HALF YEAR RESULTS 2023

14 July 2023

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"We enable our customers to achieve maximum productivity and growth, providing best-in-class flexible space solutions and services in modern, healthy, sustainable buildings in prime locations."

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Key Performance Indicators
Resilient operational performance

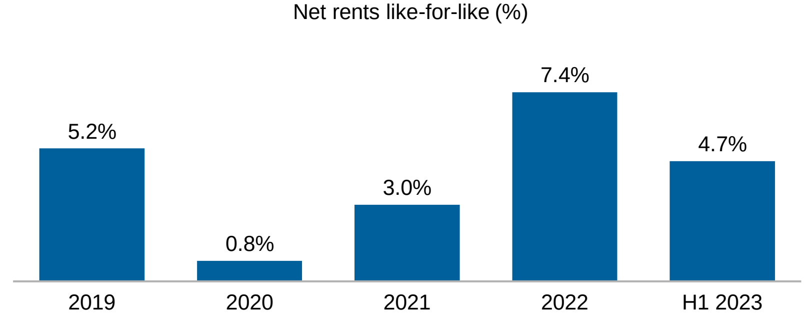
Key metrics

Operational performance	H1 2023	H1 2022	Change
EPRA Vacancy	7.3%	6.6%	0.7pp
Operating margin	78.8%	79.7%	-0.9pp
Gross rents like-for-like	7.3%	5.0%	2.3pp
Net rents like-for-like	4.7%	8.4%	-3.7pp

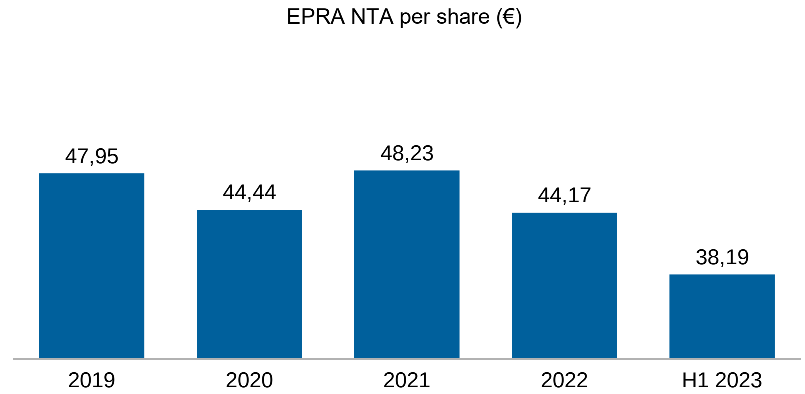
Financial performance	H1 2023	H1 2022	Change
EPRA Earnings per share (€)	1.02	0.99	3.0%
Dividend per share (€)	0.75	1.04	-27.9%
Payout ratio	73.5%	105.1%	-31.6pp

Balance sheet	H1 2023	Dec. 2022	Change
LTV	30.2%	28.7%	1.5pp
Average cost of debt	2.6%	2.0%	0.6pp
Portfolio revaluation	-9.1%	-5.6%	
EPRA NTA per share (€)	38.19	44.17	-13.5%

Change in net rents



Change in NTA per share



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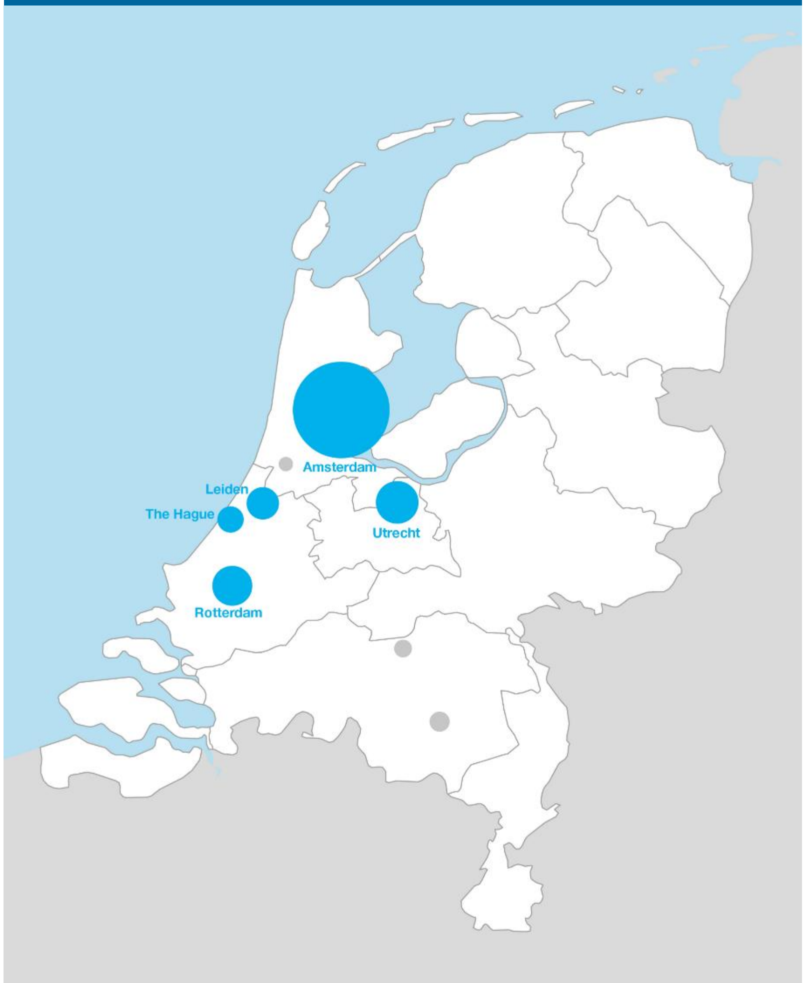
An attractive, highly focused, Dutch office portfolio
Strong focus to Amsterdam

Total portfolio



Portfolio by segment (H1 2023)

City	# assets	Book Value	% of total portfolio	GIY	EPRA Vacancy
Amsterdam	23	€ 644m	56%	6.3%	9.5%
Other G4	14	€ 328m	29%	7.8%	6.4%
Other NL	10	€ 172m	15%	7.1%	1.6%
Total	**47**	**€ 1,144m**	**100%**	**6.9%**	**7.3%**

Portfolio split standing and projects

Portfolio split	# assets	Book Value	% of total portfolio	GIY	EPRA Vacancy
Standing assets	45	€ 1,089m	95%	6.9%	7.3%
Non-standing assets	2	€ 54m[1]	5%		
Total	**47**	**€ 1,144m**	**100%**		

[1] Including accumulated capex on development projects

Continued capital recycling of mature/non-core assets

Net seller of assets for the past five years

H1

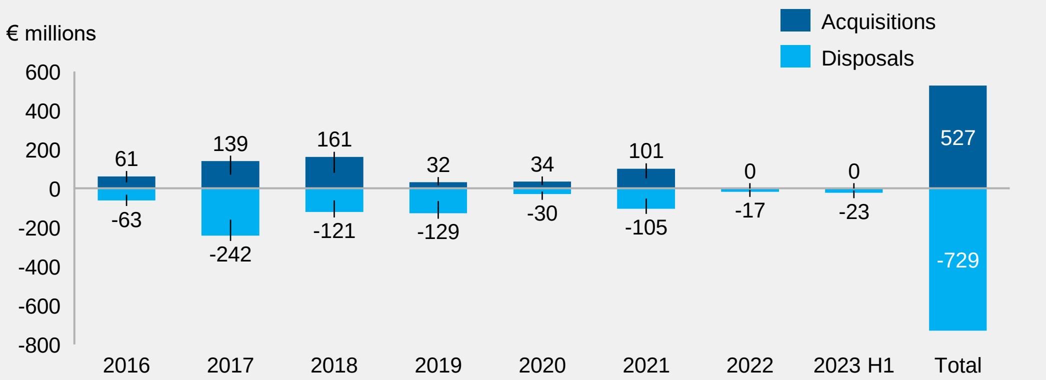
HNK Den Bosch
City: Den Bosch
m2: 7,517

HNK Ede
City: Ede
m2: 9,706

H2

Donauweg 2-B[2]
City: Amsterdam
m2: 4,613

Annual transaction volumes (€m)

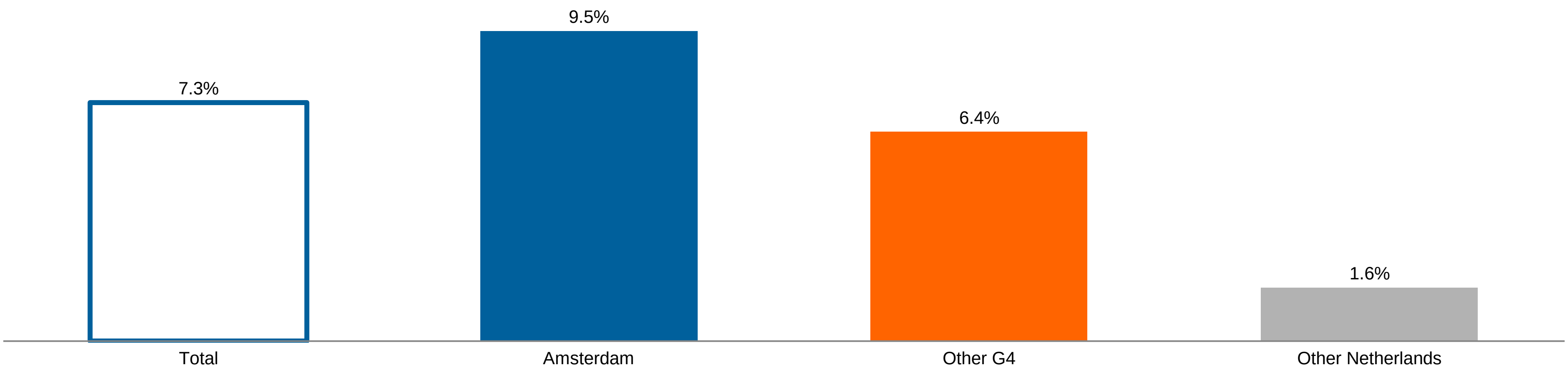


Total disposals	**2023 H1**
Total disposal proceeds	**€ 23.2m**
Premium/discount to book value[1]	**12.4%**

