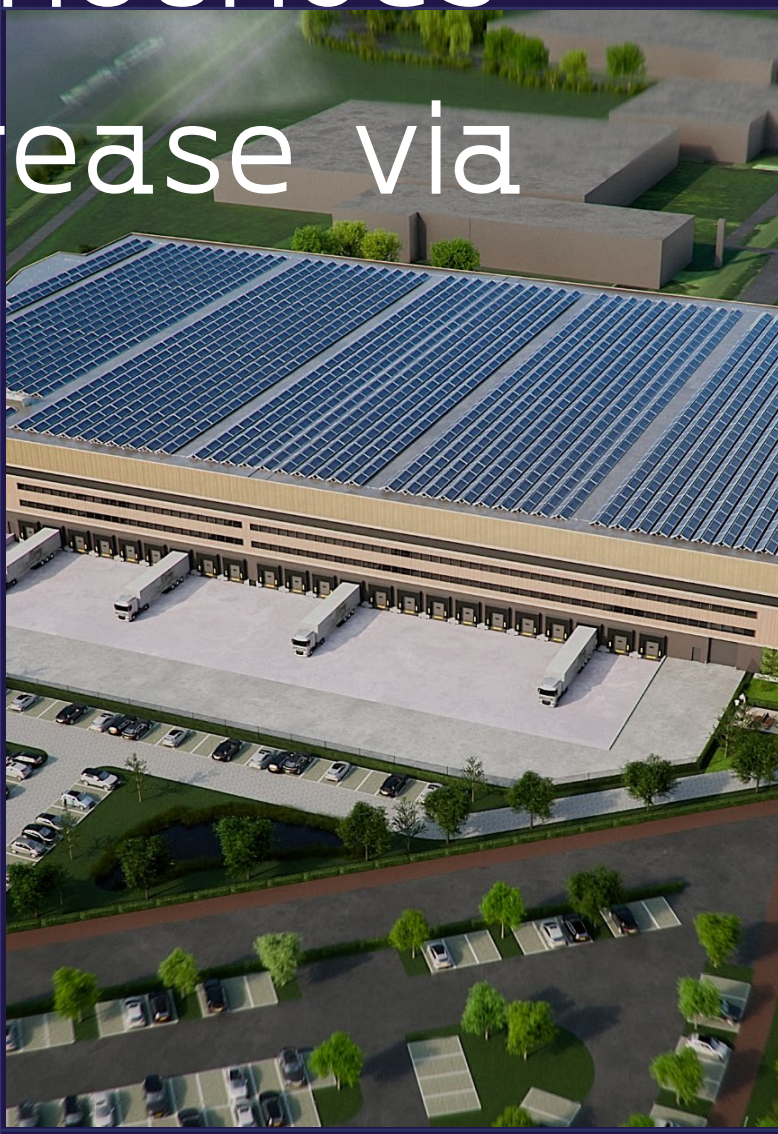
# Montea announces capital increase via ABB



**Press release** – From the sole director

**Regulated information**

**20/11/2023 – 14.30**

MORE INFORMATION:
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MONTEA
SPACE FOR GROWTH

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# Montea announces capital increase via accelerated bookbuilding at fixed price.

*Montea announces a capital increase of **maximum 1,802,521 new shares** by way of an exempt private placement of new shares through an accelerated bookbuilding procedure (the "Capital Increase"). The new shares will be offered at a fixed price of €69.90 per share ("Offer Price").*

- The net proceeds of the Capital Increase will be used to bring 1 million sqm of the existing land bank into development – resulting in 600,000 sqm of new-build projects - at an **average net initial yield of 7.0%** (versus a controlled cost of debt of 2.5%)[1], of which 52% has already been pre-let. On top of the book value of these building sites, which currently stands at € 150 million, Montea plans to **invest an additional € 400 million** to realise the roll-out. The majority thereof is expected to be invested in 2024 with an expected completion of all projects before the end of 2025.

