*64*	*56*

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 Sole Director.

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 2020, 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 2020 is provided below:

Name	Represented by	Number of shares
Jo De Wolf	-	107,930
Elijarah BV	Els Vervaecke	750
Els Vervaecke	-	3,870
Jimmy Gysels	-	1
PSN Management	Peter Snoeck	1,046
Peter Snoeck(1)		40,651
DDP Management BV	Dirk De Pauw	4,160
Dirk De Pauw	-	59,368
Ciska Servais	-	-
Sophie Maes	-	-
Greta Afslag	-	-
Philippe Mathieu	-	-
Jean-Marc Mayeur	-	-

(1) This shares are held within the matrimonial community, which also holds 120,000 shares in usufruct.

Montea set up a share option plan for management and employees in 2020. It will also have a share purchase plan for key personnel within the Company in 2021. See Section 14.2.4 of this annual financial report.

16. Montea on the stock exchange

16.1 Development 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 31/12/2020 (€ 93.10), Montea shares were 83.0% above the value of the net assets per share (IFRS NAV).

Taking account of the closing price on 31/12/2020, Montea shares increased by 14.9% compared with the closing price on 31/12/2019. An increase of 22.6% can also be recorded if the average price over 2020 and 2019 is taken into account.

The board of directors of Montea's Sole Director will propose to the General Meeting to pay a gross dividend of € 2.83 per share, which corresponds to € 1.98 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 1992).

Key figures for the Montea share:

STOCK MARKET PERFORMANCE	31/12/2020	31/12/2019
Share price (€)		
At closing	93,10	81,00
Highest	107,80	84,00
Lowest	53,00	55,73
Average	90,69	73,99
Net asset value per share (€)		
IFRS NAV	50,88	43,09
EPRA NRV	56,90	47,38
EPRA NTA	52,78	44,51
EPRA NDV	51,01	43,27
Premium (%)	**83,0%**	**88,0%**
Dividend return (%)	**3,0%**	**3,1%**
Dividend (€)		
Gross	**2,83**	2,54
Net	**1,98**	1,78
Volume (number of securities)		
Average daily volume	12.889	20.037
Volume of the period	3.312.481	5.109.550
Number of shares	**16.023.694**	**15.782.594**
Market capitalisation (K €)		
Market capitalisation at closing	1.491.806	1.278.390
Ratios (%)	**21%**	**32%**
Velocity		

16.2 Principal shareholders

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

Shareholders	Number of shares as at31/12/2019	% As at 31/12/2019	Number of shares as at 31/12/2020	% As at 31/12/2020
The De Pauw family: Dirk, Marie Christine, Bernadette, Dominika, Beatrijs, the undivided estate De Pauw, Montea Management NV	2,053,020	13,01%	2,053,020	12.81%
Belfius Insurance Belgium – 5 Galileelaan, 1210 Brussels	1,017,346	6.45%	1,017,346	6.35%
Federale Verzekeringen – 12 Rue de l'Etuve, 1000 Brussels	894,265	5.67%	894,265	5.58%
Patronale Life – 3 Belliardstraat, 1040 Brussel s	964,785	6.11%	964,785	6.02%
Ethias NV	607,130	3.85%	607,130	3.79%
Public (free float)	10,246,048	64.91%	10,487,148	65.45%
TOTAL	**15,782,594**	**100.00%**	**16,023,694**	**100.00%**

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

Up to the date of closure of this annual financial report, the Company has not received any transparency notification relating to a situation after 31 December 2020, with the exception of:

(i) a transparency notification from BlackRock dated 4 March 2021 which shows that 10 companies from the BlackRock group together hold 4.02% of the voting rights in Montea; and
(ii) a transparency notification from Federale Verzekeringen dated 29 March 2021 which shows that they own less than 5% of Montea's voting rights.

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 12.81% of the voting rights of Montea NV on 31 December 2020. 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[73] 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)[74]

16.4.1 Capital structure (on 31 December 2020)

The capital, € 326,561,810.51 is represented by 16,023,694 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.

16.4.2 Decision-making body

Montea is headed by a Sole Director, 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 Sole Director, 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.[75]

[73] Act of 2 May 2007 on the disclosure of sizeable stakes in issuers whose shares are admitted to trading in a regulated market.
[74] 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.
[75] Cf. Article 24 of the Articles of Association of Montea NV concerning decision-making.

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

The mandate of Sole Director 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 Sole Director shall not vote. The Sole Director continues to exercise his duties until his resignation, following a court decision, which has the force of res judicata. The Sole Director 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 Sole Director 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 Sole Directors' day-to-day management body of the required professional reliability or required experience, as required by the RREC Act (fit and proper), the Sole Director or the auditor(s) must convene a general meeting of Montea NV, 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 Sole Director no longer meet the above requirements, the Sole Director 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.

The mission of the Sole Director 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 Sole Director 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 five 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;[76]
- The public offering, where the registered capital was increased by €58,036,289.04 through authorized capital;[77]
- 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

[76] 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.

[77] 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.

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.[78]
- The optional dividend, whereby on 11 June 2020 the capital was increased by €4.913.618,00.[79]

The balance of the authorized capital amounts to €159,117,963.54 on 31 December 2020.

The Sole Director 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 Sole Director and in line with the rules of the Companies and Associations Code and the RREC Act. The Sole Director was authorised to do so by the extraordinary general meeting held on 15 May 2018. Pursuant to Article 6 of the articles of association of Montea NV, 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.

16.4.4 Repurchase 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 Companies and Associations Code. The same Meeting also sets the conditions for the disposal of these shares. The governing body is in particular authorized to acquire or pledge on behalf of the Company, the Company's own shares (even off-exchange) for a period of five years (until 17 November 2025) with a maximum of 10% (ten percent) of the total number of shares issued at a unit price that may not be less than 75% (seventy-five percent) of the average of the closing price of the Montea share on the Euronext Brussels regulated market during the last 20 (twenty) trading days before the date of the transaction (acquisition and pledge) and that may not be more than 125% (one hundred twenty-five) of the average of the closing price of the Montea share on the regulated market Euronext Brussels during the last 20 (twenty) trading days before the date of the transaction (acquisition and pledge).

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[80] 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 2020, Montea still held 15,349 of its own shares.

16.4.5 Contractual conditions

There are no significant agreements to which Montea is a party that will take effect, be amended or expire if control of Montea were to change as a result of a public takeover bid, except for the following:

- The relevant provisions in the terms and conditions of issue of the bonds issued in 2014 and 2015;

[78] 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.

[79] The total capital increase amounted to €18,004,383.60, of which €4.913.618,00 was allocated to capital and €13,090,765.60 to issue premium.

[80] See press release of 24 September 2018.

- The change of control provisions in the credit agreements concluded by and between Montea with BNP Paribas Fortis, Degroof Petercam, KBC Bank, Belfius Bank, ING Bank, Aion Bank, Nagelmackers and Argenta respectively;
- In the context of the planned issue of bonds through a US Private Placement, the change of control provisions in the terms and conditions of this bond issue.

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 Branches

Montea has branch office in France, registered as Montea SA 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.

16.5 Shareholder’s agenda

12/05/2020	Interim statement – results as at 31/03/2021 (before opening of trading)
18/05/2020	General meeting of shareholders
19/08/2020	Semi-annual financial report – results as at 30/06/2021 (after closing of trading)
19/08/2020	Analysts’ call concerning the semi-annual financial report
29/10/2020	Interim statement – results as at 30/09/2021 (before opening of trading)

17. Transactions with related parties

For a summary of the transactions by and between Montea and its affiliated parties, cf. Chapter 7 (Organizational structure), Section 13.3 (relating to conflicts of interest) and Section 18.8.1 (Note 42) of this annual financial report.

18. Financial data concerning the assets, financial position and results of Montea

18.1 Historical financial information

The following sections of Montea's annual financial reports for financial years 2018, 2019 and 2020 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 2018	"Financial statements", including consolidated financial statements, auditor's report and condensed 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 condensed statutory financial statements (p. 137-210) "Management report" (p. 20-135) "Property report" (p. 36-55)
Annual financial report 2020	"Financial statements", including consolidated financial statements, auditor's report and condensed statutory financial statements (p. 150-222) "Management report" (p. 24-148) "Property report" (p. 43-64)

The consolidated financial statements for financial years 2018, 2019 and 2020 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 NV" in the annual financial reports for financial years 2018, 2019 and 2020 of Montea, which include an unqualified opinion.

The financial reporting framework has not been modified.

18.2 Consolidated balance sheet as at 31 December 2020[81]

	CONSOLIDATED	31/12/2020	31/12/2019
I.	**NON-CURRENT ASSETS**	**1.360.539**	**1.161.381**
A.	Goodwill	-	-
B.	Intangible assets	589	419
C.	Investment properties	1.328.823	1.147.476
D.	Other tangible assets	30.842	13.344
E.	Non-current financial assets	64	107
F.	Finance lease receivables	-	-
G.	Trade receivables and other non-current assets	221	35
H.	Deferred taxes (assets)	-	-
I.	Participations in associates and joint ventures according to the equity method	-	-
II.	**CURRENT ASSETS**	**38.382**	**32.317**
A.	Assets held for sale	6.221	-
B.	Current financial assets	-	-
C.	Finance lease receivables	-	-
D.	Trade receivables	13.374	13.405
E.	Tax receivables and other current assets	9.646	9.186
F.	Cash and cash equivalents	5.057	7.690
G.	Deferred charges and accrued income	4.085	2.037
	TOTAL ASSETS	**1.398.921**	**1.193.698**
	TOTAL SHAREHOLDERS' EQUITY	**815.311**	**680.029**
I.	**Shareholders' equity attributable to shareholders of the parent company**	**815.311**	**680.029**
A.	Share capital	319.812	314.983
B.	Share premiums	222.274	209.184
C.	Reserves	118.216	47.397
D.	Net result of the financial year	155.009	108.465
II.	**Minority interests**	**-**	**-**
	LIABILITIES	**583.610**	**513.669**
I.	**Non-current liabilities**	**477.807**	**412.772**
A.	Provisions	-	-
B.	Non-current financial debts	446.742	389.741
	a. Credit institutions	351.874	263.308
	b. Financial leasings	833	943
	c. Other	94.035	125.491
C.	Other non-current financial liabilities	31.065	23.031
D.	Trade debts and other non-current debts	-	-
E.	Other non-current liabilities	-	-
F.	Deferred taxes - liabilities	-	-
II.	**Current liabilities**	**105.803**	**100.896**
A.	Provisions	-	-
B.	Current financial debts	61.794	61.340
	a. Credit institutions	30.000	29.600
	b. Financial leasings	98	92
	c. Other	31.696	31.648
C.	Other current financial liabilities	-	-
D.	Trade debts and other current debts	17.966	14.214
	a. Exit taks	147	274
	b. Other	17.819	13.940
E.	Other current liabilities	4.778	4.809
F.	Accrued charges and deferred income	21.266	20.534
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1.398.921**	**1.193.698**

[81] There has been no significant change in the Group's financial or trading position since the end of the last reporting period for which either audited or interim financial information has been published except for that disclosed under Alternative Performance Indicators (APMs).

18.3 Consolidated statement of comprehensive income before profit appropriation on 31 December 2020[82]

	CONSOLIDATED PROFIT & LOSS ACCOUNT (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months
I.	Rental income	70.061	65.063
II.	Write-back of lease payments sold and discounted	0	0
III.	Rental-related expenses	-465	1
	NET RENTAL RESULT	**69.597**	**65.063**
IV.	Recovery of property charges	0	0
V.	Recovery of charges and taxes normally payable by tenants on let properties	7.466	6.986
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	-7.762	-7.371
VIII.	Other rental-related income and expenses	5.074	3.457
	PROPERTY RESULT	**74.374**	**68.135**
IX.	Technical costs	-17	-22
X.	Commercial costs	-95	-58
XI.	Charges and taxes of un-let properties	-156	-166
XII.	Property management costs	-1.913	-1.794
XIII.	Other property charges	-48	-8
	PROPERTY CHARGES	**-2.229**	**-2.047**
	PROPERTY OPERATING RESULT	**72.145**	**66.089**
XIV.	General corporate expenses	-4.378	-4.207
XV.	Other operating income and expenses	-133	-172
	OPERATING RESULT BEFORE PORTFOLIO RESULT	**67.635**	**61.710**
XVI.	Result on disposal of investment properties	0	434
XVII.	Result on disposal of other non-financial assets	0	0
XVIII.	Changes in fair value of investment properties	107.308	70.773
XIX.	Other portfolio result	0	0
	OPERATING RESULT	**174.943**	**132.917**
XX.	Financial income	94	57
XXI.	Net interest charges	-10.938	-11.309
XXII.	Other financial charges	-107	-105
XXIII.	Change in fair value of financial assets & liabilities	-8.077	-12.739
	FINANCIAL RESULT	**-19.027**	**-24.095**
XXIV.	Share in the result of associates and joint ventures	0	0
	PRE-TAX RESULT	**155.915**	**108.822**
XXV.	Corporation tax	-906	-357
XXVI.	Exit tax	0	0
	TAXES	**-906**	**-357**
	NET RESULT	**155.009**	**108.465**
	Attributable to:		
	Shareholders of the parent company	155.009	108.465
	Minority interests	0	0
	Number of shares in circulation at the end of the period	16.023.694	15.782.594
	Weighted average of number of shares of the period	15.916.319	15.229.606
	NET RESULT per share (EUR)	**9,74**	**7,12**

(0) Cf. Section 1.4.5 Change of valuation rule and Annex 11. The grey cells were adjusted as a result of the change in the valuation rule. The equity was not affected. Furthermore, this adjustment has no impact on the EPRA earnings and the distributable profit.

[82] The Consolidated Statement of Comprehensive Income before profit distribution as at 31 December takes into account 15,916,319 shares, the weighted average number of shares for 2020. The total number of shares in circulation at the end of the 2020 financial year is 16,023,694. Montea reports in the consolidated overview of the realised and unrealised results before profit distribution as at 31 December 2020, the EPRA result per share and the net result per share, based on the weighted average number of shares.

18.4 Consolidated comprehensive income before the distribution of profit as at 31 December 2020[83]

ABBREVIATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months
Net result	**155.009**	**108.465**
Other items of the comprehensive income	**2.402**	**-242**
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	2.402	-242
Impact of changes in fair value of solar panels	**2.402**	**-242**
Comprehensive income	**157.411**	108.223
Attributable to:		
Shareholders of the parent company	**157.411**	**108.223**
Minority interests	0	0

[83] The Consolidated Statement of Comprehensive Income before profit distribution as at 31 December takes into account 15,916,319 shares, the weighted average number of shares for 2020. The total number of shares in circulation at the end of the 2020 financial year is 16,023,694.
Montea reports in the consolidated overview of the realised and unrealised results before profit distribution as at 31 December 2020, the EPRA result per share and the net result per share, based on the weighted average number of shares.

18.5 Consolidated cashflow as at 31 December 2020

CONSOLIDATED CASH FLOW STATEMENT (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR (A)	7.690	4.634
Net result	**155.009**	**108.465**
Financial cash elements (not deductible of the net profit) to become the operating result	**10.950**	**11.356**
Received interests	-94	-57
Payed interests on finances	11.045	11.413
Received dividends	0	0
Taxes (deducted from the net result) to become the operating result	**906**	**357**
Non-cash elements to be added to / deducted from the result	**-99.395**	**-58.570**
Depreciations and write-downs	**743**	**255**
Depreciations/write-downs (or write-back) on intangible and tangible assets (+/-)	278	256
Write-downs on current assets (+)	465	-1
Write-back of write-downs on current assets (-)	0	0
Other non-cash elements	**-100.138**	**-58.825**
Changes in fair value of investment properties (+/-)	-107.308	-70.773
IFRS 9 impact (+/-)	8.077	12.739
Other elements	0	0
Realized gain on disposal of investment properties	0	-434
Provisions	-1	0
Taxes	-906	-357
NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS (B)	**67.470**	**61.608**
Change in working capital requirements (C)	**1.791**	**3.294**
Movements in asset items	**-2.663**	**7.406**
Trade receivables	-186	-7
Other long-term non-current assets	31	2.194
Other current assets	-460	4.681
Deferred charges and accrued income	-2.048	537
Movements in liability items	**4.454**	**-4.112**
Trade debts	3.079	-4.302
Taxes, social charges and salary debts	673	-1.626
Other current liabilities	-30	101
Accrued charges and deferred income	732	1.714
NET CASH FLOW FROM OPERATING ACTIVITIES (A)+(B)+(C) = (A1)	*76.951*	*69.536*
Investment activities	**-98.695**	**-136.504**
Acquisition of intangible assets	-327	-168
Investment properties and development projects	-82.611	-136.027
Other tangible assets	-29	-195
Solar panels	-15.728	-548
Disposal of investment properties	0	434
Disposal of superficy	0	0
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B1)	-98.695	-136.504
FREE CASH FLOW (A1+B1)	**-21.744**	**-66.968**
Change in financial liabilities and financial debts	**57.479**	**-51.704**
Change in other liabilities	**0**	**0**
Change in shareholders' equity	**-19.727**	**137.717**
Dividend paid (+ profit-sharing scheme)	**0**	**0**
Financial cash elements	**-10.950**	**-11.356**
NET FINANCIAL CASH FLOW (C1)	26.801	74.658
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (A1+B1+C1)	5.057	7.690

18.6 Overview of changes in the consolidated equity and reserves as at 31 December 2020

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	**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**	**166.956**
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**
Elements directly recognized as equity	**4.829**	**13.091**	**2.402**	**0**	**0**	**0**	**20.322**
Capital increase	4.829	13.091	0	0	0	0	17.919
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	2.402	0	0	0	2.402
Own shares	0	0	0	0	0	0	0
Own shares held for employee option plan	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0
Corrections	0	0	0	0	0	0	0
Subtotal	**319.812**	**222.274**	**49.799**	**108.465**	**0**	**0**	**700.351**
Dividends	0	0	-40.049	0	0	0	-40.049
Result carried forward	0	0	108.465	-108.465	0	0	0
Result for the financial year	0	0	0	155.009	0	0	155.009
ON 31/12/2020	**319.812**	**222.274**	**118.215**	**155.009**	**0**	**0**	**815.311**

For more information on the foregoing table, cf. Notes 29, 30, 30.1, 30.2, 31 and 32.