[1] Compared to the book value of 31/12/2021
[2] Conditionally sold

In control of our vacancy
Highly concentrated: 60% of total vacancy limited to five assets

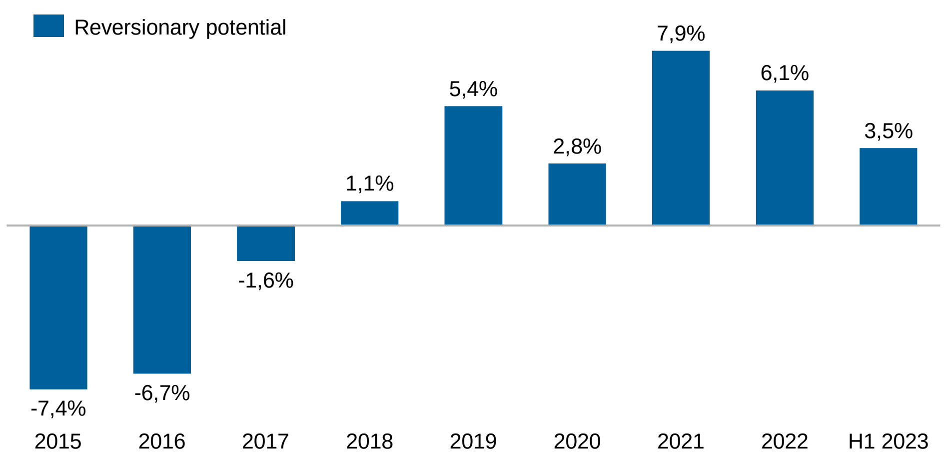
Distribution of EPRA vacancy



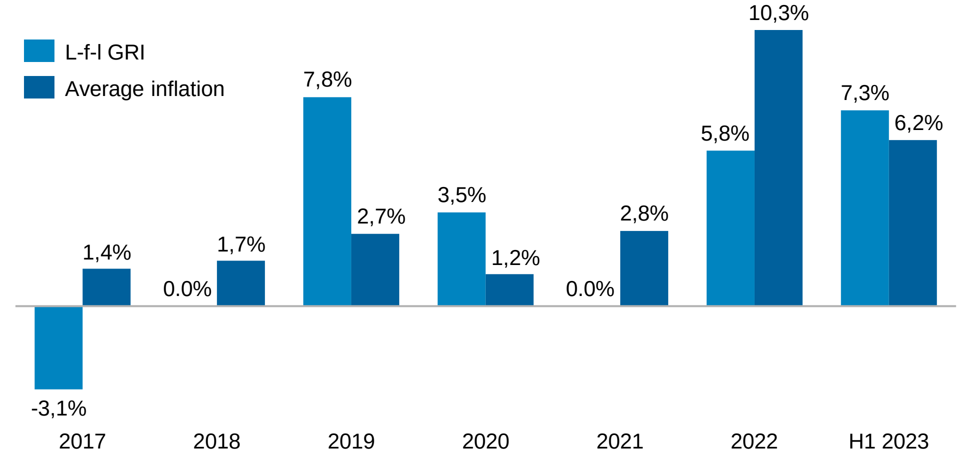
Top 5 assets (vacancy)	Segment	Contribution to total vacancy	Asset vacancy	
Centerpoint I	Amsterdam	1.1%	41.2%	
Donauweg 2-B	Amsterdam	1.0%	100.0%	Conditionally sold
Q-Port	Amsterdam	1.0%	26.9%	
Alexanderpoort	Other G4	0.7%	32.2%	Strategic vacancy
Centerpoint II	Amsterdam	0.6%	32.2%	
Subtotal		**4.5%**		
Remaining standing assets (42 assets)		2.8%	3.2%	
Total		**7.3%**		

High level of CPI will drive lease indexation in 2023
7.3% gross rental growth versus H1 2022

NSI has rotated from an over-rented to an under-rented portfolio…

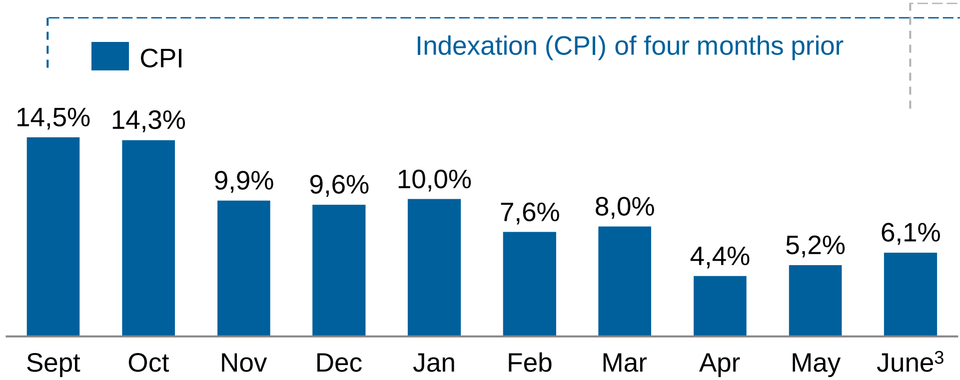


… allowing us to bring forward reversion in high inflation environment

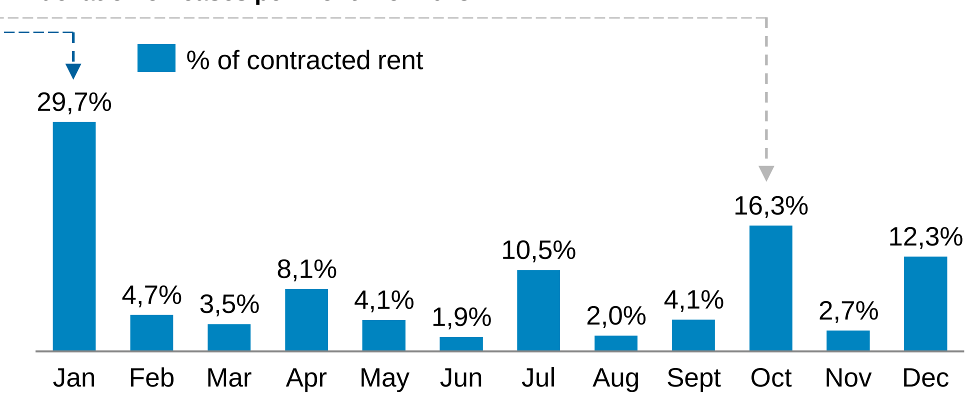


Indexation schedule[1]

Year on year CPI change per month



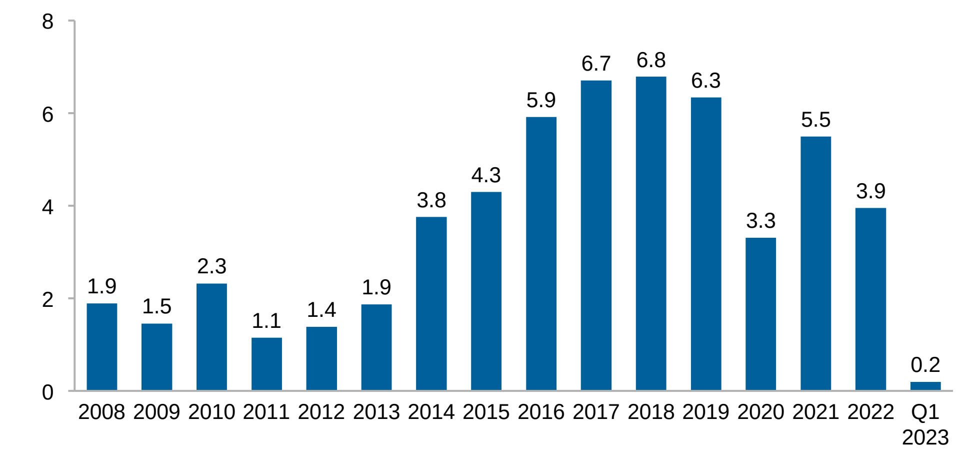
Indexation of leases per month for 2023



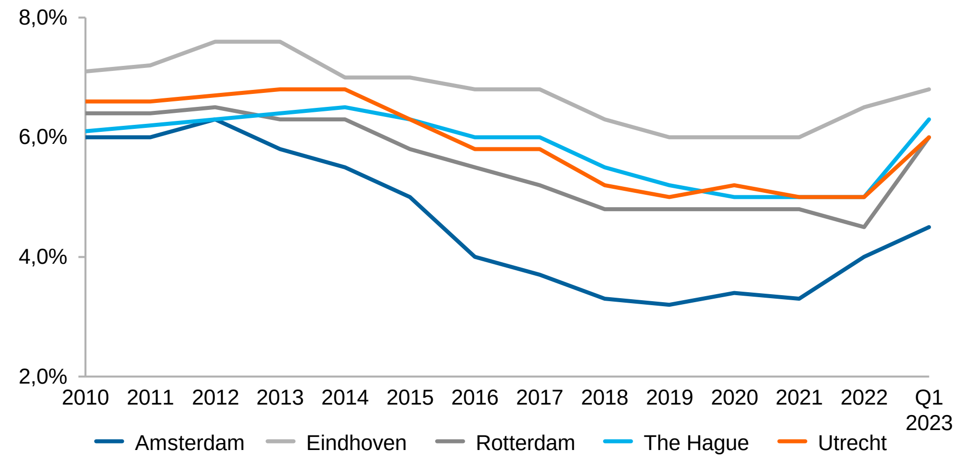
[1] This indexation is captured according to contractual caps