- In addition, the net proceeds of the Capital Increase will be used **to respond to potential market opportunities in the four countries in which Montea operates**. Next to the purchase of additional land positions, these investment opportunities will include in-house developments, acquisitions of standing assets and sale-and-lease-back transactions with an expected average yield of 7.0%.

- The Capital Increase will, pro forma, **lower the EPRA LTV immediately to ca. 33.8% and the (adjusted) Net Debt/EBITDA to ca. 6.9x** and will thus further strengthen the healthy balance sheet in order to maintain flexibility and remain able to respond to additional market opportunities on top of the already announced realisation of 600,000 sqm of new-build projects.

- Including the maximum number of new shares from the Capital Increase, **Montea reconfirms its short- and long-term profit and dividend expectations per share** as previously communicated.

- No detachment of coupon**.** The new shares shall be issued with coupon no. 26 et seq. attached and therefore will be entitled to the **right to a dividend as from 1 January 2023**. A gross dividend of minimum €3.74 per share is expected for fiscal year 2023 (to be paid in 2024).

- KBC Securities NV and Van Lanschot Kempen N.V are acting as Joint Global Coordinators and ABN Amro Bank N.V., acting in cooperation with ODDO BHFS SCA, Belfius Bank NV, acting in cooperation with Kepler Cheuvreux S.A., and Degroof Petercam NV are acting as Joint Bookrunners.

[1] See press release of 26/10/2023 – Interim statement 30-09-2023

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## Capital increase via accelerated bookbuilding

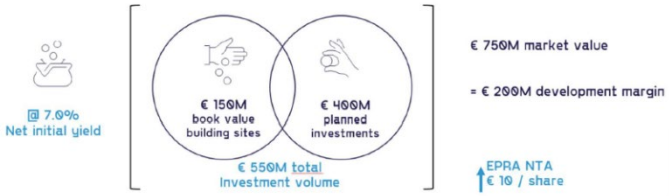
Montea NV/SA ("Montea" or "the Company") launches a capital increase in cash within the framework of the authorised capital, with cancellation of the statutory preferential subscription rights of the existing shareholders and without allocation of priory allocation rights to the existing shareholders, for a maximum of 1,802,521 new shares. The Capital Increase will take place through an exempted accelerated private placement with composition of an order book ("accelerated bookbuilding") with international qualified and/or institutional investors (the "ABB").

The ABB will start immediately after publication of this press release. The Company has therefore requested the suspension of trading of the Montea shares on the regulated markets of Euronext Brussels and Euronext Paris until publication of the results of the ABB in a press release, which is expected to happen on 21 November 2023.

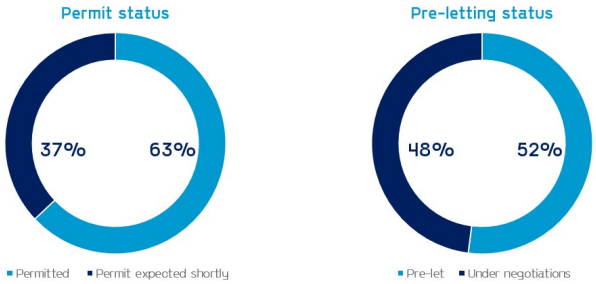
## Rationale of the Capital Increase and use of proceeds

- **Roll-out of 1 million sqm of the existing land bank in Belgium and the Netherlands**

  The net proceeds will enable Montea to realise the development of 1 million sqm of its existing land bank - resulting in 600,000 sqm of new-build projects - most of which is expected to be invested in 2024. As already announced, on top of the book value of these building sites, which currently stands at € 150 million, Montea will invest an additional € 400 million to realise this roll-out. This investment volume of € 550 million is expected to generate around € 200 million in development margins based on current market valuations, corresponding to a value creation of more than € 10 per share at EPRA NTA level.




  As of today, already 63% of the lettable area has been permitted. The permits for the remaining part are expected shortly. Moreover, as of today, the total lettable area is 52% pre-let (which is an increase of 9% or 54,000 sqm compared to the date of publication of the press release on the interim statements per 30 September 2023). Concrete negotiations with potential tenants are in a final stage with respect to the non-pre-let area.