18.7 Annexes to the consolidated financial statements as at 31 December 2020

18.7.1 Background

18.7.1.1 Compliance statement

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[84]

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.

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

[84] The companies included in the consolidation, each with its equity interest: Montea NV (BE0417186211),Montea Services BV (BE0742.845.794) Montea GTE 1 NV (BE0757.964.037), Montea SA (497673145 RCS Paris), SCI Montea France (100%) (493288948 RCS Paris), SCI 3R (100%) (400790366 RCS Paris), SCI Sagittaire (100%) (433787967 RCS Paris), SCI Saxo (100%) (485123129 RCS Paris), SCI Sévigné (100%) (438357659 RCS Paris), SCI Socrate (100%) (481979292 RCS Paris), SCI APJ (100%) (435365945 RCS Paris), SCI MM1 (100%) (393 856 463 RCS Paris), SFG BV (100%) (KvK 60209526), Montea Nederland NV (100%) (KvK 58852794), Montea Almere NV (100%) (KvK 58854134), Montea Rotterdam NV (100%) (KvK 59755636), Montea Oss NV (100%) (KvK 61787671), Montea Beuningen NV (100%) (KvK 61787264), Montea ‘s Heerenberg NV (100%) (KvK 62392670), Europand Eindhoven BV (100%) (KvK 20121920) en Montea Tiel NV (100%) (KvK 73544884). All of the aforementioned companies are included in the consolidation with the exception of Montea Management NV.

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 2020, 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. Two external, independent experts, Jones Lang LaSalle BVBA, Marnixlaan 23, 1000 Brussels and Stadim CVBA, Mechelsesteenweg 180, 2018 Antwerp, make 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, 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 9.0% 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 [85] (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.

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 fixed 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.

[85] The equity capital is not affected by this adjustment. Furthermore, this adjustment also has no impact on the EPRA result and the available result.

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 fixed 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[86] ((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:

- 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;

[86] The equity capital is not affected by this adjustment. Furthermore, this adjustment also has no impact on the EPRA result and the available result.

- 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.[87]

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

[87] 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.

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 Financial derivative 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.

18.7.2.16 New standards and interpretations

18.7.2.16.1 New and changed standards and interpretation applicable in 2020

Several other amendments and interpretations are applicable for the first time in 2020, 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 References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 Business Combinations
- Amendments to IFRS 9 Financial, IFRS 7 Financial Instruments
- Amendments to IFRS 16 Leases – COVID-19 related rent concessions, effective 1 June 2020
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies– Definition of material

Amendments to References to the Conceptual Framework in IFRS Standards

Amendments to References to the Conceptual Framework in IFRS Standards sets out the amendments to affected standards, except to IFRS 3 Business Combinations and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, in order to update references to the Conceptual Framework. In most cases, the standard references are updated to refer to the Conceptual Framework. These amendments are effective for reporting periods beginning on or after 1 January 2020. These changes had no impact on Montea's consolidated financial statements.

Amendments to IFRS 3 Business Combinations – Definition of a business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs.

Companies are required to apply the amended definition of a business to acquisitions that occur on or after 1 January 2020. These amendments had no impact on the consolidated financial statements of Montea, but may impact future periods should Montea enter into any business combinations.

Amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures and IAS 39 Financial Instruments: Recognition and measurement - Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The effective date of the amendments is for annual periods beginning on or after 1 January 2020. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight. These amendments had no impact on the consolidated financial statements of Montea as it does not have any interest rate hedge relationships.

Amendments to IFRS 16 Leases – COVID-19 related rent concessions

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorised for issue on 28 May 2020. These changes had no impact on Montea's consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

The amendments to IAS 1 and IAS 8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively. Since Montea's current practice is in line with the amendments, the amendments had no impact on Montea's consolidated financial statements.

18.7.2.16.2 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are not yet applicable in 2020, but may be applied earlier. Montea has not used these, unless stated otherwise. These standards amended by the IASB and interpretations issued by the IFRIC are not expected to have a material impact on the presentation, the notes or the results of the company:

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, effective 1 January 2023
- Amendments to IAS 16 Property, plant and equipment – Proceeds before intended use, effective 1 January 2022
- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets – onerous contracts—cost of fulfilling a contract, effective 1 January 2022
- Amendments to IFRS 3 Business combinations – References to the conceptual framework, effective 1 January 2022
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9, effective 1 January 2021
- Amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures, IAS 39 Financial Instruments: Recognition and measurement, IFRS 4 Insurance contracts and IFRS 16 Leases- Interest Rate Benchmark Reform – Phase 2, effective 1 January 2021
- IFRS 17 Insurance Contracts, effective 1 January 2023
- Annual Improvements Cycle - 2018-2020, effective 1 January 2022

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments clarify the criteria for determining whether to classify a liability as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

Companies are required to apply the amendments for annual periods beginning on or after 1 January 2023. The amendments must be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Earlier application is permitted.

Since Montea's current practice is in line with the amendments, Montea does not expect any effect on its consolidated financial statements.

Amendments to IAS 16 Property, plant and equipment – Proceeds before intended use
The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

Companies are required to apply the amendment to annual reporting periods beginning on or after 1 January 2022. The amendment must be applied retrospectively but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted.

Amendments to IAS 37 Provisions, contingent liabilities and contingent assets – onerous contracts—cost of fulfilling a contract
The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

Companies are required to apply the amendments to annual reporting period beginning on or after 1 January 2022. Earlier application is permitted. An entity shall apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). The entity shall not restate comparative information. The amendments had no impact on Montea's consolidated financial statements.

Amendments to IFRS 3 Business combinations – References to the conceptual framework
The amendments replaced the reference to an old version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework). The amendments further added an exception to the recognition principle in IFRS 3. That is, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21, if incurred separately, an acquirer would apply IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to identify the obligations it has assumed in a business combination. The amendment further added an explicit statement in the standard that an acquirer cannot recognise contingent assets acquired in a business combination.

Companies are required to apply the amendments business acquisitions on or after the beginning of annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. Since Montea's current practice is in line with the amendments, the amendments is expected to have no impact on Montea's consolidated financial statements.

Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9
The amendment to IFRS 4 provides a temporary exemption that permits, but does not require, the qualifying insurer to apply IAS 39 Financial Instruments: Recognition and Measurement rather than IFRS 9 for annual periods beginning before 1 January 2023. This standard is not applicable to Montea.

Amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures, IAS 39 Financial Instruments: Recognition and measurement, IFRS 4 Insurance contracts and IFRS 16 Leases- Interest Rate Benchmark Reform – Phase 2, effective 1 January 2021

The amendments to IFRS 9, IFRS 7, IAS 39, IFRS 4 and IFRS 16 provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. The amendments also provide a relief for contractual modifications or changes to cash flows that are directly required by the reform and is required to be applied by entities applying IFRS 4 that are using the exemption from IFRS 9 and for IFRS 16 lease modifications required by the IBOR reform. The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when a nearly risk-free rate (RFR) instrument is designated as a hedge of a risk component.

The effective date of the amendments is for annual periods beginning on or after 1 January 2021. The requirements must be applied retrospectively. Hedging relationships must be reinstated once an entity first applies the amendments if the hedging relationship was discontinued solely due to changes required by IBOR reform and it would not have been discontinued if the phase two amendments had been applied at that time. An entity is not required to restate prior periods. These amendments had no impact on the consolidated financial statements of Montea.

IFRS 17 Insurance contracts

IFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. IFRS 17 introduces new accounting requirements for banking products with insurance features that may affect the determination of which instruments or which components thereof will be in the scope of IFRS 9 or IFRS 17.

Credit cards and similar products that provide insurance coverage: most issuers of these products will be able to continue with their existing accounting treatment as a financial instrument under IFRS 9. IFRS 17 excludes from its scope credit card contracts (and other similar contracts that provide credit or payment arrangements) that meet the definition of an insurance contract if, and only if, the entity does not reflect an assessment of the insurance risk associated with an individual customer in setting the price of the contract with that customer. When the insurance coverage is provided as part of the contractual terms of the credit card, the issuer is required to:

- Separate the insurance coverage component and apply IFRS 17 to it
- Apply other applicable standards (such as IFRS 9, IFRS 15 Revenue from Contracts with Customers or IAS 37 Provisions, Contingent Liabilities and Contingent Assets) to the other components

Loan contracts that meet the definition of insurance but limit the compensation for insured events to the amount otherwise required to settle the policyholder’s obligation created by the contract: Issuers of such loans – e.g. a loan with waiver on death – have an option to apply IFRS 9 or IFRS 17. The election would be made at a portfolio level and would be irrevocable.
IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to Montea.

Annual Improvements Cycle - 2018-2020
The IASB issued the 2018-2020 cycle improvements to its standards and interpretations. These improvements include:

- IFRS 9 Financial instruments – The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2022. An entity shall apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. Early application is permitted. These amendments are expected to have no impact on the consolidated financial statements of Montea
- Illustrative Examples accompanying IFRS 16 Leases – The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16. These amendments will have no impact on the consolidated financial statements of Montea
- IAS 41 Agriculture – The amendments removed the requirement to exclude cash flows for taxation when measuring fair value. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2022. Early application is permitted. These amendments will have no impact on the consolidated financial statements of Montea

18.8 Financial annexes to the consolidated financial statements as at 31 December 2020

18.8.1 Notes to 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)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Rent	69.521	65.527	52.976
Guaranteed rental income	0	0	0
Rental discounts	540	-464	-80
Rental incentives	0	0	0
Compensation for early breach rental contracts	0	0	0
Compensation financial leasing	0	0	0
TOTAL	**70.061**	**65.063**	**52.896**

In 2020, the rental income increased by 7.7% (€ 5.0 million) compared with 2019, to € 70.1 million. This increase in rental income of € 5.0 million is primarily due to:

- Volume effects: acquisition or delivery of new sites (€ 4.9 million), partially offset by sales (- € 0.7 million).
- Indexing of lease agreements (€ 1.0 million)
- Letting activity or renegotiation of leases (- € 0.2 million) in the sites at Milmort (BE), Willebroek (BE), Le-Mesnil-Amelot (FR), Saint-Laurent-Blangy (FR) and Roissy-en-France (FR).

The rental income per site is itemized below:

RENTAL INCOME (EUR x 1.000)		31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Belgium		**35.033**	**33.930**	**28.182**
Aalst	Tragel 48-58	2.212	2.181	2.143
Bornem	Industrieweg 4-24	616	613	601
Grimbergen	Eppegemsestwg 31-33	1.247	1.235	1.222
Hoboken	Smallandlaan 7	135	132	131
Puurs	Rijksweg 85-89	257	256	208
Nivelles	Rue de la Technique 11	508	542	360
Puurs	Schoonmansveld 18	405	461	375
Erembodegem	Industrielaan 27	881	865	851
Mechelen	Zandvoortstraat 16	1.072	1.036	1.013
Vorst	Humaniteitslaan 292	2.153	2.136	2.092
Milmort	Avenue du Parc Industriel	971	843	725
Heppignies	Rue Brigade Piron	860	839	827
Zaventem	Brucargo 830	2.311	2.280	2.235
Zaventem	Brucargo 763	341	336	329
Zaventem	Brucargo 831	666	660	647
Gent	Evenstuk	1.823	1.800	1.747
Gent	Korte Mate	601	568	246
Zaventem	Brucargo 738-1	506	504	492
Willebroek	De Hulst Triton	887	870	386
Willebroek	De Hulst Dachser	1.093	1.057	1.037
Willebroek	De Hulst Federal Mogul	1.535	1.493	1.464
Erembodegem	Waterkeringstraat 1	1.096	1.381	940
Bornem	Industrieweg 3	766	727	38
Zaventem	Brucargo	3.382	3.316	3.267
Willebroek	De Hulst Metro	667	677	650
Willebroek	De Hulst Decathlon	2.076	2.040	1.998
Genk	Mainfreight	546	523	485
Zaventem	Brucargo - Saco	379	339	333
Bilzen	Kruisbosstraat 5	1.951	1.913	947
Zaventem	Brucargo 832	715	689	8
Liège	Rue Saint Exupéry	1.173	1.046	39
Saintes	Amtoys / Noukies	359	360	346
Lummen	Dellestraat	387	213	0
Vilvoorde	Tyraslaan	453	0	0
Severance payment				
France		**10.458**	**9.126**	**8.782**
Feuqueires	Zoning Industriel du moulin	0	0	328
Roissy	Rue de la Belle Etoile 280+ 383	320	905	936
Bondoufle	Rue Henrie Dunant 9-11	0	0	40
Décines	Rue a Rimbaud 1	363	375	384
Le Mesnil Amelot	Rue du Gué 4, Rue de la Grande Borne	378	565	989
Alfortville	Le Techniparc	238	233	229
Le Mesnil Amelot	Rue du Gué 1-3	497	511	485
Saint-Priest	Chemin de la Fouilousse	649	635	623
Marennes	La Donnière	913	894	769
Saint-Laurent-Blangy	Actiparc	591	663	651
Saint-Martin-de-Crau	Ecopole	883	860	846
Saint-Priest	Parc des Lumières	531	522	511
Camphin	Rue des Blattiers	2.347	2.307	1.493
Lesquin	Rue des Saules	281	277	238
Le Mesnil Amelot	Rue de la Grande Borne	232	196	94
Alfortville	Rue Félix Mothiron 8	173	169	166
Le Mesnil Amelot	Rue de Guivry	89	14	0
Sevigne Roissy-en-France	Rue de la Belle Etoile	659	0	0
Lyon - Meyzieu	Avenue Lionel Terray	520	0	0
Athies	Actiparc	793	0	0
Severance payment		0	0	0

The Netherlands		**24.571**	**22.007**	**15.932**
Almere	Stichtse Kant	1.193	1.160	1.137
Waddinxveen	Exportweg	1.271	1.232	1.157
Oss	Vollenhovermeer	1.261	1.246	1.033
Beuningen	Zilverwerf	1.117	1.074	1.050
's Heerenberg	Distributieweg	0	739	1.397
Heerlen	Business Park Aventis	2.785	1.853	1.490
Apeldoorn	Ijseldijk	591	579	567
Tilburg	Gesworenhoekseweg	1.067	1.039	1.016
Aalsmeer	Japanlaan - Borgesius	1.808	1.772	1.743
Aalsmeer	Japanlaan - Scotch & Soda	666	631	619
Eindhoven	De Keten - Jan De Rijk	1.330	1.248	1.223
Tilburg	Brakman - NSK	1.032	1.023	1.008
Etten-Leur	Parallelweg - BAS Logistics	875	842	711
Hoofddorp	Willem Brocadesdreef	681	654	480
Rozenburg	Hanedaweg 10	571	560	330
Tiel	Panovenweg	3.600	3.525	970
Born	Verloren van Themaatweg	2.048	1.750	0
Oss	Kantsingel	704	520	0
Waddinxveen	Dirk Verheulweg	1.349	483	0
Tiel	De Geer	345	77	0
Amsterdam	Schiphol	203	0	0
Amsterdam	Schiphol	65	0	0
Echt	Havenweg 18	13	0	0
TOTAL		**70.061**	**65.063**	**52.896**

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 52 sites), the rental income is as follows (see also the table on the next page)

- 2018: € 47.288 K
- 2019: € 51.051 K
- 2020: € 51.183 K

The increase of 0.8% of the rental income for Belgium in 2020 compared with 2019 is mainly due to the annual indexing.

The rental income for France dropped slightly by -2.1% in 2020 compared with 2019, mainly due to the annual indexing which was offset primarily by the vacancy in the site of Le-Mesnil-Amelot, formerly let to UTC Aerospace.

In the Netherlands, rental income increased by 0.4% in 2020 compared with 2019, mainly as a result of the annual indexing.

RENTAL INCOME (EUR x 1.000)		31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Belgium		**29.587**	**29.341**	**27.150**
Aalst	Tragel 48-58	2.212	2.181	2.143
Bornem	Industrieweg 4-24	616	613	601
Grimbergen	Eppegemsestwg 31-33	1.247	1.235	1.222
Hoboken	Smallandlaan 7	135	132	131
Puurs	Rijksweg 85-89	257	256	208
Nivelles	Rue de la Technique 11	508	542	360
Puurs	Schoonmansveld 18	405	461	375
Erembodegem	Industrielaan 27	881	865	851
Mechelen	Zandvoortstraat 16	1.072	1.036	1.013
Vorst	Humaniteitslaan 292	2.153	2.136	2.092
Milmort	Avenue du Parc Industriel	971	843	725
Heppignies	Rue Brigade Piron	860	839	827
Zaventem	Brucargo 830	2.311	2.280	2.235
Zaventem	Brucargo 763	341	336	329
Zaventem	Brucargo 831	666	660	647
Gent	Evenstuk	1.823	1.800	1.747
Gent	Korte Mate	601	568	246
Zaventem	Brucargo 738-1	506	504	492
Willebroek	De Hulst Triton	887	870	386
Willebroek	De Hulst Dachser	1.093	1.057	1.037
Willebroek	De Hulst Federal Mogul	1.535	1.493	1.464
Erembodegem	Waterkeringstraat 1	1.096	1.381	940
Zaventem	Brucargo	3.382	3.316	3.267
Willebroek	De Hulst Metro	667	677	650
Willebroek	De Hulst Decathlon	2.076	2.040	1.998
Genk	Mainfreight	546	523	485
Zaventem	Brucargo - Saco	379	339	333
Saintes	Amtoys / Noukies	359	360	346
France		**7.845**	**8.011**	**7.383**
Décines	Rue a Rimbaud 1	363	375	384
Le Mesnil Amelot	Rue du Gué 4, Rue de la Grande Borne	378	565	989
Alfortville	Le Techniparc	238	233	229
Le Mesnil Amelot	Rue du Gué 1-3	497	511	485
Saint-Priest	Chemin de la Fouilousse	649	635	623
Marennes	La Donnière	913	894	769
Saint-Laurent-Blangy	Actiparc	591	663	651
Saint-Martin-de-Crau	Ecopole	883	860	846
Saint-Priest	Parc des Lumières	531	522	511
Camphin	Rue des Blattiers	2.347	2.307	1.493
Lesquin	Rue des Saules	281	277	238
Alfortville	Rue Félix Mothiron 8	173	169	166

The Netherlands		**13.751**	**13.699**	**12.755**
Almere	Stichtse Kant	1.193	1.160	1.137
Waddinxveen	Exportweg	1.271	1.232	1.157
Oss	Vollenhovermeer	1.261	1.246	1.033
Beuningen	Zilverwerf	1.117	1.074	1.050
Heerlen	Business Park Aventis	1.543	1.853	1.490
Apeldoorn	Ijseldijk	591	579	567
Tilburg	Gesworenhoekseweg	1.067	1.039	1.016
Aalsmeer	Japanlaan - Borgesius	1.808	1.772	1.743
Aalsmeer	Japanlaan - Scotch & Soda	666	631	619
Eindhoven	De Keten - Jan De Rijk	1.330	1.248	1.223
Tilburg	Brakman - NSK	1.032	1.023	1.008
Etten-Leur	Parallelweg - BAS Logistics	875	842	711
TOTAL		**51.183**	**51.051**	**47.288**

Note 2: Rental-related costs

RENTAL-RELATED EXPENSES (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Rent to pay on leased assets	0	0	-2.866
Depreciations on trade receivables	-465	0	-157
Write-back of write-downs on trade receivables	0	0	11
TOTAL	**-465**	**0**	**-3.012**

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. In 2020, in the context of the COVID-19 crisis, requests from tenants to spread their rent over time in 2020 because of the COVID-19 crisis were considered on a case-by-case basis in order to find a balanced solution. No rent reductions or waivers were granted by Montea. The spread rents as a result of the agreements made amounted to € 465,000 at the end of 2020.