Dutch office market - latest data

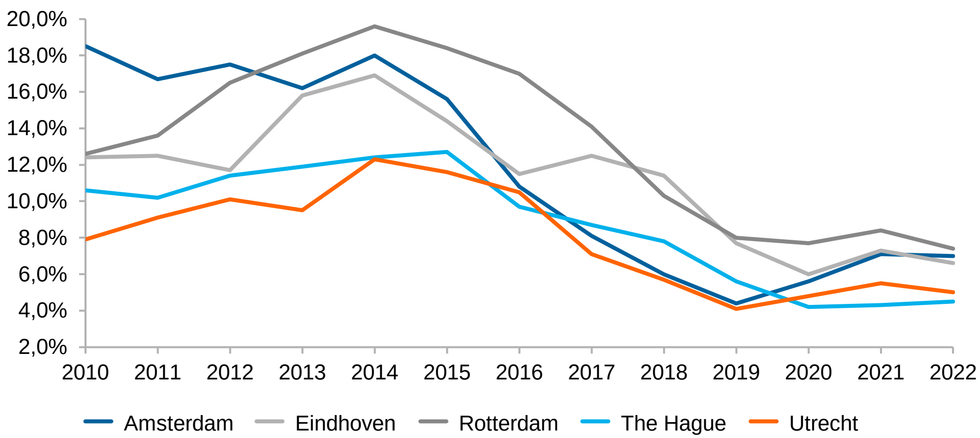
Investment volumes Offices Netherlands (€ bn)



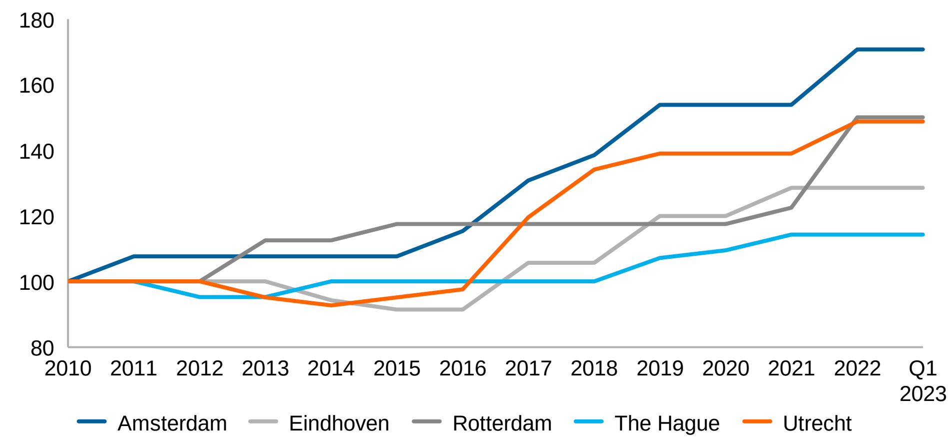
Prime Yields (%)



Vacancy rate (%)



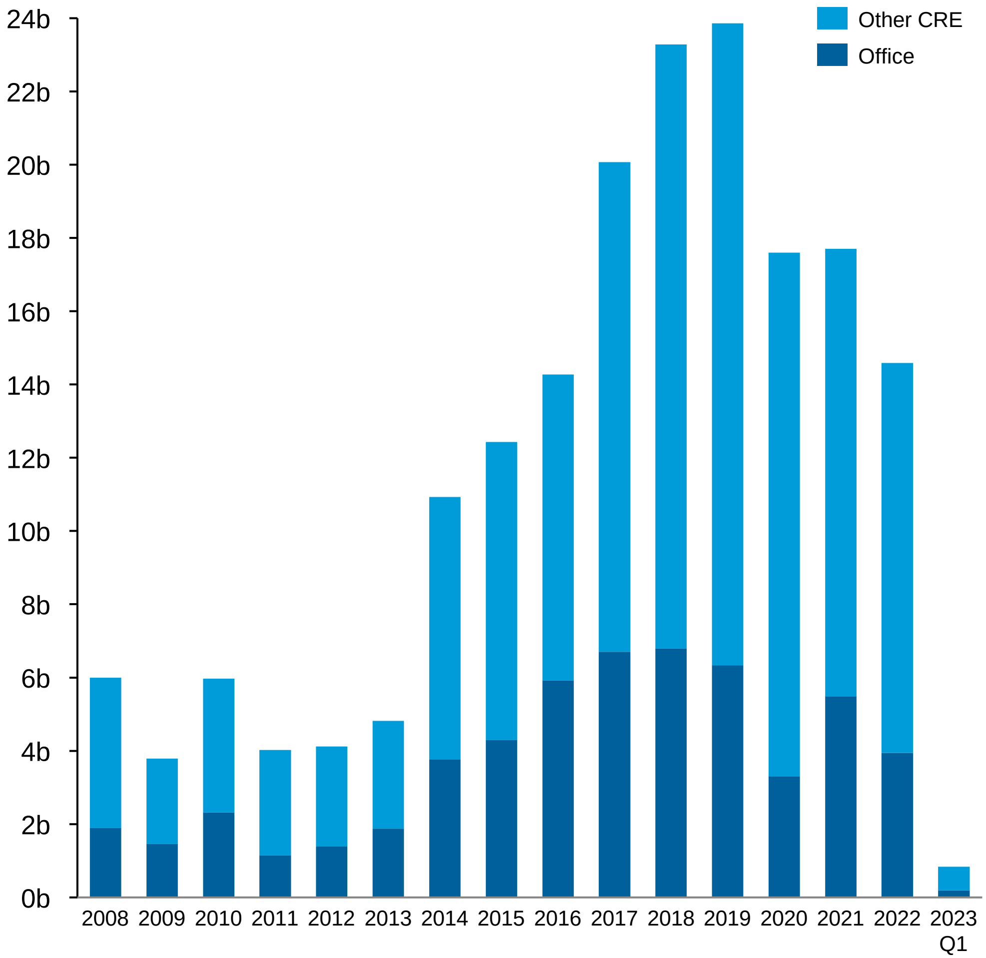
Prime rental growth[1]



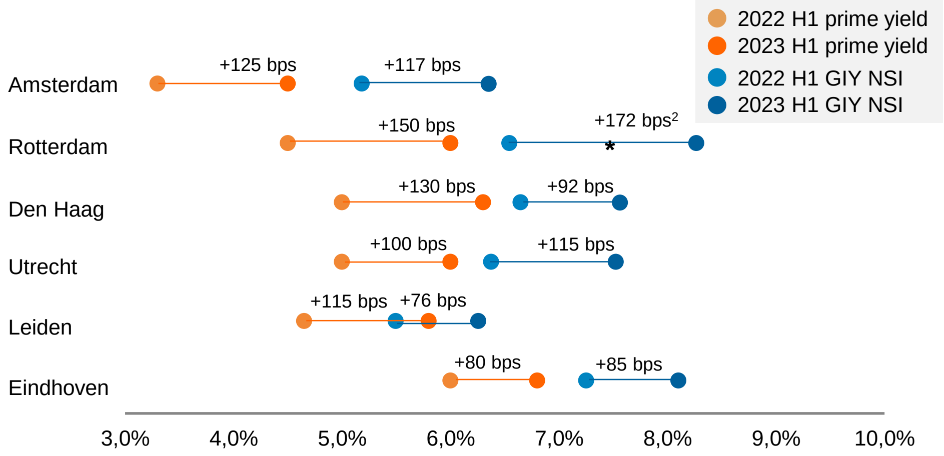
[1] Indexed (2010 = 100)
Source: C&W 31-03-2023

Market adjustment to higher interest rate environment
Transaction volumes and capital values under pressure

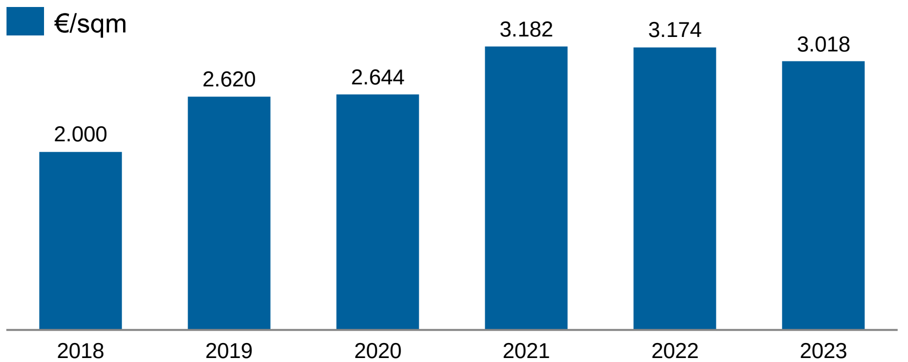
Transaction volumes[1]



Yield shift: NSI portfolio vs. prime[1]