  The roll-out will lead to ca. 600,000 sqm of additional lettable warehouses in Belgium and the Netherlands by the end of 2025, the majority of which are envisaged to meet the highest sustainability standards (BREEAM "excellent"). As a general principle, Montea will not enter into speculative developments. This will increase the lettable area of the property portfolio by as much as 30% over a period of 2 years.

The projects will be developed at an average net initial yield of 7.0%, generating around € 39 million of additional annualised rental income (an increase of over 35% compared to annualised net rent as per 30 September 2023). The expected net initial yield has risen to an average of 7.0% compared to 6.0% at the end of last year. The main drivers for the improved yield outlook are rising market rent levels[2] and gradually declining construction costs.

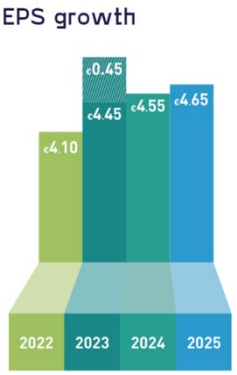
- **Flexibility to respond to market opportunities in all countries where Montea operates**

  In addition, the net proceeds will be used to respond to market opportunities to continue the Company's further growth in the countries where it operates, on top of the investment volume already announced. Montea is constantly identifying and analysing new investment opportunities with a continued focus on both the acquisition of standing assets and the further growth of its land bank to secure future growth through in-house developments meeting our strict quality and sustainability requirements and an average net initial yield of 7.0%. Through this strategy, Montea expects to continue the qualitative growth of its portfolio and the creation of additional shareholder value over the coming years.

- **Strengthen balance sheet and control EPRA LTV taking into account further investments**

  As per 30 September 2023, Montea had a healthy balance sheet with an EPRA LTV of 39.7% and an (adjusted) Net Debt/EBITDA at 8.1x. The Capital Increase will, pro forma, decrease the EPRA LTV immediately to ca. 33.8% and the (adjusted) Net Debt/EBITDA to ca. 6.9x. Following the already announced roll-out of the land bank, the EPRA LTV is expected to increase to ca. 37.7% and the (adjusted) Net Debt/EBITDA to ca. 7.5x. With the Capital Increase Montea therefore strengthens its already solid balance sheet so that it remains able to respond to further market opportunities in addition to the already announced realisation of 600,000 sqm of new-build projects.

## Confirmation of outlook including the capital increase




Including the maximum number of new shares from the Capital Increase, Montea reconfirms its outlook for 2023 to 2025:

✓ **2023:**
- Growth of the EPRA result to € 4.90 per share (including € 0.45 per share exceptional EPRA-result)
- Growth of the dividend to a minimum of € 3.74 per share, consisting of at least € 3.38 recurring dividend per share plus an exceptional increase of € 0.36 per share on the back of the exceptional EPRA result in 2023.

✓ **2024:**
- Growth of the EPRA result to € 4.55 per share excluding potential additional future positive EPRA result effects in relation to the FBI regime for financial year 2023
- Growth of the recurring dividend to € 3.60 per share based on the current payout ratio.

✓ **2025:** Growth of the EPRA result to € 4.65 per share, excluding a potential additional positive impact in relation to the FBI regime for financial year 2023 and 2024.

This outlook is based on current information and circumstances and subject to unforeseen circumstances in the context of a volatile macroeconomic environment and increased interest rates.