Note 3: Rental charges and taxes normally borne by the tenant on let properties and recovery of such rental charges and taxes

RENTAL CHARGES AND TAXES NORMALLY BORNE BY THE TENANT ON LET PROPERTIES (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Recovery of charges and taxes normally payable by tenants on let properties louer	**7.466**	**6.986**	**5.847**
Reinvoicing of rental charges borne by the tenant	3.471	3.701	3.054
Reinvoicing of taxes on let properties	3.995	3.286	2.792
Charges and taxes normally borne by the tenant on let properties	**-7.762**	**-7.371**	**-6.493**
Rental charges borne by the tenant	-3.508	-3.867	-3.337
Taxes on let properties	-4.254	-3.504	-3.155
TOTAL	**-296**	**-385**	**-646**

The drop of the net impact to - € 296 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 €4,254 K in 2020 (6.1% of the rental income, which amounted to € 69,521 K on 31/12/2020).

Note 4: Other rent-related income and expenses

OTHER RENTAL-RELATED INCOME AND EXPENDITURE (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Property management fee	394	365	330
Income from the solar panels	3.128	2.264	1.556
Other	1.552	828	945
TOTAL	**5.074**	**3.457**	**2.831**

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 (21%), and of income from the green certificates (79%).

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 to the tenants. 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)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Recurring technical costs	**-17**	**-10**	**-6**
Repairs	*-17*	-10	-6
Compensation for overall guarantuees	*0*	0	0
Insurance premiums	*0*	0	0
Non-recurring technical costs	**0**	**-12**	**0**
Major repairs	*0*	0	0
Claims	*0*	-12	0
TOTAL	**-17**	**-22**	**-6**

The technical costs in 2020 pertain primarily to small maintenance and repair works on the property portfolio.

Note 6: Commercial costs

COMMERCIAL COSTS (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Brokers' fees	-62	-41	-109
Publicity	0	0	0
Lawyer fees and legal expenses	-34	-17	-20
TOTAL	**-95**	**-58**	**-130**

The commercial costs comprise the broker's fees payable after signing the new lease for the previously vacant units in on the sites in Aalst and Le-Mesnil-Amelot.

Note 7: Costs for unlet buildings

CHARGES AND TAXES OF UN-LET PROPERTIES (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Charges	-72	-63	0
Property tax	-83	-103	0
Insurances	0	0	0
TOTAL	**-156**	**-166**	**0**

Note 8: Property management costs

PROPERTY MANAGEMENT COSTS (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Internal property management costs	-1.913	-1.794	-1.534
Exteral property management costs	0	0	0
TOTAL	**-1.913**	**-1.794**	**-1.534**

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)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Other property charges	-48	-8	-60
TOTAL	**-48**	**-8**	**-60**

In 2020, “Other property costs” concerned mainly the maintenance of the solar panels.

Note 10: Company overheads

GENERAL CORPORATE COSTS (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Office costs	-245	-475	-565
Representation costs	-107	-185	-172
Fees	-889	-876	-864
Real estate expert	*-160*	*-135*	*-150*
Auditor	*-73*	*-70*	*-101*
Legal advisors	*-226*	*-212*	*-158*
Accounting and financial advisors	*-176*	*-301*	*-328*
Other	*-254*	*-158*	*-126*
Listing fees	-741	-465	-445
Marketing and communication	-247	-355	-277
Personnel costs + fees business manager	-1.871	-1.596	-1.695
Amortizations	-278	-256	-205
TOTAL	**-4.378**	**-4.207**	**-4.224**

The company’s overheads comprise mainly costs relating to the daily management and expenses incurred for obligations of listed companies.

The overheads totalled € 9,549 K, of which:

- € 3,258 K (34%) were activated on existing sites and new ongoing projects. They concern project management expenses;
- € 1,913 K (20%) 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, 46% of these costs (€ 4,378 K) are reserved as overheads of the company.

The fee of the auditors, EY Bedrijfsrevisoren, represented by Joeri Klaykens, acting on behalf of an SRL, 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: € 50,377
- Legal assignments: € 20,300
- Tax advice: € 2,000
- Other: € 4,500

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 Sole Director, no other substantial fees were payable in 2020.

The average workforce and breakdown of staff costs can be shown as follows:

	31/12/2020 12 maanden	31/12/2019 12 maanden	31/12/2018 12 maanden
Gemiddeld personeelsbestand (in VTE*)	**23**	**22**	**23**
a) Arbeiders	0	0	0
b) Bedienden	23	22	24
Administratief bedienden	13	12	12
Technisch bedienden	10	10	12
Geografische locaties personeelsbestand (in VTE*)	***23***	***22***	***23***
West-Europa	*23*	*22*	*23*
België	16	15	15
Frankrijk	4	4	4
Nederland	3	3	4
Centraal- en Oost-Europa	*0*	*0*	*0*
Personeelskosten (in EUR x 1000)	**2.923**	**2.582**	**2.177**
a) Bezoldigingen en rechtstreekse sociale voordelen	2.153	1.921	1.617
b) Patronale bijdragen voor sociale verzekeringen	657	549	439
c) Patronale premies voor buitenwettelijke verzekeringen	66	48	65
d) Andere personeelskosten	48	64	56

(*) VTE staat voor Voltijdse Equivalenten

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 Sole Director.

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 2020, the shortfall to guarantee the minimum legal return is not material.

For fees paid to the executive management, cf. Section **Error! Reference source not found.**.

Note 11: Other operating income and costs

OTHER OPERATING INCOME AND EXPENSES (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Other operating income	38	34	48
Other operating expenses	-171	-205	-109
TOTAL	**-133**	**-172**	**-61**

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: Result on sale of investment properties

RESULT ON DISPOSAL OF INVESTMENT PROPERTIES (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Net sale of real estate (sale price - transaction expenses)	0	27.046	1.000
Fair value of sold real estate	0	-26.612	-997
TOTAL	**0**	**434**	**3**

Note 13: Changes in the fair value of investment properties

CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Positive changes in fair value of investment properties	123.211	83.994	83.325
Negative changes in fair value of investment properties	-15.903	-13.221	-51.350
TOTAL	**107.308**	**70.773**	**31.975**

When the balance of all positive and negative changes is considered as a whole, the result on the property portfolio amounts to € 107,308 K on 31 December 2020. 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 18.7.2.1) 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 and the sensitivity applied to the property portfolio, cf. note 20.

Note 14: Financial income

FINANCIAL INCOME (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Interests and dividends received	0	0	0
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	94	57	91
TOTAL	**94**	**57**	**91**

The “Other” financial income has to do mainly with interest receivable for late payments by our clients.

Note 15: Net interest costs

NET INTEREST CHARGES (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Nominal interest charges on loans	-8.149	-8.333	-5.762
Reinstatement of the nominal amount for financial debts	0	0	0
Costs from authorized hedges	-2.773	-2.967	-4.450
Other interest charges	-16	-9	-26
TOTAL	**-10.938**	**-11.309**	**-10.237**

The net interest charges have dropped by € 371 K or 3.1%.

The section on 'nominal interest expense on borrowings' (dropped by € 185 K compared with 2019) includes since 1 January 2019 the IFRS 16 impact (€ 2,064 K); interest charges relating to Montea's lease obligations under the contracted concession agreements.

The average debt burden, exclusive of the lease obligations relating to IFRS 16, remained stable compared with 2019, resulting in a slight decrease of the interest charges on credit lines and bonds compared with 2019. The decrease of the section on 'nominal interest expenses on loans' is linked to an increase of the intercalary interest (€ 29 K more compared with 2019).

The costs for the hedging instruments decreased by € 194 K compared with 2019 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 2019 to conclude subsequently a new hedge at current market conditions in 2020 (85% at the end of 2020 vs 99% at the end of 2019). As a result, the average financing cost dropped compared with the previous year, namely to 1.9% [88]* for financial year 2020.

The impact of the hedging instruments on the average financing cost amounted to 0.5%. This means that the average financing cost without the hedging instruments would amount to 1.4%.

[88]* 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.

Note 16: Other financial costs

OTHER FINANCIAL COSTS (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Bank charges and other commissions	-91	-105	-92
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	-15	0	0
TOTAL	**-107**	**-105**	**-92**

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 - € 8,077 K consisting of:

- the negative change in the fair value of the financial assets and liabilities of - € 8.334 K;
- the positive change pursuant to IFRS 13, whereby the DVA (Debit Value Adjustment) fluctuates with € 257 K in financial year 2020 compared with the end of 2019.

VARIATIONS IN THE FAIR VALUE OF FINANCIAL ASSET AND LIABILITIES (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Authorized hedges	-8.077	-12.739	-3.127
Authorized hedges subject to hedge accounting as defined by IFRS	0	0	0
Authorized hedges no subject to hedge accounting as defined by IFRS	-8.077	-12.739	-3.127
Other	0	0	0
TOTAL	**-8.077**	**-12.739**	**-3.127**

The debt position of Montea under the hedging instruments amounts to € 31.9 million.

FAIR VALUE OF THE HEDGES (EUR x 1.000)	Start date	Maturity date	Nominal amount	Amount taken 31/12/2020	Interest rate	Heged interest rate	Fair value 2020 (*)	Fair value 2019 (*)	Fair value 2018 (*)	Change in fair value
IRS '	31/12/2015	31/12/2021	0	0	2,38%	Euribor 3M	0	0	-768	0
IRS '	2/01/2015	2/01/2019	0	0	2,25%	Euribor 3M	0	0	-166	0
IRS '	1/04/2015	1/07/2022	0	0	2,52%	Euribor 3M	0	0	0	0
IRS '	1/04/2015	1/07/2023	0	0	2,74%	Euribor 3M	0	0	0	0
IRS	29/12/2017	31/12/2020	15.000	0	0,50%	Euribor 3M	0	-538	-205	538
IRS	3/10/2016	2/01/2020	0	0	1,71%	Euribor 3M	0	-137	-2.238	137
IRS	29/12/2017	29/12/2025	10.000	10.000	0,61%	Euribor 3M	-563	-462	-148	-101
IRS	29/12/2017	29/12/2026	10.000	10.000	0,72%	Euribor 3M	-726	-572	-156	-154
IRS	29/12/2017	29/12/2027	25.000	25.000	0,82%	Euribor 3M	-2.241	-1.707	-412	-534
IRS	30/12/2016	31/12/2027	2.500	2.500	0,78%	Euribor 3M	-218	-162	-31	-56
IRS	30/12/2016	31/12/2020	10.000	0	0,45%	Euribor 3M	0	-334	-106	334
IRS	30/12/2016	31/12/2026	50.000	50.000	0,68%	Euribor 3M	-3.533	-2.719	-626	-814
IRS	31/12/2016	31/12/2025	25.000	25.000	0,56%	Euribor 3M	-1.343	-1.076	-279	-266
IRS ''	1/04/2018	31/03/2028	25.000	25.000	1,07%	Euribor 3M	-2.869	-2.344	-1.023	-525
IRS ''	1/04/2018	1/04/2028	10.000	10.000	1,02%	Euribor 3M	-1.109	-895	-362	-215
IRS ''	3/04/2018	1/04/2028	10.000	10.000	1,04%	Euribor 3M	-1.125	-904	-373	-221
IRS ''	31/12/2018	31/12/2027	25.000	25.000	0,72%	Euribor 3M	-2.053	-1.495	-178	-559
IRS	31/12/2020	29/09/2028	25.000	25.000	1,83%	Euribor 3M	-4.450	-3.406	-2.282	-1.044
IRS	31/12/2020	29/12/2028	10.000	10.000	1,66%	Euribor 3M	-1.694	-1.269	0	-425
FORWARD START IRS ''	31/12/2021	31/12/2029	10.000	0	2,04%	Euribor 3M	-1.960	-1.712	0	-248
FORWARD START IRS ''	1/01/2021	1/01/2028	50.000	50.000	1,01%	Euribor 3M	-5.137	-3.446	0	-1.691
FORWARD START IRS ''	29/12/2023	31/12/2027	50.000	0	0,48%	Euribor 3M	-1.720	-492	0	-1.227
FORWARD START IRS	31/12/2021	31/12/2029	15.000	0	0,28%	Euribor 3M	-725	0	0	-725
FORWARD START IRS	31/12/2021	31/12/2029	10.000	0	0,29%	Euribor 3M	-496	0	0	-496
CAP	31/12/2019	31/12/2023	50.000	50.000	0,25%	Euribor 3M	22	107	0	-85
CAP	1/01/2020	1/01/2021	25.000	25.000	0,00%	Euribor 3M	0	0	0	0
CAP	31/12/2019	31/12/2020	10.000	0	0,00%	Euribor 3M	0	0	0	0
CAP	31/12/2020	31/12/2024	25.000	25.000	0,00%	Euribor 3M	42	0	0	42
CAP	30/06/2020	31/12/2021	10.000	10.000	0,00%	Euribor 3M	0	0	0	0
CAP	30/06/2020	30/12/2020	25.000	0	0,00%	Euribor 3M	0	0	0	0
IRS '	31/03/2015	30/06/2023	0	0	2,51%	Euribor 3M	0	0	-1.120	0
TOTAL			**532.500**	**387.500**			**-31.899**	**-23.565**	**-10.473**	**-8.335**

It is shown schematically here with the current IRS € 387.5 million mature:

2021: € 35 million
2023: € 50 million
2024: € 25 million
2025: € 35 million
2026: € 60 million
2027: € 52.5 million
2028: € 130 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 € 257 K (Debit Value Adjustment). As such, the net debt position of Montea under the hedging instruments amounts to € 31.9 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 2020, Montea has hedging instruments for a nominal amount of € 532.5 million.

The non-discounted cash flows for the next five years based on the existing IRS contracts are shown in the table below:

Undiscounted Cashflows (EUR x 1000)	< 1 year	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
Cost of hedging	4.244	4.711	4.711	5.155	5.132	4.739	3.997	1.458	259	0

Note 18: Corporate tax

CORPORATE TAXES (EUR x 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
Withholding tax	0	0	-524
Actual corporate taxes (profit)	-906	-357	435
TOTAL	**-906**	**-357**	**-89**

The corporate tax booked consists of a provision for:

- The tax payable on the rejected expenses by Montea NV
- The corporate tax payable for companies that do not enjoy regulated real-estate company status
- Exit tax adjustments
- The dividend tax payable by Montea SA
- The dividend tax payable by Montea Netherlands

The increase from 2019 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 31/12/2018	**375**
Acquisitions	168
Depreciations	-124
ON 31/12/2019	**419**
Acquisitions	327
Depreciations	-156
ON 31/12/2020	**589**

This heading indicates the amounts of the intangible fixed assets for own use. These intangible fixed assets contain primarily the license and development fees for property management, facility and accounting software.

Note 20: Investment properties

The increase in property investments and developments in 2020 for an amount of € 198.9 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
At 31/12/2019	1.095.666	64.004	1.159.671
Investments	**105.221**		**105.221**
New acquisitions	*22.521*		22.521
			-
- Acquisition bedrijventerrein, Echt (NL)	*22.521*		*22.521*
- Existing investment portfolio	*6.700*		*6.700*
IFRS 16 recognition concessions	-		-
Acquisition by share transactions	-		-
Reception built-to-suit projects	*76.000*		76.000
Delivered development projects		*-76.000*	**-76.000**
Development projects		*65.493*	**65.493**
			-
- Saint-Laurent-Blangy (FR)		*8.415*	*8.415*
- Meyzieu (FR)		*4.618*	*4.618*
- Schiphol Airport (NL)		*12.121*	*12.121*
- Schiphol (NL) - Parking plot 1		*9.660*	*9.660*
- Logistiek Park A12, Waddinxveen (NL)		*25.181*	*25.181*
- Lumineus, Lummen (BE)		*259*	*259*
- Bedrijventerrein Vosdonk, Etten-Leur (NL)		*1.315*	*1.315*
- Senlis (FR)		*469*	*469*
- De Tyraslaan, Vilvoorde (BE)		*67*	*67*
- Solar panels (BE)		*1.152*	*1.152*
- Solar panesls (NL)		*2.146*	*2.146*
- Solar panels (FR)		*89*	
Divestments	**-6.221**		**-6.221**
Sale of Assets	-		-
			-
Assets for sale	*-6.221*		*-6.221*
Increase/(decrease) of fair value	**109.321**	**1.093**	**110.414**
At 31/12/2020	**1.303.988**	**54.589**	**1.358.577**

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 € 12.2 million.
- a decrease (rise) of 0.25% of the discount rate means that the fair value of the portfolio will increase (decrease) by approximately € 43.8 million.

Note 21: Other tangible fixed assets

OTHER TANGIBLE NON-CURRENT ASSETS (x EUR 1.000)	Total	Own use	Other
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**
Acquisition value 01/01/2020	**15.044**	**786**	**14.258**
Acquisitions	15	0	15
Solar panels	17.560	0	17.560
- acquisitions solar panels	15.737	0	15.737
- added value/less value of existing solar panels	1.823	0	1.823
Acquisition value 31/12/2020	**32.619**	**786**	**31.833**
Depreciations 01/01/2020	-1.313	-399	-914
Depreciations	-119	-41	-78
Depreciations 31/12/2020	-1.432	-440	-992
ON 31/12/2020	**31.187**	**346**	**30.841**

The movement in other tangible fixed assets includes mainly the capital gain on the solar panels at the different sites in Belgium and the Netherlands.