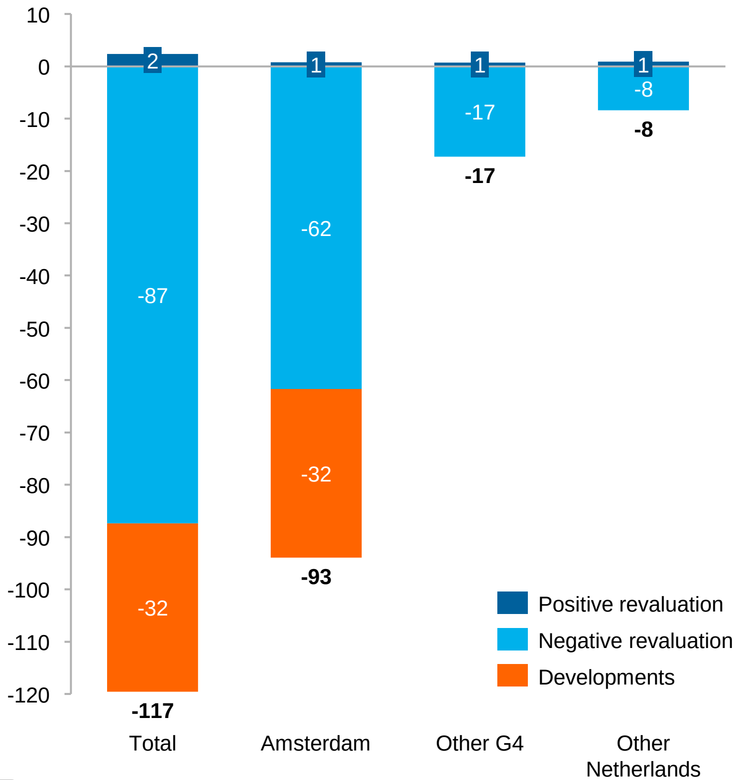
NSI average capital value per square meter



[1] Source: Cushman & Wakefield Q1 2023
[2] Contractual rent in Rotterdam increased by 15% over this period. At 2022 rent levels, the GIY would be 7.5%, resulting in a 100bps increase

Yield expansion drives negative portfolio revaluations
Developments impacted by deteriorated market conditions

H1 2023 Revaluations - Total portfolio (€m)[1]

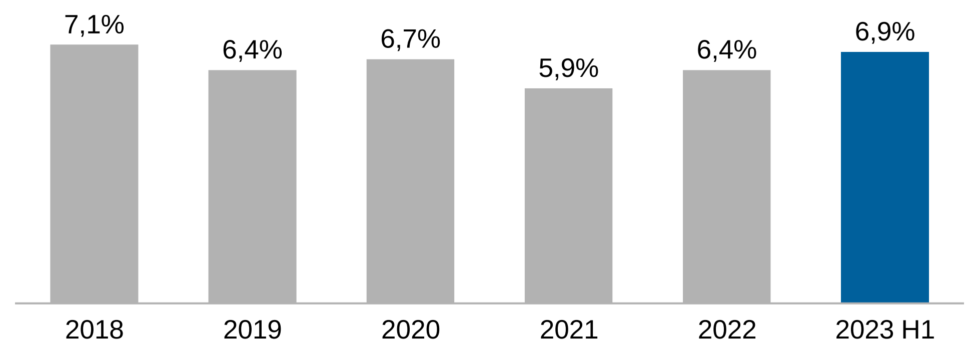


	Total	Amsterdam	Other G4	Other Netherlands
Net revaluation	-9.1%[2]	-12.7%[2]	-4.8%	-3.7
EPRA net initial yield	4.7%	4.4%	5.2%	4.8%

Lower yielding assets more impacted by yield expansion

- Largest value declines in Amsterdam due to lower starting yields and development exposure
- Potential developments Laanderpoort and Vitrum saw significant negative revaluations (€ 32.2m) in H1. For Laanderpoort the write down is linked to the decline in the 'end of project' valuation.
- Other Netherlands saw only limited negative revaluations mainly thanks to Leiden, due to strong ERV growth and demand in the Bio Science Park.

Gross initial yield: Back to 2018 levels on higher quality portfolio



[1] Externally appraised as of 30 June 2023, by Colliers, Cushman & Wakefield and JLL
[2].Excluding revaluations on developments (Laanderpoort and Vitrum) the revaluation is –7.0% for the portfolio and -9.1% for Amsterdam.

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Sustainability: a non-linear cost path to reduce energy intensity
NSI well positioned with relatively modest costs to Paris-alignment

NSI portfolio split and cost estimate for first 32 assets to CCREM Paris-proof alignment

	# Assets	% of book value	CRREM area (sqm)	Current intensity (kWh/sqm/year)	Incremental Capex (‘€m)
Straightforward	**32**	**75%**	**268,123**	**116**	**58**
Complex	8	16%	82,965	114	-
Leiden	5	9%	30,053	367	-
Total[1]	**45**	**100%**	**381,141**		**58**

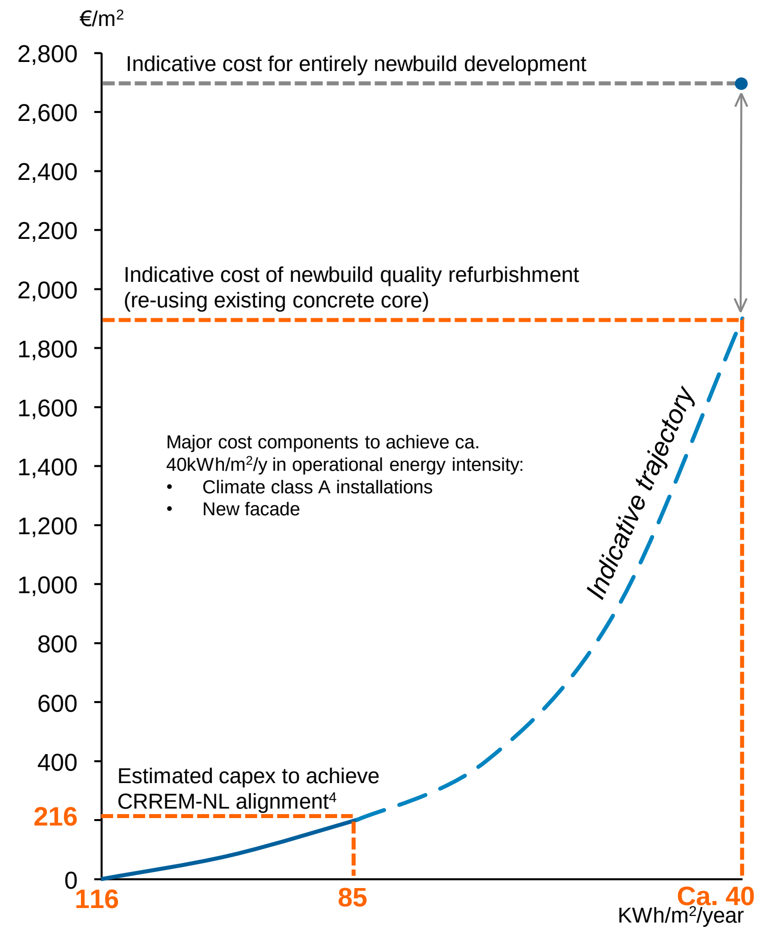
NSI's new developments are highly sustainable by design

	BREEAM	Estimated Energy Intensity (KWh/m2/y)[2]
Laanderpoort	Outstanding	43
Vitrum	Outstanding	40
Well House	Outstanding	35

It is as of yet unclear how regulators/tenants will define sustainability beyond EPC labels.

For reference: NSI's portfolio is already **100% label C or better** and **over 90% EPC label A**.
The average energy intensity of **131[3] KWh/m²** is **well below** the Dutch average of **155 KWh/m2.**
The **target** for Dutch offices according to CRREM is **85KWh/m²** by 2034.

Sustainability: A non-linear cost path to reduction



[1] Excluding developments
[2] Estimated energy intensity post-construction, including building-related intensity and 18-20 kWh/m2/y in tenant-related energy consumption
[3] As of 31/12/2022
[4] for NSI's 'straightforward' assets

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Developments update

Redefining options in a challenging environment

Laanderpoort

- Existing/ongoing development agreement between ING and NSI.
- Rezoning plan approved in May 2023 after the sole objection (from the owner of the adjacent asset) was withdrawn.
- We are examining how to optimise the Laanderpoort development project to achieve a viable business case.
- A further update on the strategy for this asset will be provided once the timeline for this project is more clear.

Vitrum

- A H1 2023 High Court ruling has materially impacted the timetable for our redevelopment plans for Vitrum.
- Examining options to bring the asset to a suitable state to generate rent while pursuing the necessary court approvals to be able to start project (1-3 years).
- The rent levels obtained through a temporary re-letting will be lower than post-redevelopment, but preferable to keeping the asset fully vacant.
- The project, once all conditions are met, will only be commenced if the returns meet or exceed NSI's (risk-adjusted) cost of capital.
- An update on next steps will be communicated later this year.