[2] Driven by, among other things, scarcity in sustainable logistics buildings, an expected continued growth among logistics service providers and a continued high occupancy rate

## Characteristics of the Capital Increase

### Structure

The ABB shall take place:

A. outside the United States in reliance upon Regulation S under the US Securities Act of 1933, as amended (the "**US Securities Act**"), in:

   (a) the European Economic Area (the "**EEA**"), to (i) "qualified investors", as defined in article 2(e) of 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, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**") in accordance with the exemption from prospectus provided for in articles 1.4, (a) and 1.5, (a) of the Prospectus Regulation, (ii) fewer than 150 natural or legal persons per EU member state, other than qualified investors, in accordance with the prospectus exemption provided for in Article 1.4, (b) and 1.5, (a) of the Prospectus Regulation or (iii) investors other than "qualified investors", for a total consideration of at least EUR 100,000 per investor in accordance with the prospectus exemption provided for in article 1.4,(d) and 1.5 (a) of the Prospectus Regulation;

   (b) the United Kingdom, to "*qualified investors*" as defined in article 2(e) of the Prospectus Regulation as amended and transposed into the laws of the United Kingdom by virtue of the "*European Union (Withdrawal) Act 2018*" and the "*European Union (Withdrawal Agreement) Act 2020*", who are also (i) persons who have professional experience in matters relating to investments falling within the definition of "investment professionals" in article 19(5) of the "*Financial Services and Markets Act 2000 (Financial Promotion) Order 2005*", as amended (the "**Order**"), (ii) "*high net worth companies, unincorporated associations, etc.*", in the sense of article 49(2)(a) to (d) of the Order, or (iii) persons to whom an offer of new shares may otherwise lawfully be communicated and who can lawfully participate in the private placement;

   (c) Switzerland, to investors that qualify as "*professional clients*" in accordance with article 4 iuncto 36 of the Swiss Financial Services Act ("*Finanzdienstleistungsgesetz*") of 15 June 2018, as amended; and

   (d) in other selected jurisdictions, to certain qualified and/or institutional investors, in accordance with applicable restrictions;

B. in the United States of America, to persons that are reasonably believed to be "qualified institutional buyers" as defined in and in reliance on Rule 144A under the US Securities Act, or any other available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

### Offer Price and number of shares

The Offer Price is set at EUR 69.90 per share.

The final number of new shares to be issued will be determined by the Company after consultation with the Joint Global Coordinators and the Joint Bookrunners based on the results of the ABB mentioned above.

### Available amount within the framework of the authorized capital and article 26, §1 (3) of the Belgian Act on regulated real estate companies

The Capital Increase shall take place within the framework of the authorized capital, as set forth in article 6.3(c) of the Company's articles of association, which allows the Company to increase its share capital by an amount of EUR 36,735,291.04 (excluding issue premium) through contribution in cash with cancellation of the statutory preferential subscription right and without allocation of priory allocation rights to the existing shareholders, in accordance with article 7:191 of the Belgian Code of Companies and Associations and article 26, §1, third paragraph of the Belgian Act on regulated real estate companies of 12 May 2014. The authorized capital was approved by the extraordinary general meeting of the Company held on 10 February 2023 and the Company has not yet used its authorized capital, in accordance with article 6.3(c) of its articles of association, since that date.

### New shares

The new shares shall be issued in accordance with Belgian law and are ordinary shares that represent the capital, in the same form as the existing shares. They shall confer the same rights as the existing shares, including the dividend right in relation to the current financial year.

In the context of the Capital Increase, the Company will submit a request to Euronext Brussels and Euronext Paris for the admission to trading of the new shares to be issued as a result of the Capital Increase. The Company expects the new shares to be admitted to trading on the regulated markets of Euronext Brussels and Euronext Paris immediately after their issuance, which is expected to occur on23 November 2023. The new shares will have the ISIN code as the existing shares (BE0003853703).

### Dividend

No detachment of coupon. The new shares will be issued with coupon no. 26 et seq. attached. The new shares therefore will be entitled to the right to profits as from 1 January 2023. A gross dividend of minimum €3.74 per share is expected for fiscal year 2023 (to be paid in 2024).

### Stand-still

As part of the Capital Increase, the Company will be subject to a 90-day standstill subject to customary exceptions.

### Syndicate

KBC Securities NV and Van Lanschot Kempen N.V. are acting as Joint Global Coordinators and ABN Amro Bank N.V., acting in cooperation with ODDO BHFS SCA, Belfius Bank SA, acting in cooperation with Kepler Cheuvreux S.A., and Degroof Petercam NV are acting as Joint Bookrunners.