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 € 28,397 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 31/12/2018	**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**
Assets held for sale till maturity	**0**
Participations in associated companies or companies with a participating interest	0
Assets at fair value through result	**64**
Hedging instruments	64
ON 31/12/2020	**64**

The financial fixed assets relate solely to the positive valuation of the hedging instruments.

The negative valuation of the hedging instruments for 2020 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	**29**
Guarantees paid in cash	6
ON 31/12/2018	**35**
Guarantees paid in cash	186
ON 31/12/2019	**221**

This amount concerns a guarantee paid in cash.

Note 24: Assets held for sale

ASSETS HELD FOR SALE	(x EUR 1.000)
AT 31/12/2018	**2.377**
Accounting value of the investment properties held for sale	-2.377
Real Estate certificates	0
Other	0
AT 31/12/2019	**0**
Accounting value of the investment properties held for sale	6.221
Real Estate certificates	0
Other	0
AT 31/12/2020	**6.221**

Note 25: Current trade receivables

TRADE RECEIVABLES (EUR x 1.000)	31/12/2020	31/12/2019	31/12/2018
Trade receivables - gross	14.476	14.042	16.237
Provisions for doubtful receivables	-1.102	-638	-638
TOTAL	**13.374**	**13.405**	**15.599**

On 31 December 2020 the gross trade receivables amounted to € 14,476 K, of which:

- € 9,797 K in trade receivables;
- € 637 K in doubtful receivables;
- € 4,041 K in other trade receivables;
- - € 1,102 K in losses in value for doubtful receivables.

The table below includes an age analysis of trade receivables of € 9,797 K.

TABLE OF MATURITY DATES OF TRADE RECEIVABL	(x EUR 1.000)
Trade receivables, not due	7.625
Trade receivables, due 1 -30 days	1.363
Trade receivables, due 31 - 60 days	-14
Trade receivables, due 61 - 90 days	-1
Trade receivables, due > 90 days	1.461
TOTAL	**10.434**

No losses in value were booked on the total amount of € 10,434 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:

DOUBTFUL RECEIVABLES	(x EUR 1.000)
ON 31/12/2017	**637**
Amount current financial year	1
Reversal amount current financial year	0
ON 31/12/2018	**638**
Amount current financial year	465
Reversal amount current financial year	0
ON 31/12/2019	**1.102**

WRITE-DOWNS ON DOUBTFUL RECEIVABLES ACCOUNTED FOR	(x EUR 1.000)
ON 31/12/2017	**637**
Provisions current financial year	1
Reversal losses doubtful receivables	0
ON 31/12/2018	**638**
Provisions current financial year	465
Reversal losses doubtful receivables	0
ON 31/12/2019	**1.102**

The trade receivables are shown in the table below:

TABLE OF OTHER RECEIVABLES	(x EUR 1.000)
Trade receivables - debit balance	42
Trade payables - debit balance	906
Invoices to bill	3.069
Creditnotes to receive	23
TOTAL	**4.041**

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	123
Trade receivables, due 1 -30 days	28
Trade receivables, due 31 - 60 days	105
Trade receivables, due 61 - 90 days	54
Trade receivables, due > 90 days	794
TOTAL	**1.102**

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)	31/12/2020	31/12/2019	31/12/2018
TAXES	**9.644**	**8.402**	**13.073**
Value added taxes (VAT)	620	2.909	7.969
Corporation tax	9.023	5.493	5.103
OTHER CURRENT ASSETS	**3**	**784**	**794**
TOTAL	**9.646**	**9.186**	**13.867**

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 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)	31/12/2020	31/12/2019	31/12/2018
Cash at banks	5.057	7.690	4.634
Term deposits	0	0	0
Cheques to be cashed	0	0	0
TOTAL	**5.057**	**7.690**	**4.634**

Note 28: Deferred charges and accrued income

DEFERRED CHARGES AND ACCRUED INCOME - ASSETS (EUR x 1.000)	31/12/2020	31/12/2019	31/12/2018
Accrued and not due rental income	478	64	401
Rental discounts and rental incentives to be allocated	0	0	0
Prepaid property charges			
- Costs for future projects / Provisions construction costs	2.974	1.398	1.755
- Autres	0	0	0
Prepaid interests and other financial charges	105	0	0
Other	526	575	418
TOTAL	**4.085**	**2.037**	**2.574**

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 31/12/2018	**261.164**	**-4.034**	**-1.067**	**100.891**	**12.814.692**
Contribution in kind	60.484	-1.837	273	108.293	2.967.902
ON 31/12/2019	**321.648**	**-5.871**	**-794**	**209.184**	**15.782.594**
Contribution in kind and stock dividend	4.914	-85	0	13.091	241.100
ON 31/12/2020	**326.562**	**-5.956**	**-794**	**222.274**	**16.023.694**

Note 30: Reserves

(EUR x 1.000)	31/12/2020	31/12/2019	31/12/2018
Reserves	**118.216**	**47.398**	**12.020**
Legal reserves	835	835	835
Reserve for the net amount of the changes in fair value of investment properties	54.378	-20.626	-52.370
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	-20.072	-7.333	-4.206
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	0
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	83.074	74.522	67.761

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 31.12.2018	**1.067**	**20.629**
Variations in financial year 2019	273	-5.280
ON 31.12.2019	**794**	**15.349**
Variations in financial year 2020	0	0
ON 31.12.2020	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 € 75,005 K, 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 changes in the fair value of real estate

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)	
Revaluation gains solar panels 2018 (12 months)	
Revaluation gains solar panels 2019 (12 months)	484
ON 31/12/2020	**52.550**

Note 30.2: Reserve for the balance of changes in the fair value of authorized hedging instruments that are 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 2019 (12 months)	-3.128
changes in fair value of authorized hedges 2020 (12 months)	-12.739
ON 31/12/2020	**-20.072**

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. Section18.6 “Overview of changes in the consolidated equity and reserves as at 31/12/2020”.

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[89] (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)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
NET RESULT	**155.009**	**108.465**	**64.575**
Attributable to:			
Shareholders of the parent company	155.009	108.465	64.575
Minority interests	0	0	0
EPRA result (K€)	**55.778**	**49.997**	**35.724**
Number of weighted number average of shares before the period	15.916.319	15.229.606	12.100.327
Number of shares in circulation at the end of the period	16.023.694	15.782.594	12.814.692
NET (ordinary/diluted) RESULT PER SHARE / weighted number average of shares (€)	**9,74**	**7,12**	**5,34**
EPRA RESULT (ordinary/diluted) PER SHARE / weighted number average of shares (€)	**3,50**	**3,28**	**2,95**

DETAILED RECONCILIATION NET RESULT TO EPRA RESULT (EUR X 1.000)	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months
NET RESULT	**155.009**	**108.465**	**64.575**
- Result on sale of investment properties	0	-434	-3
- Variations in fair value of the investment properties and properties for sale	-107.308	-70.773	-31.975
- Variations in fair value of the financial assets and liabilities	8.077	12.739	3.127
EPRA RESULT (K€)	**55.778**	**49.997**	**35.724**

Note 32: Minority interest

MINORITY INTEREST	(x EUR 1.000)
ON 31/12/2018	**19**
Minority intrests 2019	-19
ON 31/12/2019	**0**
Minority intrests 2020	0
ON 31/12/2020	**0**

89 See section 18.11.

Note 33: Non-current provisions

PROVISIONS (EUR x 1.000)	31/12/2020	31/12/2019	31/12/2018
Pensions	0	0	0
Other	0	0	0
TOTAL	**0**	**0**	**0**

Note 34: Financial debts

FINANCIAL DEBTS (EUR x 1.000)	31/12/2020	31/12/2019	31/12/2018
NON-CURRENT FINANCIAL DEBTS	**446.742**	**389.741**	**416.969**
Credit institutions	350.167	261.667	305.000
Bond	49.787	79.648	109.491
Securities and bank guarantees deposited	1.707	1.641	1.431
Financial leasing	833	943	1.047
Others	44.247	45.844	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 (*)	44.247	45.844	0
CURRENT FINANCIAL DEBTS	**61.794**	**61.340**	**45.085**
Credit institutions	30.000	29.600	45.000
Financial leasing	98	92	85
Others	1.721	1.648	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 (*)	1.721	1.648	0
TOTAL	**508.535**	**451.082**	**462.054**

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 3 bond loans. On 31/12/2020 Montea had a total of € 486.7 million in contracted lines of credit, of which 78.1% (€ 380.2 million) has been drawn. At the end of the year, Montea had a total of € 80 million in contracted and drawn bond loans.

In 2021, 7.9% (or € 30 million) of the total drawn debt of the credit lines (€ 380.2 million) or 6.2% (€ 30 million) of the contracted credit lines (€ 486.7 million) becomes due.

The total financial debt (including bond loans and leasing debt) was hedged on 31 December 2020 to the tune of 85.3% 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 31/12/2020 and a stable euribor.

CREDIT INSTITUTIONS	Contracted credit lines	Withdrawn credit lines	Withdrawn credit lines + interest costs
Credit lines, with a maturity < 1 year	30.000	30.000	4.107
Credit lines, with a maturity 1 - 2 year	84.167	79.167	3.609
Credit lines, with a maturity 2 - 3 year	77.500	77.500	3.126
Credit lines, with a maturity > 3 year	295.000	193.500	3.220
TOTAL	**486.667**	**380.167**	**14.062**

HEDGINGS (x EUR 1000)	Notional amount	Interest cost hedgings
Hedgings, with a maturity of < 1 year	35.000	4.244
Hedgings, with a maturity of 1 - 2 years	-	4.711
Hedgings, with a maturity of 2 - 3 years	50.000	4.711
Hedgings, with a maturity of > 3 years	252.500	20.481
TOTAL	**337.500**	**34.148**

BONDS (EUR x 1000)	Contracted bonds	Withdrawn bonds	Interes costs bonds
Bonds, with a maturity < 1 year	30.000	30.000	2.238
Bonds, with a maturity 1 - 2 year	0	0	1.231
Bonds, with a maturity 2 - 3 year	0	0	1.231
Bonds, with a maturity > 3 year	50.000	50.000	2.599
TOTAL	**80.000**	**80.000**	**7.300**

The table below provides an overview of the current bonds:

BONDS						
Nominal amount	Start date	Expire date	Interest	Interest rate	Refund capital	Refund interest
30.000	28/05/2014	28/02/2021	Vast	3,36%	2021	Annual
25.000	30/06/2015	30/06/2027	Variabel	EURIBOR 3M + 205 bps	2027	Quarterly
25.000	30/06/2015	30/06/2025	Vast	3,42%	2025	Annual
80.000						

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	31/12/2020	931.266 €
	TOTAL	**931.266 €**

Note 35: Other non-current financial liabilities

OTHER NON-CURRENT FINANCIAL LIABILITIES (EUR x 1.000)	31/12/2020	31/12/2019	31/12/2018
Authorized hedges	31.065	23.031	10.186
TOTAL	**31.065**	**23.031**	**10.186**

The other long-term financial liabilities only include the negative valuation of the interest hedging instruments on 31/12/2020. 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 € 32.0 million and a positive DVA value of € 0.9 million, which brings the net value to a negative value of € 31.1 million on 31/12/2020. 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)	31/12/2020	31/12/2019	31/12/2018
Guarantees	0	0	0
TOTAL	**0**	**0**	**0**

Note 37: Trade payables and other current liabilities

TRADE DEBTS AND OTHER CURRENT DEBTS (EUR x 1.000)	31/12/2020	31/12/2019	31/12/2018
Exit Taks	**147**	**274**	**1.445**
Other	**17.819**	**13.940**	**18.697**
Suppliers	12.291	10.712	14.822
Tenants	1.649	150	341
VAT, salaries and social security	3.879	3.078	3.533
TOTAL	**17.966**	**14.214**	**20.142**

OTHER CURRENT LIABILITIES (EUR x 1.000)	31/12/2020	31/12/2019	31/12/2018
Dividends	24	24	0
Intercompany liabilities	0	0	0
Other	4.754	4.784	4.707
TOTAL	**4.778**	**4.809**	**4.707**

The section "Exit tax" consists mainly of a provision created at the occasion of the acquisition of 2 buildings in Le-Mesnil-Amélot, in France (see Note 20).

The item "Suppliers" has an outstanding balance of € 12.3 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 – Sole Director” 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)	31/12/2020	31/12/2019	31/12/2018
Property income received in advance	17.652	16.388	14.683
Interests and other charges accrued and not due	3.614	4.146	4.137
Other	0	0	0
TOTAL	**21.266**	**18.819**	**18.820**

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 and credit lines.

Note 39: Fair value hierarchy

	Fair value hierarchy (EUR x 1.000)	31/12/2020 Booking value	31/12/2020 Level 1 (1)	31/12/2020 Level 2 (2)	31/12/2020 Level 3 (3)
	NON-CURRENT ASSETS	**1.360.539**	**0**	**874**	**1.359.664**
A.	Goodwill	0	0	0	0
B.	Intangible assets	589	0	589	0
C.	Investment properties	1.328.823	0	0	1.328.823
D.	Other tangible assets	30.842	0	0	30.842
E.	Non-current financial assets	64	0	64	0
F.	Finance lease receivables	0	0	0	0
G.	Trade receivables and other non-current assets	221	0	221	0
H.	Deferred taxes (assets)	0	0	0	0
I.	Participations in associates and joint ventures according to the	0	0	0	0
	CURRENT ASSETS	**38.382**	**5.057**	**27.104**	**6.221**
A.	Assets held for sale	6.221	0	0	6.221
B.	Current financial assets	0	0	0	0
C.	Finance lease receivables	0	0	0	0
D.	Trade receivables	13.374	0	13.374	0
E.	Tax receivables and other current assets	9.646	0	9.646	0
F.	Cash and cash equivalents	5.057	5.057	0	0
G.	Deferred charges and accrued income	4.085	0	4.085	0
	TOTAL ASSETS	**1.398.921**	**5.057**	**27.979**	**1.365.885**
	LIABILITIES	**583.610**	**0**	**586.120**	**0**
	Non-current liabilities	**477.807**	**0**	**480.316**	**0**
A.	Provisions	0	0	0	0
B.	Non-current financial debts	446.742	0	449.252	0
	1. Bancaire schulden	351.874	0	351.874	0
	2. Obligatieleningen	94.035	0	96.545	0
	3. Diverse langlopende financiële schulden (borgtochten, waarborgen,...)	833	0	833	0
C.	Other non-current financial liabilities	31.065	0	31.065	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
	Current liabilities	**105.803**	**0**	**105.803**	**0**
A.	Provisions	0	0	0	0
B.	Current financial debts	61.794	0	61.794	0
	1. Bank debt	30.000	0	30.000	0
	2. Leasing	98	0	98	0
	3. Autres	31.696	0	31.696	0
C.	Other current financial liabilities	0	0	0	0
D.	Trade debts and other current debts	17.966	0	17.966	0
E.	Other current liabilities	4.778	0	4.778	0
F.	Accrued charges and deferred income	21.266	0	21.266	0
	TOTAL LIABILITIES	**583.610**	**0**	**586.120**	**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 2020.

		MONTEA SPACE FOR GROWTH — 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	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
		3. Other	31.648	0	31.648	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**

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 estate 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	30-150	15-130
Market rental value - Weighted Average (EURO /m²)	47,04	52,13	49,78
Equivalent Yield (Min - Max.) (%)	3,75%-8,00%	4,70%-7,30%	4,61%-7,54%
Equivalent Yield - Weighted Average (%)	5,58%	5,50%	5,19%
Average inflation (%)	0,35%	-0,03%	0,92%
Actual rent compared to market rental value (%)	105,05%	92,16%	102,59%

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 2019:

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%

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 € 32.36 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 2020 it was € 32.36 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 by the real estate expert.

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. Derivative instruments

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 31/12/2020, compared with the contracted hedging instruments. The fair value of the derivatives as of 31/12/2020 was - € 31,899 K. 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 31/12/2020, the average age of the outstanding swaps), Montea has calculated a "non-performance risk" of € 898 K, an increase of € 257 K with respect to 31/12/2019. 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 € 31,001 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 2019 was € 640K.