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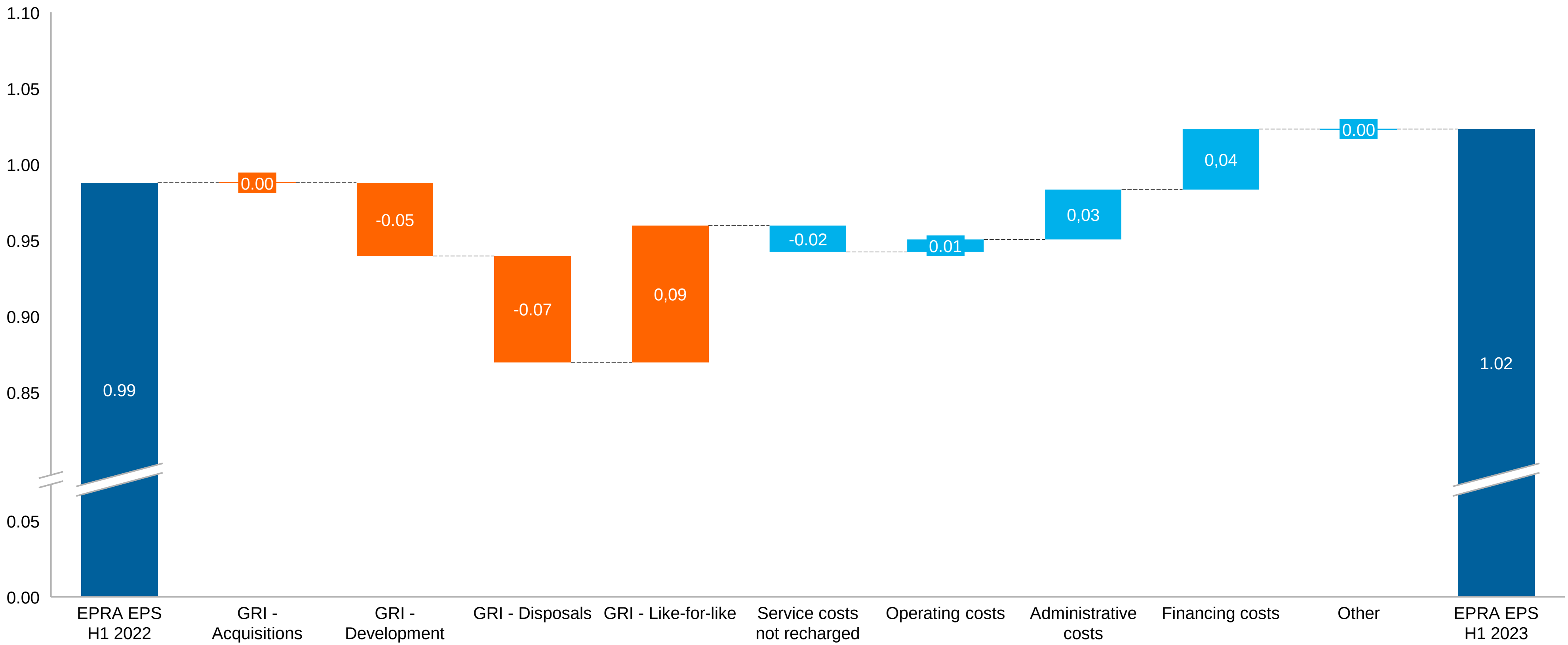
EPRA Earnings

	H1 2023	H1 2022	Change %
Gross rental income	35.5	35.6	-0.1%
Service costs not recharged	-0.9	-0.5	70.1%
Operating costs	-6.7	-6.7	-0.6%
Net rental income	**28.0**	**28.3**	-1.3%
Administrative costs	-4.0	-4.6	-12.6%
Net financing result	-3.5	-4.3	-17.0%
Direct investment result before tax	**20.4**	**19.5**	4.9%
Corporate income tax	-0.0	-0.0	16.7%
Direct investment result / EPRA earnings	**20.4**	**19.5**	4.9%
Direct result / EPRA earnings per share	1.02	0.99	3.0%

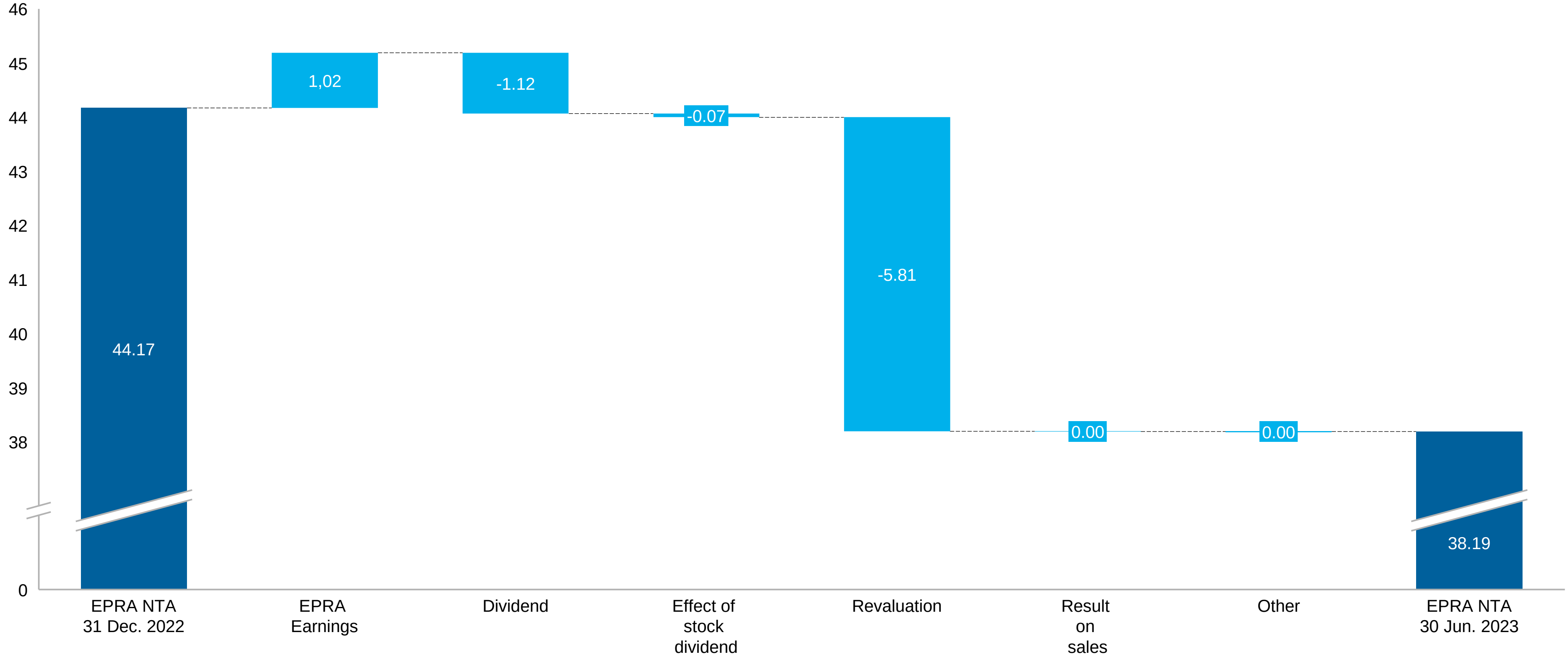
EPRA Earnings

(€ per share)



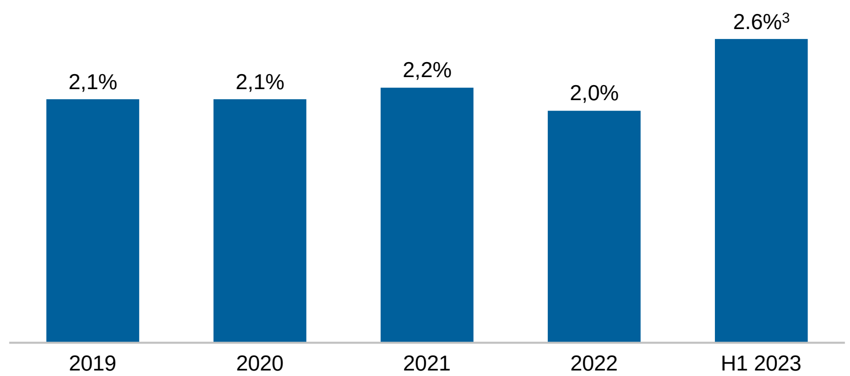
EPRA NTA

(€ per share)