### Indicative timetable for the Capital Increase

| | |
|---|---|
| 20 November 2023 | Press release on the launch of the ABB and suspension of trading of the Montea share<br><br>Offering of new shares through ABB (intra-day) |
| 21 November 2023<br><br>*(subject to acceleration/extension)* | Press release on the results, the issue price and the number of new shares to be issued<br><br>Definitive allocation of new shares<br><br>Resumption of trading of Montea shares |
| 23 November 2023 | Payment for the new shares<br><br>Realisation of the Capital Increase and delivery of the new shares<br><br>Admission to trading of the new shares on Euronext Brussels and Euronext Paris |

The Company can modify, by either accelerating or extending, the dates and times of the Capital Increase and the periods indicated in the indicative timetable above. In case of modifications to the indicative timetable, the Company will announce this through a press release and on the website of the Company.

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This announcement contains statements which are "forward-looking statements" or could be considered as such. These forward-looking statements can be identified by the use of forward-looking terminology, including the words 'believe', 'estimate', 'anticipate', 'expect', 'intend', 'may', 'will', 'plan', 'continue', 'ongoing', 'possible', 'predict', 'plans', 'target', 'seek', 'would' or 'should', and contain statements made by the Company regarding the intended results of its strategy. By their nature, forward-looking statements involve risks and uncertainties and readers are warned that none of these forward-looking statements offers any guarantee of future performance. The company's actual results may differ materially from those predicted by the forward-looking statements. Montea makes no undertaking whatsoever to publish updates or adjustments to these forward-looking statements, unless required to do so by law.

This announcement is not for publication, distribution or release , directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act") and must not be offered or sold in the United States, except pursuant to an applicable exemption from the registration requirements of the US Securities Act. The issuer of the securities has not registered, and does not intend to register, any portion of the transaction in the United States of America. No public offering of securities is being made in the United States of America.

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In the United Kingdom, this communication is only addressed to and directed at, and any investment or investment activity to which this announcement relates is available only to, and will be engaged in only with, "qualified investors" (as defined in article 2(e) of the Prospectus Regulation as amended and transposed into the laws of the United Kingdom pursuant to the European Union (Withdrawal) Act 2018 and the European Union ("Withdrawal Agreement") Act 2020 (the "UK Prospectus Regulation")) who are also (i) "investment professionals" (as defined in article 2(e) of the Financial Services and Market Act 2000 (Financial Promotion) Order 2005, as amended (the "Order")), (ii) "high net worth companies, unincorporated associations, etc." (as defined in article 49(2)(a) to (d) of the Order), and (iii) other persons to whom it may otherwise lawfully be communicated and who can lawfully participate in the Private Placement (all such persons together being referred to as Relevant Persons). Persons who are not Relevant Persons should not take any action on the basis of this announcement and should not act or rely on it.

In Switzerland this communication is only addressed to and is only directed at "professional clients" (as defined in article 4 of the Swiss Financial Services Act ("Finanzdienstleistungsgesetz") of 15 June 2018, as amended ("FinSA")) in accordance with the prospectus exemption provided for in article 36(a) of the FinSA (such persons being referred to as "Professional Clients"). The offer is therefore exempted from the obligation to prepare and publish a prospectus under FinSA and the securities will not be admitted to trading on any Swiss trading platform. This communication does not constitute a prospectus in accordance with FinSA and the Company will not prepare such prospectus in light of the offer of securities are referred to herein.

**ABOUT MONTEA "SPACE FOR GROWTH"**

Montea NV is a public regulated real estate company under Belgian law (GVV/SIR) that specialises in logistical property in Belgium, the Netherlands, France, and Germany. The company is a benchmark player in this market. Montea literally offers its customers the space they need to grow through versatile and innovative property solutions. In this way, Montea creates value for its shareholders. As of 30/09/2023 the property portfolio represented a total space of 1,921,172 sqm spread across 94 locations. Montea NV has been listed on Euronext Brussels and Euronext Paris since the end of 2006.

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**MORE INFO**
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