4. Financial liabilities

The financial obligations consist of 3 bond loans issued, the drawn down lines of credit totalling € 380.2 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 31/12/2020, they are classified in level 2 (market value in the active market for an equivalent product). The fair value of the fixed rate bonds differs from the current book value given the evolution in the euribor interest rate, which makes the fair value of these bonds € 2.5 million higher than the book value. All lines of credit at Montea have been entered into a 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 2020

		(EUR x 1.000)	31/12/2020 BE	31/12/2020 FR	31/12/2020 NL	31/12/2020 Elim.	31/12/2020 Conso
I.		**NON-CURRENT ASSETS**	**860.509**	**195.691**	**480.514**	**-176.175**	**1.360.539**
	A.	Goodwill	0	0	0	0	0
	B.	Intangible assets	589	0	0	0	589
	C.	Investment properties	658.762	194.986	475.075	0	1.328.823
	D.	Other tangible assets	24.731	672	5.439	0	30.842
	E.	Non-current financial assets	176.238	0	0	-176.175	64
	F.	Finance lease receivables	0	0	0	0	0
	G.	Trade receivables and other non-current assets	188	33	0	0	221
	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**	**278.235**	**11.488**	**12.547**	**-263.889**	**38.382**
	A.	Assets held for sale	0	6.221	0	0	6.221
	B.	Current financial assets	0	0	0	0	0
	C.	Finance lease receivables	0	0	0	0	0
	D.	Trade receivables	6.826	2.592	4.171	-215	13.374
	E.	Tax receivables and other current assets	264.539	620	8.161	-263.674	9.646
	F.	Cash and cash equivalents	3.781	1.114	162	0	5.057
	G.	Deffered charges and accrued income	3.089	942	54	0	4.085
		TOTAL ASSETS	**1.138.744**	**207.179**	**493.061**	**-440.064**	**1.398.921**
		TOTAL SHAREHOLDERS' EQUITY	**583.263**	**98.835**	**305.870**	**-172.658**	**815.311**
I.		**Shareholders' equity attributable to the shareholders of the parent company**	**583.263**	**98.835**	**305.870**	**-172.658**	**815.311**
	A.	Share capital	319.812	0	112.745	-112.745	319.812
	B.	Share premiums	222.274	0	0	0	222.274
	C.	Reserves	-53.032	79.978	151.182	-59.914	118.216
	D.	Net result of the financial year	94.209	18.857	41.943	0	155.009
II.		**Minority interests**	**0**	**0**	**0**	**0**	0
		LIABILITIES	**555.481**	**108.344**	**187.191**	**-267.405**	**583.610**
I.		**Non-current liabilities**	**476.068**	**1.686**	**53**	**0**	**477.807**
	A.	Provisions	0	0	0	0	0
	B.	Non-current financial debts	445.003	1.686	53	0	446.742
	C.	Other non-current financial liabilities	31.065	0	0	0	31.065
	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**	**79.413**	**106.658**	**187.138**	**-267.405**	**105.803**
	A.	Provisions	0	0	0	0	0
	B.	Current financial debts	61.669	91	34	0	61.794
	C.	Other current financial liabilities	0	0	0	0	0
	D.	Trade debts and other current debts	5.288	3.004	10.068	-394	17.966
	E.	Other current liabilities	102	100.436	171.450	-267.209	4.778
	F.	Accrued charges and deferred income	12.355	3.127	5.586	198	21.266
		TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1.138.744**	**207.179**	**493.061**	**-440.064**	**1.398.921**

The fair value of the property investments in Belgium amounted to € 658.8 million for 2020, € 98.8 million higher than the fair value of the property investments in Belgium in 2019. This increase is mainly due to the:

- Continuation of the delivery of the developments in Lummen and Vilvoorde;
- Continuation of the delivery of the solar panels on various sites;
- The increase in the fair value of the existing portfolio;

The fair value of property investments including assets for sale in France amounted to € 195.0 million for 2020, € 21.2 million higher than the fair value of the property investments in France in 2019, mainly due to:

- Continued completion of the developments in Saint-Laurent-Blangy, Meyzieu and Senlis;
- The increase in the fair value of the existing portfolio;

The fair value of the property investments in the Netherlands amounted to € 475.1 million for 2020, € 61.4 million higher than the fair value of the property investments in the Netherlands in 2019. This increase is mainly due to:

- Acquisition of a plot of land in Echt;
- Continued completion of the developments in Schiphol, Waddinxveen and Etten-Leur;
- The increase in the fair value of the existing portfolio.

Note 40.2: 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**

Note 40.3: Segmented income statement for 2020

	(EUR x 1.000)	31/12/2020 BE	31/12/2020 FR	31/12/2020 NL	31/12/2020 Elim.	31/12/2020 12 months
I.	Rental income	35.118	10.458	24.486	0	70.061
II.	Write-back of lease payments sold and discounted	0	0	0	0	0
III.	Rental-related charges	-187	-153	-124	0	-465
	NET RENTAL INCOME	**34.930**	**10.305**	**24.362**	**0**	**69.597**
IV.	Recovery of property charges	0	0	0	0	0
V.	Recovery of charges and taxes normally borne by tenants on let properties	4.881	1.830	755	0	7.466
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	-4.823	-1.879	-1.060	0	-7.762
VIII.	Other rental-related income and expenses	4.249	224	600	0	5.074
	PROPERTY RESULT	**39.238**	**10.479**	**24.657**	**0**	**74.374**
IX.	Technical costs	0	-17	0	0	-17
X.	Commercial costs	-22	-74	0	0	-95
XI.	Charges and taxes of un-let properties	-5	-146	-5	0	-156
XII.	Property management costs	-1.319	-594	0	0	-1.913
XIII.	Other property charges	-47	-1	0	0	-48
	PROPERTY CHARGES	**-1.393**	**-831**	**-5**	**0**	**-2.229**
	PROPERTY OPERATING RESULT	**37.845**	**9.648**	**24.653**	**0**	**72.145**
XIV.	General costs of the company	-3.797	-501	-80	0	-4.378
XV.	Other operating income and expenses	-2	-130	0	0	-133
	OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**34.045**	**9.018**	**24.572**	**0**	**67.635**
XVI.	Result on disposal of investment properties	0	0	0	0	0
XVII.	Result on disposal of other non-financial assets	0	0	0	0	0
XVIII.	Changes in fair value of investment properties	72.839	12.306	22.164	0	107.308
XIX.	Other portfolio result	0	0	0	0	0
	OPERATING RESULT	**106.884**	**21.323**	**46.736**	**0**	**174.943**
XX.	Financial income	6.920	0	4	-6.830	94
XXI.	Net interest charges	-11.370	-2.325	-4.073	6.830	-10.938
XXII.	Other financial charges	-79	-19	-9	0	-107
XXIII.	Changes in fair value of financial assets and liabilites	-8.077	0	0	0	-8.077
	FINANCIAL RESULT	**-12.606**	**-2.343**	**-4.078**	**0**	**-19.027**
XXIV.	Share in the result of associates and joint ventures	0	0	0	0	0
	PRE-TAX RESULT	**94.278**	**18.980**	**42.657**	**0**	**155.915**
XXV.	Corporate taxes	-69	-124	-714	0	-906
XXVI.	Exit tax	0	0	0	0	0
	TAXES	**-69**	**-124**	**-714**	**0**	**-906**
	NET RESULT	**94.209**	**18.857**	**41.943**	**0**	**155.009**
	EPRA RESULT	**29.447**	**6.551**	**19.779**	**0**	**55.778**
	Weighted average number of shares	15.916	15.916	15.916	0	15.916
	NET RESULT PER SHARE	**5,92**	**1,18**	**2,64**	**0,00**	**9,74**
	EPRA RESULT PER SHARE	**1,85**	**0,41**	**1,24**	**0,00**	**3,50**

The changes in the fair value of investment properties amounting to € 107.3 million are due to the positive variation in Belgium, France and the Netherlands.

Note 40.4: Segmented income statement 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 months
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 “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 31/12/2020, the interest rate risk on lines of credit with variable interest rates was 85.3% 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 2020, would have no impact 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 [90] 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 Sole Director Montea Management NV and Montea NV. Furthermore, 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 2020 the following items were included in the financial statements:

Operational result – Remunerations Sole Director:	€ 820 K
Debt – Current account Montea Management NV:	€ 0 K

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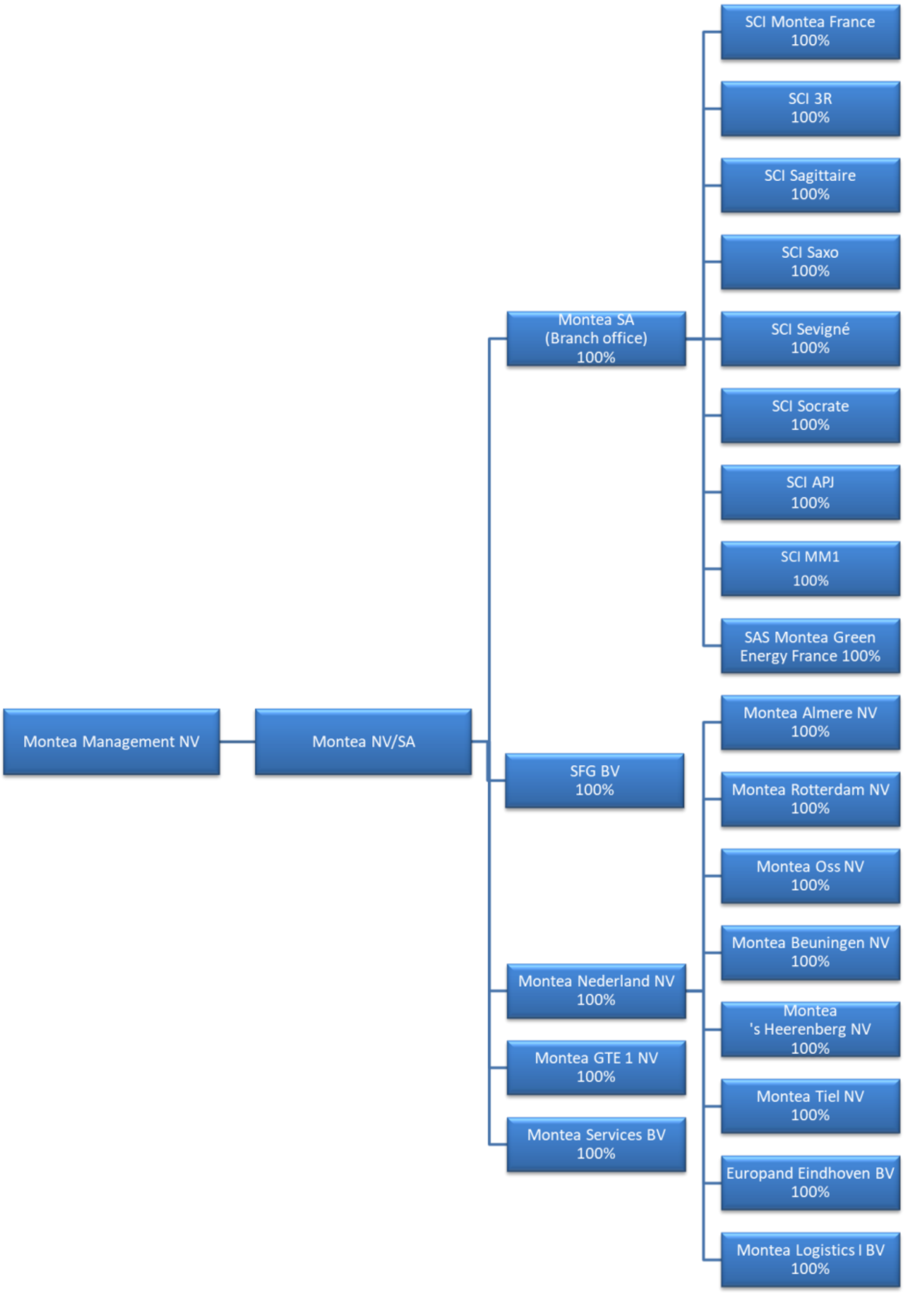
90 Montea has € 487 million in lines of credit as at 31/12/2020, of which € 380 million has already been drawn. This means that Montea still has € 107 million at its disposal.

Below you will find the group structure in table form:



Note 43: Off-balance sheet liabilities

For the 2020 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 2020

We refer to Chapter 6.3.10. for more information regarding the events after December 31, 2020.

18.9 Auditor's report to the general meeting of shareholders of Montea NV on the financial year closed on 31 December 2020

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Independent auditor's report to the general meeting of Montea NV for the year ended 31 December 2020

As required by law and the Company's articles of association, we report to you as statutory auditor of Montea NV (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated balance sheet as at 31 December 2020, the consolidated statement of comprehensive income before profit appropriation, the consolidated comprehensive income before the distribution of profit, the consolidated cash flow and the overview of changes in the consolidated equity and reserves for the year ended 31 December 2020 and the disclosures (all elements together the "Consolidated Financial Statements") as well as 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 Consolidated Financial Statements for the year ending 31 December 2021. We performed the audit of the Consolidated Financial Statements of the Group during 11 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Montea NV, that comprise of the consolidated balance sheet on 31 December 2020, the consolidated statement of comprehensive income before profit appropriation, the consolidated comprehensive income before the distribution of profit, the consolidated cash flow and the overview of changes in the consolidated equity and reserves for the year ended 31 December 2020 and the disclosures, which show a consolidated balance sheet total of € 1.398.921 thousand and of which the consolidated income statement shows a profit for the year of € 155.009 thousand.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2020, and of its consolidated results for the year then ended, prepared 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 to 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.

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.

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

A member firm of Ernst & Young Global Limited

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Audit report dated 15 April 2021 on the Consolidated Financial Statements of Montea NV as of and for the year ended 31 December 2020 (continued)

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 key audit matter**

Investment property amounts to a significant part (95%) of the assets of the Group.

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 the 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;
- and reviewed the models, assumptions and parameters used in their reports (discount rates, future occupancy rates, ...), including the impact of COVID-19 on the assumptions and parameters.

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 Financial Instruments

- **Description of the key audit matter**

The Group uses interest rate swaps (IRS) and options (CAPs) to hedge its interest rate risk on its variable rate debts and has concluded forward exchange rate contracts during the financial year to hedge the risk of exchange rate fluctuations. 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 on the one hand in the valuation of these derivatives and on the other hand in the application of hedge accounting.

- **Summary of the 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.

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 and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

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Building a better working world

Audit report dated 15 April 2021 on the Consolidated Financial Statements of Montea NV as of and for the year ended 31 December 2020 (continued)

As part of the preparation of 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 whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and 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.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

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 resulting from fraud is higher than when such misstatements result from errors, 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 Company'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 the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

Building a better working world

Audit report dated 15 April 2021 on the Consolidated Financial Statements of Montea NV as of and for the year ended 31 December 2020 (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 Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, 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 (Revised) 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, the non-financial information attached to the Board of Directors' report, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

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 Directors' report 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 NV

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.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

Building a better working world

Audit report dated 15 April 2021 on the Consolidated Financial Statements of Montea NV as of and for the year ended 31 December 2020 (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, 15 April 2021

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Joeri Klaykens (Signature)
Digitaal ondertekend door Joeri Klaykens (Signature)
DN: cn=Joeri Klaykens (Signature), c=BE
Datum: 2021.04.15 08:26:33 +02'00'

Joeri Klaykens *
Partner
*Acting on behalf of a BV/SRL

21JK0290

18.10 Condensed statutory financial statements of Montea as at 31 December 2020

In accordance with the provisions in Article 3:17 of the Companies and Associations Code, the financial statements of Montea NV 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 2020 (in € 000)

BALANCE SHEET EUR (x 1.000)	IFRS 31/12/2020 12 months	IFRS 31/12/2019 12 months	IFRS 31/12/2018 12 months
ASSETS			
NON-CURRENT ASSETS	**1.122.872**	**965.607**	**720.107**
A. Goodwill	0	0	0
B. Intangible non-current assets	589	419	374
C. Investment properties	723.698	647.187	493.476
D. Other tangible non-current assets	25.362	13.174	11.141
E. Financial non-current assets	373.012	304.802	215.097
F. Finance lease receivables	0	0	0
G. Trade receivables and other non-current assets	211	25	19
H. Deferred taxes - Assets	0	0	0
CURRENT ASSETS	**250.577**	**205.830**	**200.259**
A. Assets held for sale	6.589	0	0
B. Current financial assets	0	0	0
C. Finance lease receivables	0	0	0
D. Trade receivables	10.185	8.640	10.024
E. Tax receivables and other current assets	226.166	190.141	185.795
F. Cash and cash equivalents	4.139	5.688	2.779
G. Deferred charges and accrued income	3.499	1.361	1.661
TOTAL ASSETS	**1.373.449**	**1.171.437**	**920.366**
LIABILITIES			
SHAREHOLDERS' EQUITY	**815.691**	**680.409**	**433.098**
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	**815.691**	**680.409**	**433.079**
A. Capital	319.812	314.983	256.063
B. Share premium	222.274	209.184	100.891
C. Reserves	118.596	47.690	11.550
D. Net result of the financial year	155.009	108.552	64.575
LIABILITIES	**557.759**	**491.028**	**487.268**
NON-CURRENT LIABILITIES	**477.122**	**412.160**	**425.431**
A. Provisions	0	0	0
B. Non-current financial debts	446.057	389.129	415.244
C. Other non-current financial liabilities	31.065	23.031	10.186
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	**80.637**	**78.868**	**61.838**
A. Provisions	0	0	0
B. Current financial debts	61.740	61.300	45.000
C. Other current financial liabilities	0	0	0
D. Trade debts and other current debts	5.558	3.739	3.931
E. Other current liabilities	87	87	0
F. Accrued charges and deferred income	13.252	13.742	12.907
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1.373.449**	**1.171.437**	**920.366**

18.10.2 Statutory income statement as at 31 December 2020 (in € 000)

PROFIT AND LOSS ACCOUNT EUR (x 1.000)	IFRS 31/12/2020 12 months	IFRS 31/12/2019 12 months	IFRS 31/12/2018 12 months
I. Rental income (+)	41.143	39.249	32.210
II. Write-back of lease payments sold and discounted (+)	0	0	0
III. Rental-related charges (+/-)	-187	1	-2.928
NET RENTAL RESULT	**40.955**	**39.250**	**29.283**
IV. Recovery of property charges (+)	0	0	0
V. Recovery of charges and taxes normally payable by tenants on let properties (+)	5.868	5.438	4.393
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 (-)	-5.836	-5.592	-4.707
VIII. Other rental-related charges and income (+/-)	5.688	3.300	2.455
PROPERTY RESULT	**46.675**	**42.397**	**31.424**
IX. Technical costs (-)	-7	-16	-4
X. Commercial costs (-)	-35	-46	-87
XI. Charges and taxes of un-let properties (-)	-17	-38	0
XII. Property management costs (-)	-1.890	-1.537	-1.114
XIII. Other property charges (-)	-47	-8	-43
PROPERTY CHARGES	**-1.996**	**-1.645**	**-1.248**
PROPERTY OPERATING RESULT	**44.680**	**40.752**	**30.176**
XIV. General costs of the company (-)	-4.065	-3.534	-3.564
XV. Other operating income and expenses (+/-)	81	-135	2.237
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**40.695**	**37.084**	**28.850**
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 (+/-)	78.782	40.478	15.567
XIX. Other portfolio result (+/-)	0	0	0
OPERATING RESULT	**119.477**	**77.561**	**44.417**
XX. Financial income (+)	5.506	6.048	11.540
XXI. Net interest charges (-)	-11.455	-12.016	-12.204
XXII. Other financial charges (-)	-86	-91	-70
XXIII. Changes in fair value of financial assets and liabilities (+/-)	41.754	36.700	20.547
FINANCIAL RESULT	**35.719**	**30.641**	**19.813**
PRE-TAX RESULT	**155.196**	**108.202**	**64.230**
XXV. Corporate taxes (-)	-187	350	345
XXVI. Exit tax (-)	0	0	0
TAXES	**-187**	**350**	**345**
NET RESULT	**155.009**	**108.552**	**64.575**
Average Number of shares in the period	15.916	15.230	12.100
Number of shares in circulation entitled to the result on the period	16.024	15.783	12.815
NET RESULT (normal / diluted) PER SHARE in euro	**9,74**	**7,13**	**5,34**
NET RESULT PER SHARE in euro	**9,67**	**6,88**	**5,04**

18.10.3 Statutory comprehensive income before profit appropriation as at 31 31 December 2020 (in € 000)

Abbreviated statutory statement of comp	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months
Net result	**155.009**	**108.552**	**64.575**	**35.971**
Other elements of the global result	**2.402**	**-242**	**10**	**484**
Items taken in the result:	**0**	**0**	**0**	**0**
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investments properties	0	0	0	0
Variations in the effective part of the fair value of admitted hedging instruments in a cah flow hedge	0	0	0	0
Items not taken in the result:	**2.402**	**-242**	**10**	**484**
Impact of changes in faire value of solar panels	2.402	-242	10	484
Global result	**157.411**	**108.310**	**64.585**	**37.021**
Attributable to:				
Shareholders of the main company	157.411	108.310	64.585	37.021
Minorities	0	0	0	0

18.10.4 Processing of results as at 31 December 2019 (in € 000)

RESULT FOR APPROPRIATION EUR (x 1.000)		IFRS 31/12/2020 12 months	IFRS 31/12/2019 12 months	IFRS 31/12/2018 12 months
A.	**NET RESULT**	**155.009**	**108.552**	**64.575**
B.	**ADDITION TO / WITHDRAWAL FROM RESERVES (-/+)**	**-109.705**	**-68.465**	**-36.768**
1.	**Addition to / withdrawal from reserves for the (positive or negative) net amount in the changes in fair value of investment properties (-/+)**	**-107.308**	**-70.773**	**-31.975**
1a.	financial year	-107.308	-70.773	-31.975
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 (-)**	**8.077**	**12.739**	**3.127**
5a.	financial year	8.077	12.739	3.127
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**	**0**
6a.	financial year	0	0	0
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 (-/+)**	**-10.474**	**-10.430**	**-7.919**
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**	**45.217**	**30.352**	**22.981**
D.	**REMUNERATION OF THE CAPITAL, - OTHER THAN C**	**87**	**9.736**	**4.827**

The amounts indicated in grey in the table above were updated as a result of an erroneous presentation in the past. As a result, these amounts do not correspond to the published amounts in the annual reports for the financial years closing on 31/12/2019 and 31/12/2018. We note that this in no way affects the dividend paid. It is merely a different split between the headings 'C. Remuneration for the capital in accordance with Article 13' and 'D. Remuneration for the capital, other than C'. The total of both sections is unchanged.