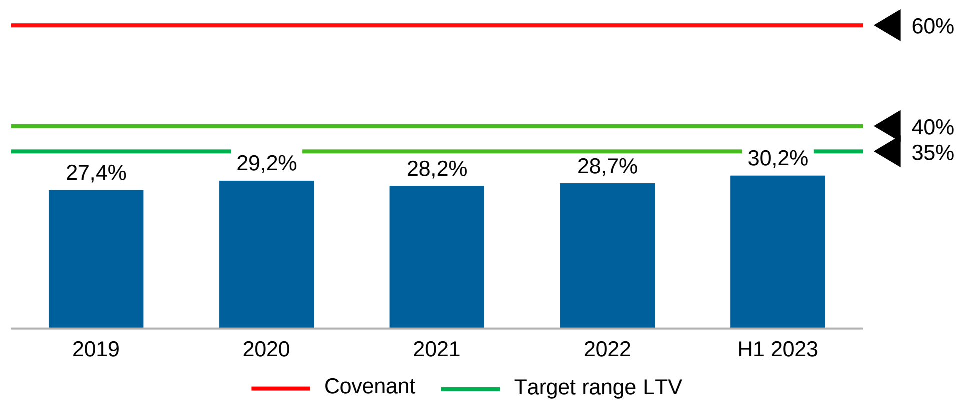


Main balance sheet KPIs
Metrics consistently resilient

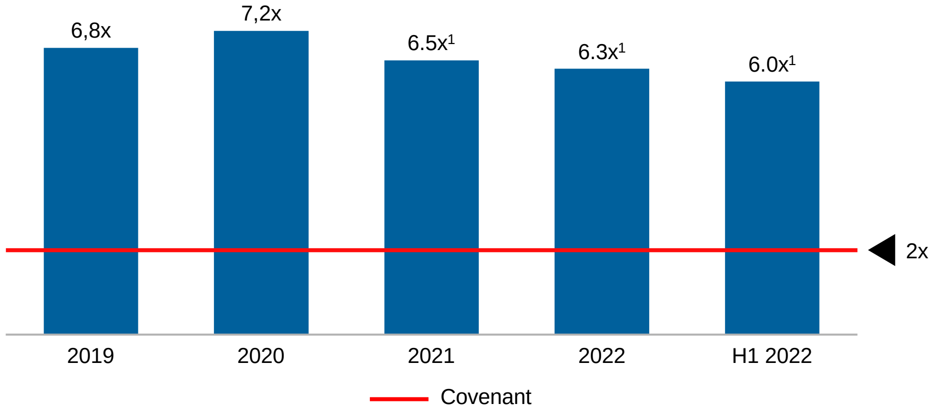
Cost of debt



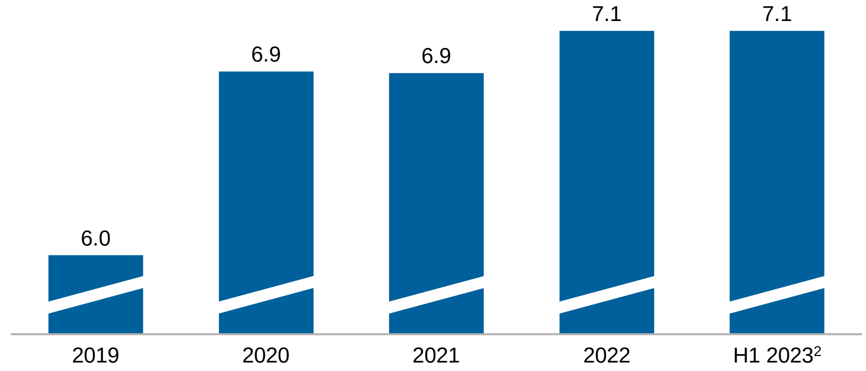
Loan to value



Interest coverage ratio



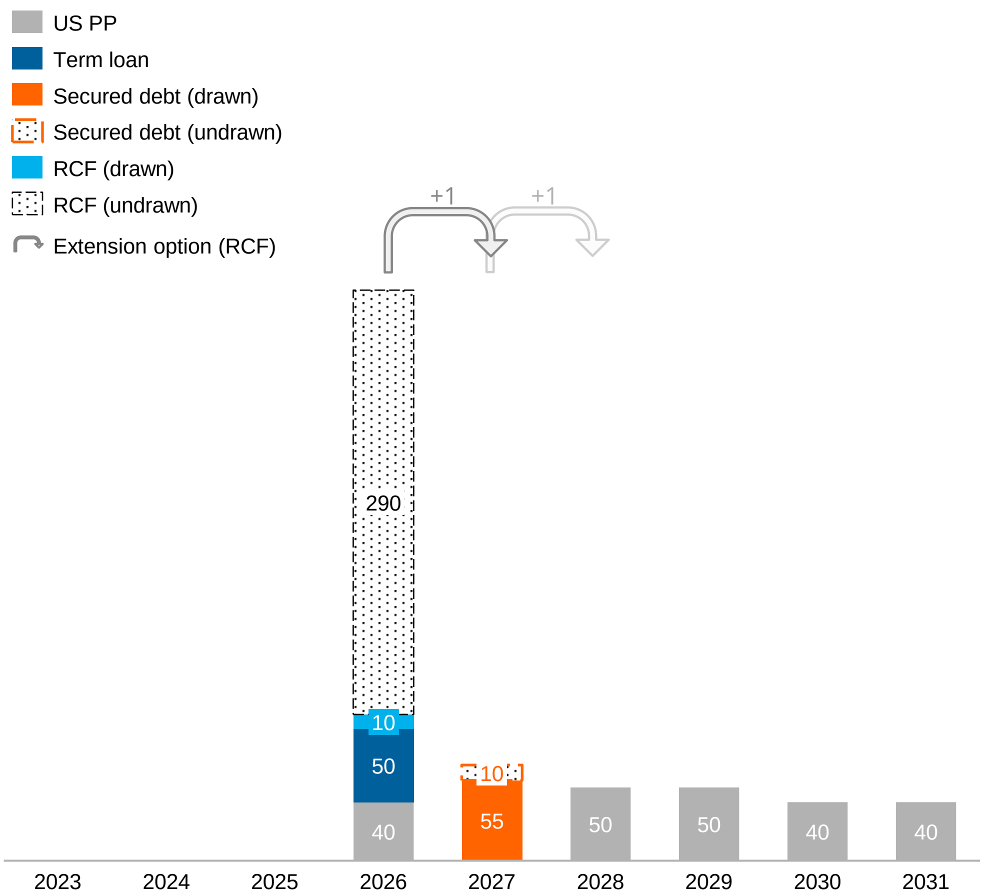
Net debt to EBITDA



[1] Adjusted for capitalised interest
[2] Annualised EBITDA based on forecasts for the second half of 2023
[3] Will increase to circa 3.1% as per 3rd of July 2023 due to new interest rate swaps

Extending debt maturity profile
Aiming for long term stability

Loans maturity profile June 2023 (€m)

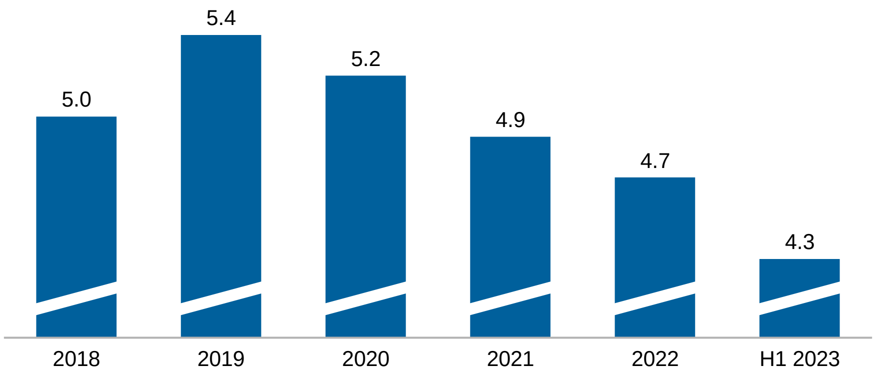


Achievements and strategy

Achievements in 2023

- Extension of BerlinHyp secured debt by four years to 2027.
  - Only € 55m of € 65m facility drawn per H1 2023.
  - Undrawn part (€ 10m) available for 18-month period
  - Fully hedged for the duration of the loan
- Captured sustainability linked margin adjustment on the RCF by achieving all sustainability related targets for 2022

Average maturity (years)



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Significant changes in operating environment have material cumulative impact

Revisiting the strategy is therefore necessary

2022 CMD strategy

Use **development pipeline** to achieve high-quality €2.5bn portfolio

Focus on:

1. Location
2. Sustainability
3. Services

Challenge	Impact
Occupational and investment market in flux	• Decreasing tenant demand due to WFH • Changes in the type of demand (prime, sustainability, amenities) • Multi-year adjustment process; increased uncertainty
The real cost of sustainability	• Investors take sustainability into account in their underwriting • Inflationary pressures make this transition more costly
Return to structurally higher interest rates	• Higher property yields, falling asset values • More challenging funding environment
Loss of FBI regime	• NSI subject to 25.8% corporate tax rate • No longer need to pay out entire fiscal profit • No limit on activities
Stamp duty increase to 10.4%	• Value-add/capital recycling strategy no longer as attractive/profitable
Persistent share price discount to NAV	• Restricted access to capital • In combination with sub-scale platform and limited market cap calls into question advantage of being listed

Strategic review

Initial findings external strategic review

Final outcome to follow in Q4 2023

Timeline

Q3 2022	Q2 2023	Q3 2023	Q4 2023
Initiated strategic review	First draft of strategic review	Budget day	Final outcome

Status	Strategic options	Considerations[1]
Currently being explored	• Continuation as a stand-alone listed company	• Revision of key elements of strategy
	• Use of private capital (i.e. JVs/third-party management)	• Part of new revised strategy
	• Return of excess capital	• If available
	• FGR conversion	• Complex and dependent on shareholders' willingness to stay invested in NSI as private vehicle
Not immediately viable	• Merger / Transformative deal	• Hard to initiate given current share price
	• Liquidation	• Complex due to limited liquidity and potentially disorderly process
	• Take private/sale of the business	• Not viable, not value maximising due to market circumstances

[1] A more complete explanation can be found in the H1 2023 half year results

Revising the NSI strategy & Next Steps

5 key elements to the strategy

Focus on Amsterdam

- Best space experiences high demand and rental growth
- A new disposal program to follow

Sustainability

- Major driver of polarisation
- Key to asset rotation/disposal strategy

Capital allocation

Use of private capital

- Balance sheet management tool
  - Joint-ventures
  - Third party management

Utilising retained earnings

- Expectations/needs of shareholders
- Opportunities available to company

Next steps

- Engagement with shareholders until end of review
- Full outcome will be presented in Q4 2023

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Segment information
Key portfolio metrics

	30 June 2023				Dec. 2022	Change
	Amsterdam	Other G4	Other NL	TOTAL		
Number of properties	23	14	10	47	49	-4.1 %
Market value (€)[1]	644	328	172	1,144	1,275	-10.3%
Annual contracted rent[2]	37	26	12	75	78	-3.9 %
Market rent	44	27	13	84	88	-5.0 %
Lettable area (sqm k)	165	125	65	356	382	-7.0 %
Average rent / sqm	252	218	193	228	219	4.1 %
EPRA vacancy	9.5%	6.4%	1.6%	7.3%	6.2%	1.0 pp
EPRA net initial yield	4.4%	5.2%	4.8%	4.7%	4.6%	0.1 pp
Reversionary yield	7.5%	8.1%	7.5%	7.7%	7.3%	0.4 pp
Wault (years)	4.2	3.6	3.3	3.8	3.9	-2.1 %

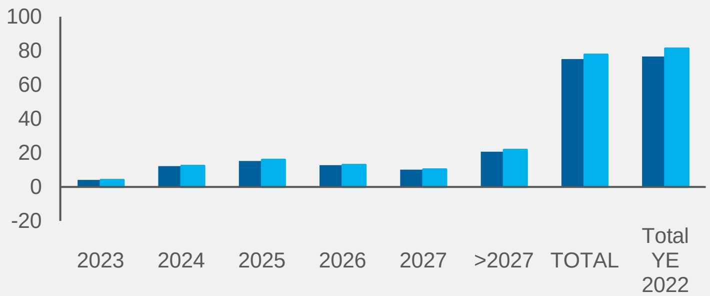
[1] Reported in the balance sheet at book value including right of use leasehold (IFRS 16), excluding lease incentives and part of NSI HQ (own use).
[2] Before free rent and other lease incentives

Segment information
Yields

	EPRA net initial yield		Gross initial yield		Reversionary yield	
	Jun. 2023	Dec. 2022	Jun. 2023	Dec. 2022	Jun. 2023	Dec. 2022
Amsterdam	4.4%	4.4%	6.3%	5.9%	7.5%	7.0%
Other G4	5.2%	4.9%	7.8%	7.2%	8.1%	7.6%
Other NL	4.8%	4.6%	7.1%	7.0%	7.5%	7.5%
TOTAL	4.7%	4.6%	6.9%	6.4%	7.7%	7.3%

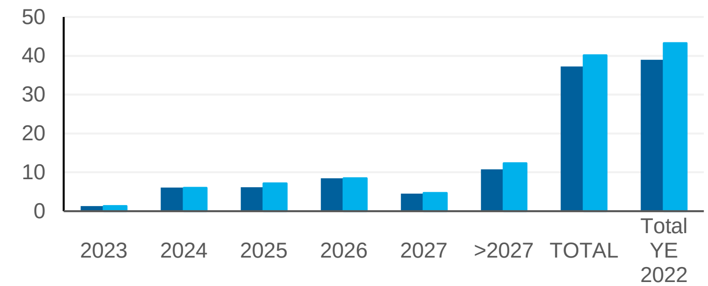
Segment information
Expiries and reversion

Total portfolio (€m)



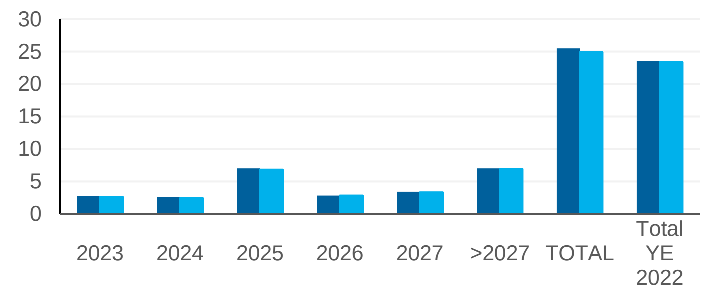
	2023	2024	2025	2026	2027	>2027	TOTAL	Total YE 2022
Contract rent	4,1	12,3	15,2	12,7	10,2	20,6	75,1	76,6
ERV	4,1	12,5	16,0	12,9	10,4	21,9	77,7	81,3
# Contracts	213	93	74	49	65	77	571	644
Reversionary potential	-1,7%	1,0%	5,9%	1,4%	1,9%	6,2%	3,5%	6,1%

Amsterdam portfolio (€m)



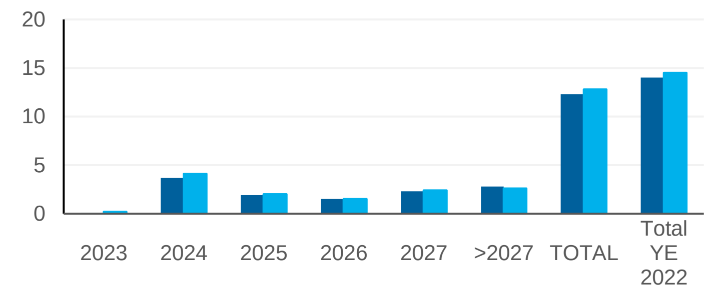
	2023	2024	2025	2026	2027	>2027	TOTAL	Total YE 2022
Contract rent	1,3	6,1	6,2	8,5	4,5	10,8	37,3	39
ERV	1,3	6,0	7,2	8,5	4,7	12,3	40,1	43,3
# Contracts	53	44	26	14	34	28	199	205
Reversionary potential	1,4%	-0,9%	16,4%	0,9%	5,1%	13,9%	7,5%	11,0%

Other G4 portfolio (€m)



	2023	2024	2025	2026	2027	>2027	TOTAL	Total YE 2022
Contract rent	2,7	2,6	7,0	2,8	3,4	7,0	25,5	23,6
ERV	2,6	2,4	6,8	2,8	3,3	6,9	24,9	23,4
# Contracts	153	39	37	29	23	29	310	308
Reversionary potential	-3,7%	-7,7%	-3,0%	1,3%	-3,9%	-0,9%	-2,6%	-0,6%

Other Netherlands portfolio (€m)



	2023	2024	2025	2026	2027	>2027	TOTAL	Total YE 2022
Contract rent	0,1	3,7	1,9	1,5	2,3	2,8	12,3	14
ERV	0,2	4,1	2,0	1,5	2,4	2,6	12,8	14,5
# Contracts	7	10	11	6	8	20	62	131
Reversionary potential	9,9%	10,2%	4,6%	4,8%	4,4%	-6,3%	3,9%	3,6%

Consolidated financial statements
Income statement

(€ m)	Amsterdam	Other G4	Other Netherlands	Corporate[1]	TOTAL
Gross rental income	17.8	11.9	5.8		35.5
Service costs not recharged	-0.6	-0.2	-0.0		-0.9
Operating costs	-3.0	-2.4	-1.3		-6.7
Net rental income	**14.2**	**9.3**	**4.5**		**28.0**
Administrative costs				-4.0	-4.0
Earnings before interest and taxes	**14.2**	**9.3**	**4.5**	**-4.0**	**24.0**
Net financing result				-3.5	-3.5
Direct investment result before tax	**14.2**	**9.3**	**4.5**	**-7.5**	**20.4**
Corporate income tax[1]				-0.0	-0.0
Direct investment result / EPRA earnings	**14.2**	**9.3**	**4.5**	**-7.5**	**20.4**
Revaluation of investment property	-93.3	-16.3	-7.3		-116.8
Net result on sale of investment property		-0.0	-0.1		-0.1
Other indirect income and costs				-0.0	-0.0
Net financing result				-1.2	-1.2
Indirect investment result	**-93.3**	**-16.3**	**-7.4**	**-1.2**	**-118.1**
Total investment result	**-79.1**	**-7.0**	**-2.9**	**-8.7**	**-97.6**

[1] The segment “Corporate” reflects costs and revenues that are not directly tied to properties

Consolidated financial statements
Balance sheet

(€ m)	30 June 2023	31 December 2022
Real estate investments	1,129	1,259
Other assets	20	19
Cash and cash equivalents	1	0
Total assets	**1,150**	**1,280**
Shareholders' equity	**770**	**887**
Interest bearing loans	334	286
Debts to credit institutions	12	14
Other liabilities	34	93
Total liabilities	**380**	**393**
Total shareholders' equity and liabilities	**1,150**	**1,280**

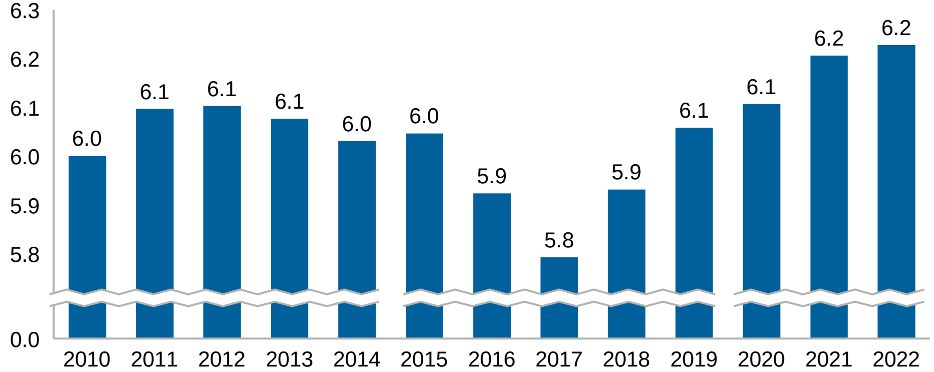
Consolidated financial statements
EPRA NAV /

(€ m)	30 June 2023		31 December 2022	
	EPRA NTA	per share	EPRA NTA	per share
IFRS Equity attributable to shareholders	**770**	**38.19**	**887**	**44.23**
Diluted NTA	**770**	**38.19**	**887**	**44.23**
Diluted NTA at fair value	**770**	**38.19**	**887**	**44.23**
Fair value of financial instruments	0	0	-1.2	-0.06
Intangibles as per IFRS balance sheet[1]	-0.0	-0.00	-0.0	-0.00
EPRA NTA	**770**	**38.19**	**886**	**44.17**
Fully diluted number of shares (m)	20.16		20.05	

[1] Includes software licenses

Property market data
Amsterdam

Stock (m sqm)