18.10.5 Pay-out obligation as at 31 December 2020 (in € 000)

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, distribute at least the positive difference between the following amounts as a return of capital:

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 31/12/2020 12 months
Positive difference (1) - (2)	**45.217**
80% of the amount defined by the scheme in Annex C of Chapter III (1)	**45.217**
Corrected result (A) + net gains (B)	56.521
Corrected Result + net realized gains on property not exempt from the mandatory distribution (A)	56.521
Net result	155.009
+ Amortizations	278
+ Depreciations	465
- Write-back of depreciations	0
- Write-back of lease payments sold and discounted	0
+/- Other non-monetary elements	-20.448
+/- Result on sale of property	0
+/- Changes in fair value of property	-78.782
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)	**0**
The changes in debt in function of the calculation of the debt ratio	59.187
Total Liabilities	66.731
Non-current liabilities - authorized hedges	8.034
Non-current liabilities - provisions	0
Non-current liabilities - deferred taxes	0
Current liabilities - authorized hedges	0
Current liabilities - provisions	0
Current liabilities - transitory Accounts	-490

According to this calculation Montea is obliged to pay a dividend of € 45,217 K.

18.10.6 Article 7:212 of the Companies and Associations Code

As a company, Montea is required to abide by Article 7:212 of the Companies and Associations 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 € 247,360 K after paying the proposed dividend of € 2.83 per share.

ARTICLE 7:212 OF THE COMPANIES AND ASSOCIATIONS CODE **EUR (x 1.000)**	**IFRS** **31/12/2020** **12 months**	**IFRS** **31/12/2019** **12 months**	**IFRS** **31/12/2018** **12 months**
Paid-up capital or if larger, called-up capital (+)	319.812	314.983	256.063
Share premium account unavailable for distribution according to the articles of association (+)	222.274	209.184	100.891
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 (+/-)	-19.894	-7.155	-4.028
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	0
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	0
Legal reserve (+)	835	835	841
Non-distributable shareholders' equity in accordance with Article 7:212 of the companies and assiociations code	**523.027**	**517.847**	**353.767**
Net assets before distribution of dividends	815.691	680.409	433.079
Proposed dividend payments	45.304	40.088	28.961
Net assets after distribution of dividends	**770.387**	**640.321**	**404.118**
Remaining margin after dividend distribution	**247.360**	**122.475**	**50.351**

The remaining margin, after dividend payment, has risen at the end of 2020 to € 247,360 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 7:212 of the Companies and Associations Code).

18.10.7 Overview of changes in statutory equity and reserves as at 31 December 2020

CHANGES IN SHAREHOLDER EQUITY (EUR x 1.000)	Share capital	Share premiums	Reserves	Result	Deduction of transfer rights and costs	Shareholders' equity
ON 31/12/2018	**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	0	0	0	0
Own shares	0	0	526	0	0	526
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**
Elements directly recognized as equity	**4.829**	**13.091**	**2.402**	**0**	**0**	**20.322**
Capital increase	4.829	13.091	0	0	0	17.919
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	2.402	0	0	2.402
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	**319.812**	**222.274**	**50.093**	**108.552**	**0**	**700.731**
Dividends	0	0	-40.049	0	0	-40.049
Result carried forward	0	0	108.552	-108.552	0	0
Result for the financial year	0	0	0	155.009	0	155.009
ON 31/12/2020	**319.812**	**222.274**	**118.596**	**155.009**	**0**	**815.691**

18.10.8 Allocation of the result to equity

Shareholders equity variation (in KEUR)	31/12/2020	Result allocation	Shareholders equity before dividend distribution but after result allocation
A. Paid-up capital or if larger, called-up capital (+)	**319.812**		**319.812**
B. Share premium account unavailable for distribution according to the articles of association (+)	**222.274**		**222.274**
C. Reserves	**118.596**	**109.705**	**228.301**
Legal reserves (+)	835		835
Reserve for the positive net amount of the changes in fair value of investment properties (+) (*)	81.699	107.308	189.006
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 (+/-)	-19.894	-8.077	-27.971
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	0
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
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 (+)	126.545	10.474	137.019
Results carried forward from previous financial years (+/-)	-70.589		-70.589
Proposed remuneration to the capital		**45.304**	**45.304**
TOTAAL		**155.009**	**815.691**

18.10.9 Status of personnel

STATEMENT EMPLOYED STAFF

Workers for whom the company has submitted a Dimona declaration or who are registered in the general personnel register

During the FY	**Codes**	**Total**	**1. Men**	**2. Women**
Average number of employees				
Full time	1001	13.1	5.4	7.7
Part time	1002	2.3	1.2	1.1
Total in full time equivalents	1003	15.0	6.3	8.7
Numbers of actuel hours worked				
Full time	1011	22,439.0	10,103.0	12,336.0
Part time	1012	3,329.6	1,512.0	1,817.6
Total	1013	25,768.6	11,615.0	14,153.6
Employee costs				
Full time	1021	1,156,999	550,548	606,451
Part time	1022	223,270	150,019	73,251
Total	1023	1,380,269	700,567	679,702
Benefits on top of wages	1033	27,028	12,437	14,591

During the previous FY	**Codes**	**Total**	**1. Men**	**2. Women**
Average number of employees	1003	14.9	8.4	6.5
Numbers of actuel hours worked	1013	25,801.2	14,666.7	11,134.5
Employee costs	1023	1,370,692	8,27,239	543,453
Benefits on top of wages	1033	....	....	....

Workers for whom the company has submitted a Dimona declaration or who are registered in the general personnel register (continued)

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	15	2	16.7
According to the nature of the employment contract				
Agreement for an indefinite period	110	14	2	15.7
Agreement for an definite period	111	1	....	1.0
Agreement for an definied job	112	....	....	....
Replacement agreement	113	....	....	....
According to gender and study lever				
Men:	120	6	1	6.8
Primary education	1200	3	....	3.0
Secundary education	1201	....	....	....
Higher non-university	1202	2	1	2.8
University	1203	1	....	1.0
Women:	121	9	1	9.9
Primary education	1210	2	....	2.0
Secundary education	1211	2	1	2.9
Higher non-university	1212	2	....	2.0
University	1213	3	....	3.0
According to profession level				
Management	130	....	....	....
Non-management	134	15	2	16.7
Laborer	132	....	....	....
Other	133	....	....	....

Temporary workers and persons placed at the disposal of the company

During the FY	Codes	1. Temporary workers	2. Persons placed at the disposal of the company
Average number of persons employed	150	....	....
Number of actual hours worked	151	....	....
Costs for the company	152	....	....

Statement of staff movement's 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	13	2	14.0
According the type of agreement				
Agreement for an indefinite period	210	5	....	5.0
Agreement for an definite period	211	8	2	9.0
Agreement for an definied job	212	....	....	....
Replacement agreement	213	....	....	....

RESIGNED	Codes	1. Full time	2. Part time	3. Total in full time equivalents
Number of employees in the staff register	305	12	3	13.4
According the type of agreement				
Agreement for an indefinite period	310	4	1	4.3
Agreement for an definite period	311	8	2	9.1
Agreement for an definied job	312	....	....	....
Replacement agreement	313	....	....	....
According the reason of ending the agreement				
Retirement	340	....	....	....
Unemployment with single payment	341	....	....	....
Dismissal	342	1	....	1.0
Other reason	343	11	3	12.4
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	....	....	....

Information on employee training during the financial year

	Codes	Men	Codes	Women
Total of formal continuing vocational training initiatives at the expense of the employer				
Number of employees involved	5801	....	5811	....
Number of training hours followed	5802	....	5812	....
Net costs for the company	5803	....	5813	....
Of which gross costs directly related to training	58031	....	58131	....
Of which paid contributions and deposits to collective funds	58032	....	58132	....
Of which received (deduction)	58033	....	58133	....
Total of less formal and informal continuing vocational training initiatives at the expense of the employer				
Number of employees involved	5821	....	5831	....
Number of training hours followed	5822	....	5832	....
Net costs for the company	5823	....	5833	....
Total of initial vocational training initiatives at the expense of the employer				
Number of employees involved	5841	....	5851	....
Number of training hours followed	5842	....	5852	....
Net costs for the company	5843	....	5853	....

18.11 EPRA[91]

EPRA (European Public Real Estate Association) is the voice of the European listed real estate sector with more than 275 members and more than € 650 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.

[91] None of the EPRA measures have been audited by the auditor with the exception of the EPRA earnings, EPRA NAV and EPRA NNNAV. The publication of the data is not required by the Companies and Association Code and is not subject to review by public authorities.

A) Summary table of the EPRA performance measures[92]

	Definition	Purpose	31/12/2020	31/12/2019
A) EPRA earnings	Recurring earnings from the core operational activities.	A key measure of a company's underlying operating results from its property rental business and an indicator of the extent to which current dividend payments are supported by earnings.	In € x 1000: 55.778 In € / aandeel: 3,50	In € x 1000: 49.997 In € / aandeel: 3,28
B) EPRA Net Reinstatement Value	The EPRA NAV set of metrics make adjustments to the NAV per the IFRS financial statements to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios. The Net Reinstatement Value assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	The objective of the EPRA NRV measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallize in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included.	In € x 1000: 911.747 In € / aandeel: 56,90	In € x 1000: 747.734 In € / aandeel: 47,38
C) EPRA Net Tangible Assets	The Net Tangible Assets assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	The underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallizing certain levels of deferred tax liability.	In € x 1000: 845.722 In € / aandeel: 52,78	In € x 1000: 702.535 In € / aandeel: 44,51
D) EPRA Net Disposal Value	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	The EPRA NDV provides the reader with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the Balance Sheet, net of any resulting tax. This measure should not be viewed as a "liquidation NAV" because, in many cases, fair values do not represent liquidation values.	In € x 1000: 817.356 In € / aandeel: 51,01	In € x 1000: 682.907 In € / aandeel: 43,27

		Definition	Purpose	31/12/2020	31/12/2019
E)	EPRA VACANCY RATE	Estimated rental value (ERV) of vacant space, divided by the ERV of the entire portfolio.	A pure, financial measurement of vacancy (in %).	1,4%	1,3%
F)	EPRA Net Initial Yield	Annualized rental income based on the steady rent collected on the balance sheet date, minus the non-recoverable property operating costs, divided by the market value of the property, plus the (estimated) acquisition costs.	A comparable benchmark for portfolio valuations in Europe	5,5%	6,0%
G)	EPRA "Topped-up" Net Initial Yield	This benchmark integrates an adjustment of the EPRA NIY before the expiry of rent-free periods (or other non-due rental incentives such as discounted and tiered rent).	A comparable measure around Europe for portfolio valuations.	5,5%	6,0%
H)	EPRA cost ratio (incl. vacancy charges)	Administrative and operational charges (including vacancy charges), divided by rental income.		8,3%	9,3%
I)	EPRA cost ratio (excl. vacancy charges)	Administrative and operational charges (excluding vacancy charges), divided by rental income.		8,1%	9,0%

[92] 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)	31/12/2020	31/12/2019
Net result (IFRS)	**155.009**	**108.465**
Changes for calculation of the EPRA earnings		
To exclude:		
Variations in fair value of the investment properties and properties for sale	-107.308	-70.773
Result on sale of investment properties	0	-434
Variations in fair value of the financial assets and liabilities	8.077	12.739
EPRA earnings	**55.778**	**49.997**
Weighted average number of shares	15.916.319	15.229.606
EPRA earnings per share (€/share)	**3,50**	**3,28**

C) EPRA NAVs – EPRA NAVs per share

In October 2019, the EPRA published its new Best Practice Recommendations which set out the financial indicators listed real estate companies should disclose so as to provide more transparency across the European listed sector. The EPRA NAV and EPRA NNNAV were consequently replaced by three new Net Asset Value indicators: Net Reinstatement Value (NRV), Net Tangible Assets (NTA) and Net Disposal Value (NDV).
The EPRA NAV indicators are obtained by adjusting the IFRS NAV in such a way that stakeholders get the most relevant information about the fair value of assets and liabilities. The three different EPRA NAV indicators are calculated on the basis of the following scenarios:

Net Reinstatement Value: based on the assumption that entities never sell assets and aims to reflect the value needed to build the entity anew. The purpose of this indicator is to reflect what would be required to reconstitute the company through the investment markets based on the current capital and financing structure, including Real Estate Transfer Taxes.
EPRA NRV per share refers to the EPRA NRV based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

Net Tangible Assets: assumes that entities buy and sell assets, thereby realising certain levels of deferred taxation. This pertains to the NAV adjusted to include property and other investments at fair value and to exclude certain items that are not expected to be firmly established in a business model with long-term investment properties.
EPRA NTA per share refers to the EPRA NTA based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

Net Disposal Value: provides the reader with a scenario of the sale of the company's assets leading to the realization of deferred taxes, financial instruments and certain other adjustments. This NAV should not be considered a liquidation NAV as in many cases the fair value is not equal to the liquidation value.
The EPRA NDV per share refers to the EPRA NDV based on the number of shares in circulation as at the balance sheet date. See www.epra.com.

	31/12/2020				
(in EUR X 1 000)	NRV	NTA	NDV	NAV	NNNAV
IFRS Equity attributable to shareholders	**815.311**	**815.311**	**815.311**	**815.311**	**815.311**
NAV per share (€/share)	**50,88**	**50,88**	**50,88**	**50,88**	**50,88**
I) Hybrid instruments					
Diluted NAV at fair value (after the exercise of options, convertibles and other equity interests)	**815.311**	**815.311**	**815.311**	**815.311**	**815.311**
Exclude:					
V. Deferred tax in relation to fair value gains of investment property					
VI. Fair value of financial instruments	31.001	31.001		31.001	
VIII.b) Intangibles as per the IFRS balance sheet		-589			
Include:					
IX. Fair value of fixed interest rate debt			2.046		2.046
XI. Real estate transfer tax	65.436				
NAV	**911.747**	**845.722**	**817.356**	**846.312**	**817.356**
Fully diluted number of shares	16.023.694	16.023.694	16.023.694	16.023.694	16.023.694
NAV per share (€/share)	**56,90**	**52,78**	**51,01**	**52,82**	**51,01**

	31/12/2019				
(in EUR X 1 000)	NRV	NTA	NDV	NAV	NNNAV
IFRS Equity attributable to shareholders	**680.029**	**680.029**	**680.029**	**680.029**	**680.029**
NAV per share (€/share)	**43,09**	**43,09**	**43,09**	**43,09**	**43,09**
I) Hybrid instruments					
Diluted NAV at fair value	**680.029**	**680.029**	**680.029**	**680.029**	**680.029**
Exclude:					
V. Deferred tax in relation to fair value gains of investment property					
VI. Fair value of financial instruments	22.924	22.924		22.924	
VIII.b) Intangibles as per the IFRS balance sheet		-419			
Include:					
IX. Fair value of fixed interest rate debt			2.878		2.878
XI. Real estate transfer tax	44.781				
NAV	**747.734**	**702.535**	**682.907**	**702.953**	**682.907**
Fully diluted number of shares	15.782.594	15.782.594	15.782.594	15.782.594	15.782.594
NAV per share (€/share)	**47,38**	**44,51**	**43,27**	**44,54**	**43,27**

D) EPRA NIY & EPRA 'topped-up' NIY

EPRA NIY *(in EUR x 1000)*		31/12/2020	31/12/2019
		TOTAL	TOTAL
Investment property – wholly owned		1.301.836	1.104.358
Investment property – share of JVs/Funds		0	0
Assets for sale		0	0
Minus developments		-54.590	-64.004
Completed property portfolio		**1.247.246**	**1.040.353**
Allowance for estimated purchasers' costs		70.154	49.694
Gross up completed property portfolio valuation	**B**	**1.317.400**	**1.090.047**
Annualised cash passing rental income		76.049	69.391
Property outgoings (incl. ground rents)		-3.718	-3.771
Annualised net rents	**A**	**72.331**	**65.620**
Rent free periods or other lease incentives		29	80
Topped-up net annualised rent	**C**	**72.360**	**65.699**
EPRA NIY	**A/B**	**5,5%**	**6,0%**
EPRA "topped-up" NIY	**C/B**	**5,5%**	**6,0%**

E) EPRA rental vacancy

(in EUR X 1 000)	(A) Estimated rental value (ERV) for vacancy 31/12/2020	(B) Estimated rental value portfolio (ERV) 31/12/2020	(A/B) ERPA Vacancy rate *(in %)* 31/12/2020	(A) Estimated rental value (ERV) for vacancy 31/12/2019	(B) Estimated rental value portfolio (ERV) 31/12/2019	(A/B) ERPA Vacancy rate *(in %)* 31/12/2019
Belgium	177	33.760	0,5%	112	32.480	0,3%
France	826	11.494	7,2%	738	9.327	7,9%
The Netherlands	-	26.132	0,0%	-	23.943	0,0%
Total	**1.003**	**71.386**	**1,4%**	**850**	**65.750**	**1,3%**

F) EPRA cost ratio

EPRA Cost Ratio (in EUR x 1000)		31/12/2020	31/12/2019
(i) Administrative/operating expense line per IFRS income statement		**6.557**	**6.656**
(iii) Management fees less actual/estimated profit element		-394	-365
EPRA Costs (including direct vacancy costs)	**A**	**6.163**	**6.290**
(ix) Direct vacancy costs		-156	-166
EPRA Costs (excluding direct vacancy costs)	**B**	**6.007**	**6.125**
(x) Gross Rental Income less ground rents – per IFRS		74.224	67.985
Gross Rental Income	**C**	**74.224**	**67.985**
EPRA Cost Ratio (including direct vacancy costs)	A/C	8,3%	9,3%
EPRA Cost Ratio (excluding direct vacancy costs)	B/C	8,1%	9,0%

G) Investment assets

Overview of the main operational indicators of the real estate portfolio, per country:

	BE	FR	NL	31/12/2020
Area	717.686 m²	220.476 m²	524.909 m²	**1.463.071 m²**
Avg. Rent / m²	49,4 €/m²	48,0 €/m²	51,1 €/m²	**49,8 €/m²**
Annualized contractual rent passing	35.464 k€	10.593 k€	26.810 k€	**72.867 k€**
ERV	33.760 k€	11.494 k€	26.132 k€	**71.386 k€**
Net Rental Income	35.176 k€	10.408 k€	24.181 k€	**69.765 k€**
Fair Market Value - Investment Assets	545.367 k€	198.833 k€	473.291 k€	**1.217.491 k€**
Fair Market Value - Solar Panels	24.428 k€	0 k€	5.327 k€	**29.755 k€**
EPRA Vacancy (based on ERV)	0,3%	4,9%	0,0%	**0,9%**
Lease Term till break	5,8 y	4,3 y	11,6 y	**7,7 y**
Lease Term till end	7,5 y	6,9 y	11,6 y	**8,9 y**

Overview of the rents, broken down by country and by tenant activity:

Tenant business sector (k€)	BE	FR	NL	31/12/2020
Industrial	8.090	2.133	3.629	**13.852**
Consumer goods	4.515	6.449	7.839	**18.803**
Primary goods	6.131	0	6.423	**12.554**
Logistics	14.916	1.448	8.919	**25.283**
Services	1.811	564	0	**2.375**
Vacancy	0	0	0	**0**
TOTAL Current Rent	**35.464**	**10.593**	**26.810**	**72.867**

Tenant business sector (%)	BE	FR	NL	31/12/2020
Industrial	11%	3%	5%	**19%**
Consumer goods	6%	9%	11%	**26%**
Primary goods	8%	0%	9%	**17%**
Logistics	20%	2%	12%	**35%**
Services	2%	1%	0%	**3%**
Vacancy	0%	0%	0%	**0%**
TOTAL Current Rent	**49%**	**15%**	**37%**	**100%**

Overview of the largest tenants in the portfolio, including the share in the total rent:

	Tenant	Current Rent	%
1	DHL aviation	[>3M€]	
2	Decathlon	[>3M€]	
3	Recycling REKO	[2,75 - 3M€]	
4	Doc Morris	[2,75 - 3M€]	
5	DHL Global Forwarding	[2,25 - 2,5M€]	
6	Koopman	[2 - 2,25M€]	
7	BELRON - Carglass	[1,75 - 2M€]	
8	DSV Solutions I & II	[1,75 - 2M€]	
9	Bakkersland	[1,75 - 2M€]	
10	Federal Mogul	[1,5 - 1,75M€]	
11	Vos Logistics	[1,25 - 1,5M€]	
12	Jan De Rijk	[1,25 - 1,5M€]	
13	Aware Food Group	[1,25 - 1,5M€]	
14	Delta Wines	[1,25 - 1,5M€]	
15	Barry Callebaut	[1,25 - 1,5M€]	
16	Caterpillar	[1 - 1,25M€]	
17	Metro	[1 - 1,25M€]	
18	Uneal Champs Libre	[1 - 1,25M€]	
19	Michel Oprey & Beisterveld Natuuursteen BV	[1 - 1,25M€]	
20	XPO	[1 - 1,25M€]	
21	Depa Disposables	[1 - 1,25M€]	
22	Movianto	[1 - 1,25M€]	
23	Dachser	[1 - 1,25M€]	
24	GVT	[1 - 1,25M€]	
25	NSK	[1 - 1,25M€]	
Tenants > 1mio€		**39.570**	**54%**
Tenants < 1mio€		**33.297**	**46%**
TOTAL		**72.867**	**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	NL	**Heerlen** **Business park Aventis**	- Doc Morris	**> 30 mio €**	38.656	Single tenant	Logistics	100%	Full ownership	2015	2019
4	BE	**Willebroek** **De Hulst**	- Decathlon	**> 30 mio €**	67.220	Single tenant	Logistics	100%	Full ownership	2017	2017
5	FR	**Camphin** **Chemin des Blatiers**	- Danone - GBS - DSM - XPO	**> 30 mio €**	43.402	Multi tenant	Logistics	100%	Full ownership	2018	2018
6	BE	**Zaventem** **Brucargo**	- DHL Aviation	**> 30 mio €**	66.543	Single tenant	Logistics	100%	Long Term superficies	2017	2016
7	NL	**Born** **Verloren van Themaatweg**	- Koopman Logistics Group	**> 30 mio €**	56.302	Single tenant	Logistics	100%	Full ownership	2019	n.a.
8	BE	**Genk** **Kruisbosstraat**	- Carglass (Belron)	**> 30 mio €**	46.232	Single tenant	Logistics	100%	Long Term superficies	2018	2018
9	BE	**De Hulst - Willebroek** **Schoondonkweg**	- Federal Mogul	**25 < x < 30 mio €**	29.145	Single tenant	Logistics	100%	Full ownership	2016	2016
10	BE	**Vorst** **Humaniteitslaan 292**	- Unilever - Makro - CDS - Stylelabs	**25 < x < 30 mio €**	28.952	Multi tenant	Logistics & Light Industrial	100%	Full ownership	2009	1966 - 2014 - 2015 - 2016 - 2017

- Project developments

Overview of the main operational indicators of Project developments, per country and per individual project:

Site & Location	Country	Development Costs to date	Revaluation	31/12/2019	Estimated costs to completion	At completion	Expected date of completion	Status
Bornem	**BE**	2.426	97	**2.523**	Unknown	**2.523**	Unknown	Commercialization
Lummen	**BE**	7.697	-259	**7.438**	19.563	**27.000**	2022	Commercialization
Solar Panels BE	**BE**	3	0	**3**	2.697	**2.700**	2021	Under construction
	BE	**10.126**	**-162**	**9.964**	**22.260**	**32.223**		
Schiphol	**NL**	9.660	100	**9.760**	832	**10.592**	< Q2 2021	Under construction
Etten-Leur	**NL**	5.495	35	**5.530**	13.470	**19.000**	2022	Commercialization
Waddinxveen - phase 1	**NL**	12.591	-1	**12.589**	27.301	**39.890**	< Q1 2022	Under construction
Waddinxveen - phase 2	**NL**	12.591	0	**12.591**	27.409	**40.000**	Unknown	Commercialization
Solar Panels NL	**NL**	1.784	0	**1.784**	7.316	**9.100**	2021	Under construction
	NL	**42.120**	**134**	**42.254**	**76.328**	**118.582**		
Senlis	**FR**	2.356	-73	**2.283**	Unknown	**2.283**	Unknown	Commercialization
Solar Panels FR	**FR**	89	0	**89**	3.911	**4.000**	2021	Under construction
	FR	**2.356**	**-73**	**2.372**	**3.911**	**2.283**		
TOTAL		**54.601**	**-101**	**54.590**	**102.499**	**153.089**		

Site & Location	Country	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	100%	0%	0	0	0	0	**0**	**18.447**	Unknown
Lummen	**BE**	Logistics	100%	0%	0	0	0	0	**0**	**53.518**	1.615
Solar Panels BE	**BE**	n.a.	100%	0%	0	0	0	0	**0**	**n.a.**	n.a.
	BE				0	0	0	0	**0**	**71.965**	1.615
Schiphol	**NL**	Parking	100%	0%	0	0	0	22.300	**22.300**	**0**	1.105
Etten-Leur	**NL**	Unknown	100%	0%	0	0	0	0	**0**	**37.520**	1.154
Waddinxveen	**NL**	Logistics	100%	72%	0	50.000	0	0	**50.000**	**n.a.**	2.523
Waddinxveen	**NL**	Unknown	100%	0%	0	50.000	0	0	**50.000**	**n.a.**	2.523
Solar Panels NL	**NL**	n.a.	100%	0%	0	0	0	0	**0**	**n.a.**	n.a.
	NL				0	100.000	0	22.300	**122.300**	**37.520**	7.305
Senlis	**NL**	Unknown	100%	0%	0	0	0	0	**0**	**170.000**	n.a.
Solar Panels FR	**FR**	n.a.	100%	0%	0	0	0	0	**0**	**n.a.**	n.a.
0	**NL**				0	0	0	0	**0**	**170.000**	0
TOTAL					**0**	**100.000**	**0**	**22.300**	**122.300**	**279.485**	**8.920**

- ‘Like-for-Like’ growth of the IFRS rents

(in EUR x 1000)	RENT 31/12/2019	LIKE FOR LIKE: Rerented vacancy	LIKE FOR LIKE: New vacancy	LIKE FOR LIKE: Renegotiation	LIKE FOR LIKE: Indexation	LIKE FOR LIKE: Other	NON COMPARABLE: New Site	NON COMPARABLE: Indexation	NON COMPARABLE: Sold Site	RENT 31/12/2020
Belgium	32.671	93	-20	8	268					33.020
France	9.044	69	-370	32	165	0				8.940
The Netherlands	18.101	0	0	-9	426	2				18.520
LIKE for LIKE	59.816	162	-390	31	859	2				60.479
Belgium	1.259						731	24	0	2.013
France	82						1.435	1	0	1.518
The Netherlands	3.906						2.728	72	-739	5.967
NON Comparable	5.247						4.894	97	-739	9.499
TOTAL	65.063	162	-390	31	859	2	4.894	97	-739	69.978

Like for Like variation of the year: 663

	RENT 31/12/2019	Rerented vacancy	New vacancy	Renegotiation	Indexation	Other	New Site	Indexation	Sold Site	RENT 31/12/2020
Belgium	50,2%	0,1%	0,0%	0,0%	0,4%	0,0%	0,0%	0,0%	0,0%	50,8%
France	13,9%	0,1%	-0,6%	0,0%	0,3%	0,0%	0,0%	0,0%	0,0%	13,7%
The Netherlands	27,8%	0,0%	0,0%	0,0%	0,7%	0,0%	0,0%	0,0%	0,0%	28,5%
LIKE for LIKE	91,9%	0,2%	-0,6%	0,0%	1,3%	0,0%	0,0%	0,0%	0,0%	93,0%
Belgium	1,9%	0,0%	0,0%	0,0%	0,0%	0,0%	1,1%	0,0%	0,0%	3,1%
France	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	2,2%	0,0%	0,0%	2,3%
The Netherlands	6,0%	0,0%	0,0%	0,0%	0,0%	0,0%	4,2%	0,1%	-1,1%	9,2%
NON Comparable	8,1%	0,0%	0,0%	0,0%	0,0%	0,0%	7,5%	0,1%	-1,1%	14,6%
TOTAL	100,0%	0,2%	-0,6%	0,0%	1,3%	0,0%	7,5%	0,1%	-1,1%	107,6%

Like for Like variation of the year: 1,0%

Please note:

- A building that has been in the investment portfolio for the last 2 full years (i.e. from 01/01/2019 until 31/12/2020) 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).

- Roll forward of the investment assets

(in EUR x 1000)	INVESTMENT ASSETS 31/12/2019	LIKE FOR LIKE		NON COMPARABLE					INVESTMENT ASSETS 31/12/2020
		CAPEX	Revaluation	Acquisitions	Sold Site	Transfer from/to Development	CAPEX	Revaluation	
Belgium	445.032	2.680	56.047						503.759
France	149.770	823	2.411						153.004
The Netherlands	332.120	710	21.210						354.040
LIKE for LIKE	926.922	4.213	79.668	0			0	0	1.010.803
Belgium	22.672			0		10.649	162	8.125	41.609
France	1.121					34.023	425	10.259	45.829
The Netherlands	77.530			22.521		17.629	90	1.482	119.251
NON Comparable	101.323			22.521	0	62.300	678	19.867	206.688
TOTAL	1.028.245	4.213	79.668	22.521	0	62.300	678	19.867	1.217.491

Like-for-Like variation of the year: 83.881

Belgium	43,3%	0,3%	5,5%	0,0%			0,0%	0,0%	49,0%
France	14,6%	0,1%	0,2%	0,0%			0,0%	0,0%	14,9%
The Netherlands	32,3%	0,1%	2,1%	0,0%			0,0%	0,0%	34,4%
LIKE for LIKE	90,1%	0,4%	7,7%	0,0%			0,0%	0,0%	98,3%
Belgium	2,2%	0,0%	0,0%	0,0%	0,0%	1,0%	0,0%	0,8%	4,0%
France	0,1%	0,0%	0,0%	0,0%	0,0%	3,3%	0,0%	1,0%	4,5%
The Netherlands	7,5%	0,0%	0,0%	2,2%	0,0%	1,7%	0,0%	0,1%	11,6%
NON Comparable	9,9%	0,0%	0,0%	2,2%	0,0%	6,1%	0,1%	1,9%	20,1%
TOTAL	100,0%	0,4%	7,7%	2,2%	0,0%	6,1%	0,1%	1,9%	118,4%

Like-for-Like variation of the year: 8,2%

Note:

A building that has been in the investment portfolio for the last 2 full years (i.e. from 01/01/2019 to 31/12/2020) is considered to be a building that is fully comparable between those 2 years. The set of buildings that meet this condition is included in the 'Like-for-Like' analysis. All other buildings are noncomparable. We also draw attention to the fact that only the 'standing investments' are included in this table, whereas the CAPEX table (cf. Infra) includes concessions, solar panels and developments in addition to the 'standing investments'.

- Analysis of remaining period until the 1st cancellation option

ANALYSIS REMAINING DURATION TILL 1st BREAK		BE	FR	NL	TOTAL
	Average remaining duration till 1st break	**5,8 y**	**4,3 y**	**11,6 y**	**7,7 y**
ERV till 1st break	ERV which expires within 1st year	2.906	2.276	0	**5.182**
	ERV which expires within the 2nd year	2.771	2.159	646	**5.576**
	ERV which expires between 3rd & 5th year	12.142	4.277	2.816	**19.235**
	ERV which expires after the 5th year	15.940	2.782	22.670	**41.393**
	TOTAL	**33.760**	**11.494**	**26.132**	**71.386**
	ERV which expires within 1st year	4,1%	3,2%	0,0%	**7,3%**
	ERV which expires within the 2nd year	3,9%	3,0%	0,9%	**7,8%**
	ERV which expires between 3rd & 5th year	17,0%	6,0%	3,9%	**26,9%**
	ERV which expires after the 5th year	22,3%	3,9%	31,8%	**58,0%**
	TOTAL	**47,3%**	**16,1%**	**36,6%**	**100,0%**
Current Rent till 1st break	Current Rent which expires within 1st year	3.661	1.437	5	**5.103**
	Current Rent which expires within the 2nd year	2.766	2.172	679	**5.617**
	Current Rent which expires between 3rd & 5th year	12.409	4.320	2.664	**19.393**
	Current Rent which expires after the 5th year	16.628	2.664	23.462	**42.754**
	TOTAL	**35.464**	**10.593**	**26.810**	**72.867**
	Current Rent which expires within 1st year	5,0%	2,0%	0,0%	**7,0%**
	Current Rent which expires within the 2nd year	3,8%	3,0%	0,9%	**7,7%**
	Current Rent which expires between 3rd & 5th year	17,0%	5,9%	3,7%	**26,6%**
	Current Rent which expires after the 5th year	22,8%	3,7%	32,2%	**58,7%**
	TOTAL	**48,7%**	**14,5%**	**36,8%**	**100,0%**

- Analysis of remaining time until end of contract

ANALYSIS REMAINING DURATION TILL END		BE	FR	NL	TOTAL
	Average remaining duration till end of contract	**7,5 y**	**6,9 y**	**11,6 y**	**8,9 y**
ERV till end of contract	ERV which expires within 1st year	2.906	2.276	0	**5.182**
	ERV which expires within the 2nd year	2.771	2.159	646	**5.576**
	ERV which expires between 3rd & 5th year	12.142	4.277	2.816	**19.235**
	ERV which expires after the 5th year	15.940	2.782	22.670	**41.393**
	TOTAL	**33.760**	**11.494**	**26.132**	**71.386**
	ERV which expires within 1st year	4,1%	3,2%	0,0%	**7,3%**
	ERV which expires within the 2nd year	3,9%	3,0%	0,9%	**7,8%**
	ERV which expires between 3rd & 5th year	17,0%	6,0%	3,9%	**26,9%**
	ERV which expires after the 5th year	22,3%	3,9%	31,8%	**58,0%**
	TOTAL	**47,3%**	**16,1%**	**36,6%**	**100,0%**
Current Rent till end of contract	Current Rent which expires within 1st year	3.661	1.437	5	**5.103**
	Current Rent which expires within the 2nd year	2.766	2.172	679	**5.617**
	Current Rent which expires between 3rd & 5th year	12.409	4.320	2.664	**19.393**
	Current Rent which expires after the 5th year	16.628	2.664	23.462	**42.754**
	TOTAL	**35.464**	**10.593**	**26.810**	**72.867**
	Current Rent which expires within 1st year	5,0%	2,0%	0,0%	**7,0%**
	Current Rent which expires within the 2nd year	3,8%	3,0%	0,9%	**7,7%**
	Current Rent which expires between 3rd & 5th year	17,0%	5,9%	3,7%	**26,6%**
	Current Rent which expires after the 5th year	22,8%	3,7%	32,2%	**58,7%**
	TOTAL	**48,7%**	**14,5%**	**36,8%**	**100,0%**

- CAPEX

(in EUR X 1 000)	31/12/2020					31/12/2019				
	Group (excl. Joint Ventures)			Joint Ventures (proportionate share)	TOTAL GROUP	Group (excl. Joint Ventures)			Joint Ventures (proportionate share)	TOTAL GROUP
	Belgium	France	The Netherlands			Belgium	France	The Netherlands		
i) **Acquisitions**	-	-	22.521	-	22.521	7.394	3.022	53.004	-	63.419
ii) **Development**	3.384	13.595	49.902	-	66.880	24.587	22.659	40.280	-	87.525
iii) **Disposal**	-	-	-	-	-	-	-2.740	-23.820	-	-26.560
iv) **Investment properties**	2.530	912	986		4.428	1.866	775	1.098	-	3.740
iv.a) Incremental lettable space	768	-	-	-	768	-	-	-	-	-
iv.b) No incremental lettable space	1.642	912	986	-	3.540	1.866	775	1.098	-	3.740
iv.c) Tenant incentives	120	-	-	-	120	-	-	-	-	-
iv.d) Other material non-allocated types of expenditure	-	-	-	-	-	-	-	-	-	-
v) **Capitalised interest**	474	333	119		926	648	248	-	-	896
Total CapEx	6.387	14.839	73.528	-	94.754	34.494	23.964	70.562	-	129.021
Conversion from accrual to cash basis					-					-
Total CapEx on cash basis	6.387	14.839	73.528	-	94.754	34.494	23.964	70.562	-	129.021

Montea invested € 94.8 M in its property portfolio in 2020. The table above includes the investments in i) acquisition of new land and buildings, ii) further development of land and buildings, iii) divestments, iv) existing real estate investments and v) capitalized interest. The investments in the existing real estate portfolio are further broken down into iv.a) expenditures for increasing the lettable area, iv.b) improving the existing lettable area without wanting to expand it, and iv.c) expenditures that serve as an incentive for the tenants.

Moreover, we also draw attention to the fact that, in addition to the 'standing investments', this table includes concessions, solar panels and developments.

18.12 Detail of the calculation of APMs used by Montea[93]

Result on the portfolio

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

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

Calculation:

RESULT ON PORTFOLIO *(in EUR X 1 000)*	**31/12/2020**	**31/12/2019**
Result on sale of property investments	0	434
Variations in the fair value of property investments	107.308	70.773
RESULT ON PORTFOLIO	**107.308**	**71.207**

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)*	**31/12/2020**	**31/12/2019**
Financial result	-19.027	-24.095
To exclude:		
Variations in fair value of financial assets & liabilities	8.077	12.739
FINANCIAL RESULT excl. variation in fair value of financial instruments	**-10.950**	**-11.356**

[93] None of the EPRA measures have been audited by the auditor with the exception of the EPRA earnings, EPRA NAV and EPRA NNNAV. The publication of the data is not required by the Companies and Association Code and is not subject to review by public authorities.

Operating margin

Definition: This is the operating result before the result of the real estate portfolio divided by the property result.

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)*	**31/12/2020**	**31/12/2019**
Property result	74.374	68.135
Operating result (before the result on the portfolio)	67.635	61.710
OPERATING MARGIN	**90,9%**	**90,6%**

Average cost of debt

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

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

Calculation:

AVERAGE COST OF DEBT (in EUR X 1 000)	**31/12/2020**	**31/12/2019**
Financial result	-19.027	-24.095
To exclude:		
Financial income	-94	-57
Variations in fair value of financial assets and liabilities	8.077	12.739
Interest cost related to leasing debts booked in accordance with IFRS 16	2.090	2.146
Activated interest charges	-926	-896
TOTAL FINANCIAL CHARGES (A)	-9.880	-10.164
AVERAGE FINANCIAL DEBTS (B)	511.633	463.437
AVERAGE COST OF DEBT (A/B) (*)	**1,9%**	**2,2%**

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)	31/12/2020	31/12/2019
Operational result, before result on portfolio	67.635	61.710
Financial income (+)	94	57
TOTAL (A)	**67.729**	**61.767**
Financial charges (-)	10.938	11.309
TOTAL (B)	**10.938**	**11.309**
INTEREST COVERAGE RATIO (A/B)	**6,19**	**5,46**

Net Debt / EBITDA

The Net Debt / EBITDA ratio is calculated by dividing the long-term and short-term financial liabilities (reduced with cash) by the operating result (before the result on portfolio). This APM indicates how many years the company needs to repay its financial debts, assuming that the financial debt and EBITDA remain constant.

NET DEBT / EBITDA (in EUR X 1 000)		31/12/2020	31/12/2019
Non-current and current financial debt (IFRS)		508.535	451.082
- Cash and cash equivalents (IFRS)		-5.057	-7.690
Net debt (IFRS)	A	503.478	443.392
Operatin result (before the result on the portfolio) (IFRS)	B	67.635	61.710
+ Depreciation		278	256
EBITDA (IFRS)	C	67.913	61.966
Net debt / EBITDA	**A/C**	**7,4**	**7,2**

18.13 Interim and other financial information

For the Company's interim financial information, cf. the interim reports of 31 March 2020, 30 June 2020 and 30 September 2020, 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 NV) for financial years 2018 and 2019 which are included in this annual financial report by way of reference.

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-
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. 197)
Annual financial report 2020	"Auditor's report to the general meeting of shareholders of Montea NV for the financial year ended on 31 December 2020" (pp. 205)

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 2020.

19. Additional information

19.1 Capital

Montea's consolidated share capital as at 31 December 2020 amounted to € 326,561,810.51 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 31/12/2018	**261.164**	**-4.034**	**-1.067**	**100.891**	**12.814.692**
Contribution in kind	60.484	-1.837	273	108.293	2.967.902
ON 31/12/2019	**321.648**	**-5.871**	**-794**	**209.184**	**15.782.594**
Stock dividend	4.914	-85	0	13.091	241.100
ON 31/12/2020	**326.562**	**-5.956**	**-794**	**222.274**	**16.023.694**

The capital is represented by 16,023,694 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 Sole Director 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 2023. This authorization is renewable.

Since 15 May 2018 the authorized capital has already been used five 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;[94]
- The public offering, where the registered capital was increased by €58,036,289.04 through authorized capital;[95]
- 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.[96]
- The optional dividend, whereby on 11 June 2020 the capital was increased by € 4.913.618,00.[97]

[94] 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.
[95] 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.
[96] 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.
[97] The total capital increase amounted to €18,004,383.60, of which €4.913.618,00 was allocated to capital and €13,090,765.60 to issue premium.

The balance of the authorized capital amounts to € 159,117,963.54 as at the date of this annual financial report.

19.2 Articles of association

The most recent version dates form 9 November 2020, following the amendment of the articles of association as part of the conversion to the legal form of limited liability company ("*naamloze vennootschap")* with a sole director under the articles of association and the adaptation of the object of the company, the renewal of certain authorizations regarding the pledging of own shares. Any amendment to the Montea articles of association must be carried out in accordance with the rules set out in the Companies and Associations Code, the Companies and Associations Code Act, and the Royal Decree on the Companies and Associations Code.

19.2.1 Object

Article 3 of the articles of association – Object

"3.1 The Company's object is exclusively:

(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 the RREC and in execution of the decisions taken and regulations set under it; and

(b) within the boundaries of the RREC legislation, to own property within the meaning of the RREC legislation. If the RREC legislation changes in the future and designates other types of assets as real estate within the meaning of the RREC legislation, the Company will also be allowed to invest in these additional types of assets.

(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" (DEF(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:

(i) 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

(ii) 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

(d) 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.

(e) the initial holding of less than 25% of the capital or, if the company concerned has no capital, less than 25% of the equity of a company in which the activities referred to in Article 4.1, (c) above are carried out, insofar as said equity interest is converted into an equity interest in accordance with the provisions of the REIT legislation within two years, or any longer period required by the public entity with which the contract is concluded in this respect, following the end of the construction phase of the PPP project (within the meaning of the REIT legislation) as a result of a transfer of shares.

If the REIT legislation should be amended in the future and authorize the Company to perform new activities, the Company will also be authorized to perform those additional activities.
For the provision of immovable property, the Company may, in particular, carry out all activities relating to the creation, reconstruction, renovation, development, acquisition, disposal, management and operation of immovable property.

3.2 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.

3.3 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).

3.4 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".

19.2.2 Conditions relating to changes in capital – Rights, preferential subscription rights and restrictions for each category of existing shares

Article 6 of the articles of association – Capital

6.1. Registration and payment of the capital

The company share capital is set at € 326,561,810.51[98] (three hundred twenty-six million five hundred sixty-one thousand one eight hundred ten euros and fifty-one eurocents) and is represented by 16,023,694 (sixteen million twenty-three thousand six hundred ninety-four) shares without par value, and which each represents 1/16,023,694 (one sixteen million twenty-three thousand six hundred ninety fourth) part of the capital.

[98] 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.

6.2. Capital increase

Any capital increase will be made in accordance with the Companies and Associations Code and the RREC legislation.

The Company is prohibited from directly or indirectly subscribing to its own capital increase.

On the occasion of any capital increase, the business manager shall determine the price, the possible issue premium and the conditions of issue of the new shares, unless the general meeting itself would determine them.

If an issue premium is requested, it must be booked in one or more separate equity accounts in the liabilities section of the balance sheet. The business manager may freely decide to place any issue premiums, possibly after deduction of an amount equal at most to the cost of the capital increase within the meaning of the applicable IFRS rules, in an unavailable account which shall constitute the guarantee of third parties on the same footing as the capital and which may under no circumstances be reduced or abolished except by a decision of the general meeting decisive as regards the amendment of the articles of association, except for conversion into capital.

The contributions in kind may also relate to the dividend right within the framework of the distribution of an optional dividend, with or without an additional contribution in cash.

In the event of a capital increase by cash contribution by decision of the general meeting or within the framework of the authorized capital, the shareholders' preferential right can only be restricted or cancelled insofar as, to the extent required by the RREC legislation, an irreducible allocation right is granted to the existing shareholders when allocating new securities in accordance with the conditions provided for in the RREC legislation.

Capital increases by contribution in kind are subject to the provisions of the Companies and Associations Code and must be carried out in accordance with the conditions set out in the RREC legislation.

6.3. Authorized capital

The business manager was authorized on 15 May 2018 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 authorized capital.

This authorization is granted for a period of five (5) 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 authorized to rescind or restrict the preference rights of shareholders, including in favor 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 6.4 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 6.4 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 6.4 of the articles of association. Such contributions may also relate to the dividend right in the context of the payment of an optional dividend.

If the capital increases decided on pursuant to these authorizations 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.

6.4. Acquiring, pledging and disposing of own shares

The Company may acquire, pledge or dispose of its own shares under the conditions stipulated by law.

The managing body is specifically authorized for a period of five (5) years from the publication in the Annexes to the Belgian Official Gazette of the decision of the extraordinary general meeting of 9 November 2020, to acquire or take in pledge (even outside the stock exchange) on behalf of the Company, the Company's own shares with a maximum of ten percent (10%) of the total number of issued shares at a unit price that may not be lower than seventy-five percent (75%) of the average closing price of the Montea share on the regulated market Euronext Brussels during the last twenty (20) trading days prior to the date of the transaction (acquisition and pledge) and that may not be higher than one hundred twenty-five (125%) of the average closing price of the Montea share on the regulated market Euronext Brussels during the last twenty (20) trading days prior to the date of the transaction (acquisition and pledge).

The managing body is also expressly authorized to dispose of the Company's own shares to, inter alia, one or more specified persons other than members of the personnel of the Company or its subsidiaries, subject to compliance with the Companies and Associations Code.

The authorizations referred to above do not affect the possibilities, in accordance with the applicable legal provisions, for the Board of Directors to acquire, pledge or dispose of shares in the Company if no authorization is required by the Articles of Association or authorization from the General Meeting for this purpose, or if this is no longer required.

The authorizations referred to above extend to the acquisitions and disposals of shares of the Company by one or more direct subsidiaries of the Company, within the meaning of the legal provisions governing the acquisition of shares of their parent company by subsidiaries.

6.5. Capital reduction

The Company may proceed with capital reductions subject to compliance with the statutory requirements therein.

6.6. Mergers, splits and similar transactions

The mergers, demergers and similar transactions referred to in the Companies and Associations Code must be carried out in accordance with the conditions provided for in the RREC legislation and the Companies and Associations Code.

19.2.3 Amendment of the rights of shareholders

In accordance with articles 7:153 and 7:155 of the Companies and Associations Code, the rights of the shareholders can only be modified by an extraordinary general meeting. The document containing information on the shareholders' rights referred to in Articles 7:130 and 7:139 of the Companies and Associations Code can be consulted on the Montea website (www.montea.be).

19.2.4 Procedure for convening annual and extraordinary general meetings of shareholders

Article 19 of the articles of association – General meeting of shareholders

The annual general meeting will convene on the third (3) Tuesday of May at ten (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 the Company and Associations Code, is set at max. ten percent (10%) of the capital.
One or more shareholders, who together own at least three per cent (3%) of the capital, may in accordance with the terms of the Company and Associations 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 20 of the articles of association - 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 dematerialized 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 dematerialized 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. They shall notify the Company or the person designated by the Company for that purpose, as well as their wish to participate in the general meeting, if applicable by sending a proxy, at the latest on the sixth day prior to the date of the general meeting via the Company's email address or via the email address specifically mentioned in the convocation. The owners of registered shares who wish to participate in the meeting must notify the Company, or the person it has designated for that purpose, of their intention no later than the sixth (6th) day preceding the date of the meeting, via the Company's email address or via the email address specifically mentioned in the convocation, or, as the case may be, by sending a proxy.

Article 23 of the articles of association – Number of votes
Each share entitles the holder to one (1) vote, without prejudice to cases where the voting right provided for in the Companies and Associations Code or any other applicable law 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 9 of the articles of association - 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 by law, 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 the law, have notified at least twenty (20) days prior to the date of the general meeting. The voting rights attached to these unreported shares are suspended.

19.2.7 Provisions concerning members of administrative, managerial or supervisory bodies

Article 10 of the articles of association – Conducting Business

10.1. The Company is managed by a sole director, designated in the current articles of association. The sole director of the Company is a limited liability company, which meets the legal requirements. The sole director is the managing body referred to elsewhere in these Articles of Association.

10.2. Appointed as the Sole Director until 30 September 2026: namely the limited liability 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.

10.3. The board of directors of the sole director shall include at least three independent directors in accordance with applicable law.

The directors and the persons tasked with the day-to-day management of the limited liability company that is the Company's business manager, may not personally be persons tasked with the day-to-day management of the Company. The members of the managing bodies of the sole administrator must be natural persons; they must meet the requirements of good repute and competence as set out in the RREC legislation and must not fall within the scope of the prohibitions laid down in the RREC legislation.

10.4. The appointment of the Sole Director shall be subject to prior approval by the Financial Services and Markets Authority (FSMA).

10.5. The Sole Director shall not be jointly and severally liable for the Company's obligations.

Article 11 of the articles of association – End of the Sole Director's mandate

11.1. The statutorily appoint Sole Director is appointed permanently and its appointment is irrevocable, except by a court, and for legal reasons.

11.2. The functions of the Sole Director will come to an end under the following circumstances:

- the expiration of the term of its mandate;
- resignation: the Sole Director 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 Sole Director;
- the loss, in terms of all members of the management bodies or the day-to-day management of the Sole Director, of the requirements of dependability, qualifications and experience required by the RREC legislation; if this should be the case, the Sole Director 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 (6) 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 Sole Director might encounter; in this case, the Sole Director 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 Sole Director 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.

11.3. In the event of the termination of the functions of the Sole Director, the Company will not be dissolved. This Sole Director 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 12 of the articles of association- Minutes
The Sole Director'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 13 of the articles of association- Remuneration of the Sole Director
13.1. The Sole Director will receive remuneration established in accordance with the terms defined below pursuant to the RREC legislation. The Sole Director will also be entitled to the reimbursement of expenses connected with his assignment.
13.2. The fixed part of the statutory Sole Directors' 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.
13.3. Calculation of the remuneration is subject to checks by the company auditor.

Article 14 of the articles of association –Powers of the Sole Director
14.1.The sole director shall have the most extensive powers to perform all acts necessary or useful for the realisation of the object with the exception of those acts reserved by law or by the articles of association for the general meeting.
14.2. The sole director shall prepare the half-yearly reports as well as the annual report.
14.3. The sole director appoints one or more independent valuation experts in accordance with the RREC legislation and, if necessary, proposes any amendment to the list of experts included in the file accompanying the application for recognition as a RREC.
14.4. The sole director may delegate to any agent, in whole or in part, its powers with respect to special and specific purposes.
The sole director may, in accordance with the RREC legislation, determine the remuneration of any agent to whom special powers are granted. The sole director can revoke the mandate of such proxy or proxies at any time.

Article 15 of the articles of association –Advisory and specialized committees
The Sole Directors' board of directors will establish an audit committee and a remuneration committee in its midst and define their composition, tasks and powers. The Sole Directors' 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 16 of the articles of association - Actual management
Without prejudice to the transitional provisions, 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 17 of the articles of association - Representation of the Company and signature of documents
Except where there is special transfer of powers by the Sole Director, 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 authorized representatives of the Company within the limits of the mandate assigned to them by the Sole Director for that purpose.

Article 18 of the articles of association – Revised supervision
The Company appoints one or more statutory auditors to perform the functions entrusted to them under the Belgian Companies and Associations Code and the RREC legislation.
The statutory auditor must be approved by the FSMA.

20. Material agreements

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 for perusal

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 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[99]. 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.

[99] 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
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).
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.
BCAC	The Belgian Code on Companies and Associations (Wetboek van Vennootschappen en Verenigingen), as amended from time to time.