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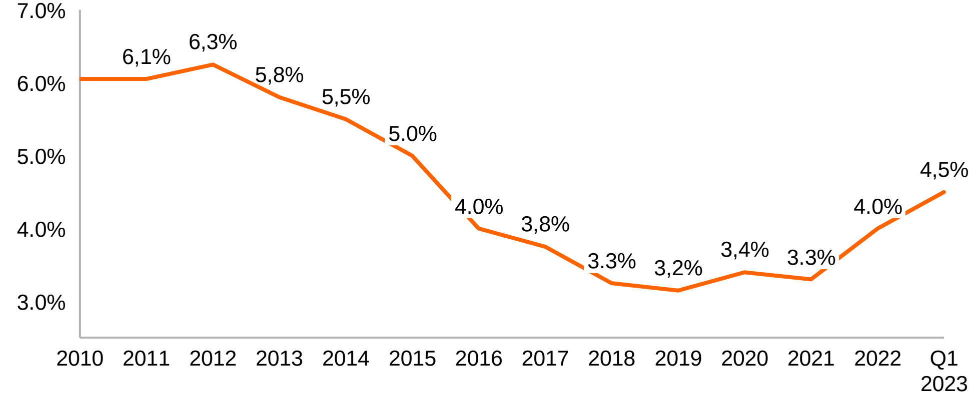
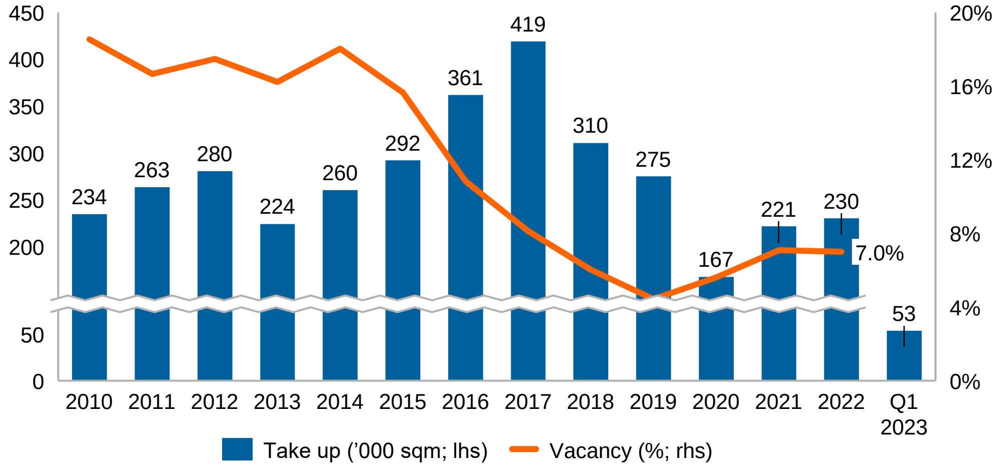
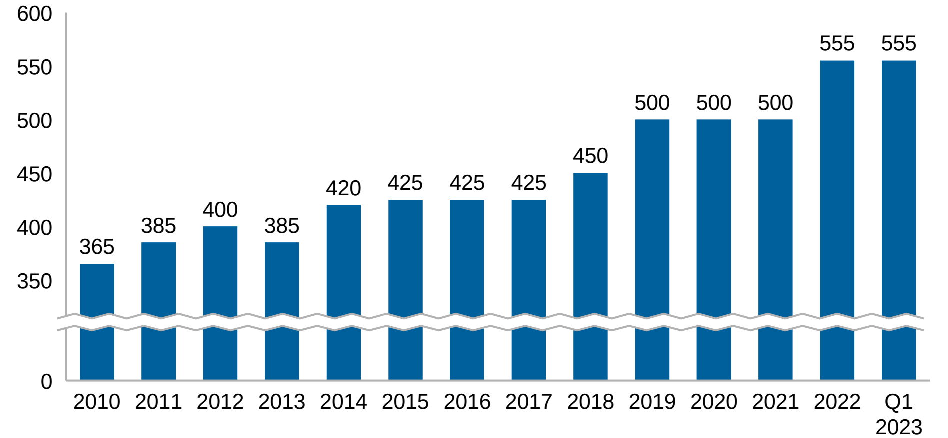


Vacancy rate and Take-up



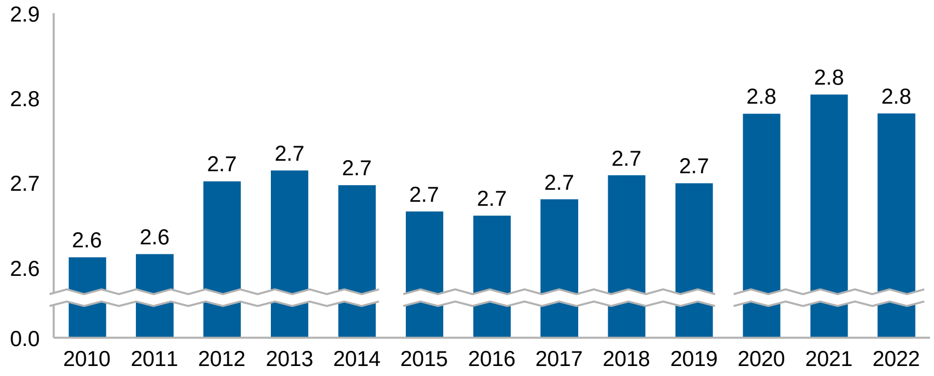
Prime rent (€)



Source: C&W 31-03-2023

Property market data
Utrecht

Stock (m sqm)



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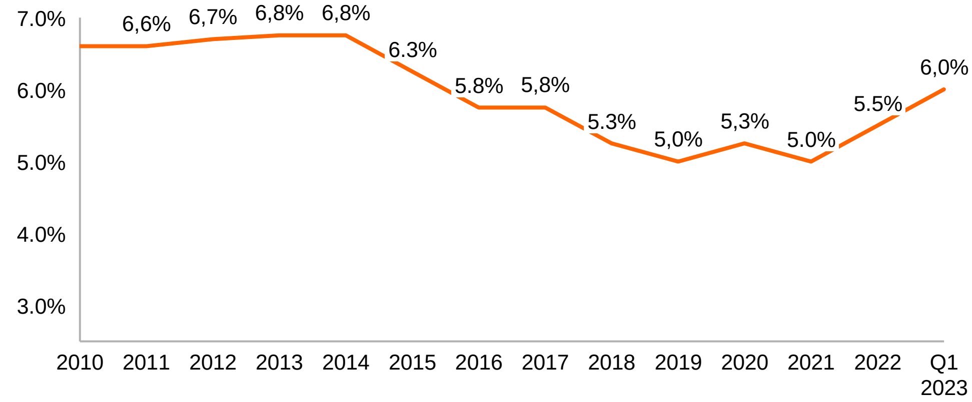
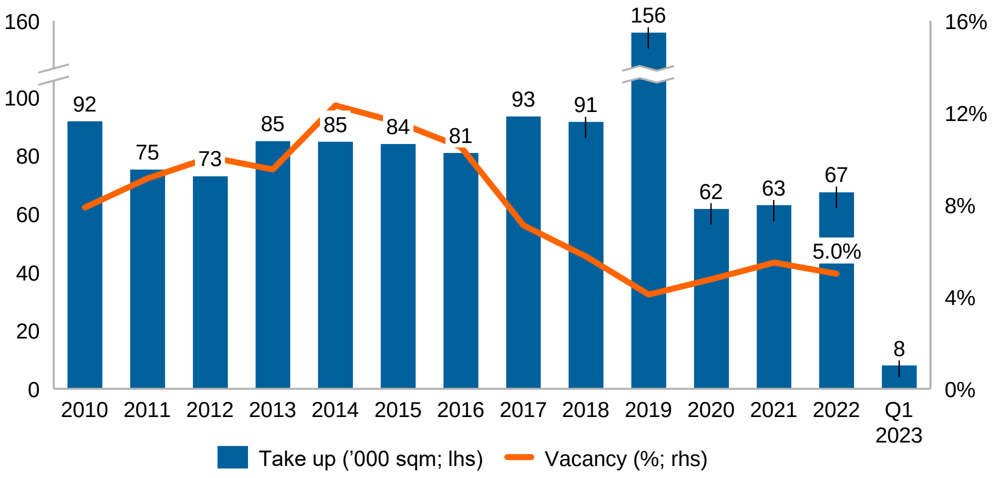
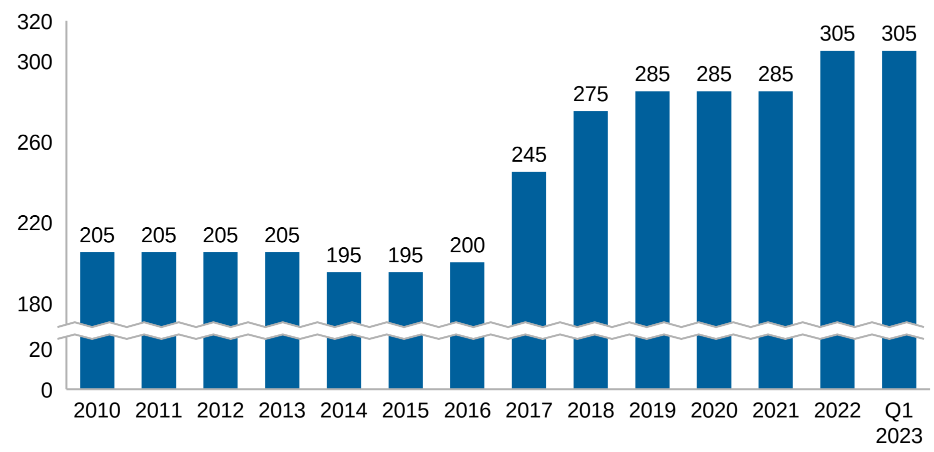


Vacancy rate and Take-up



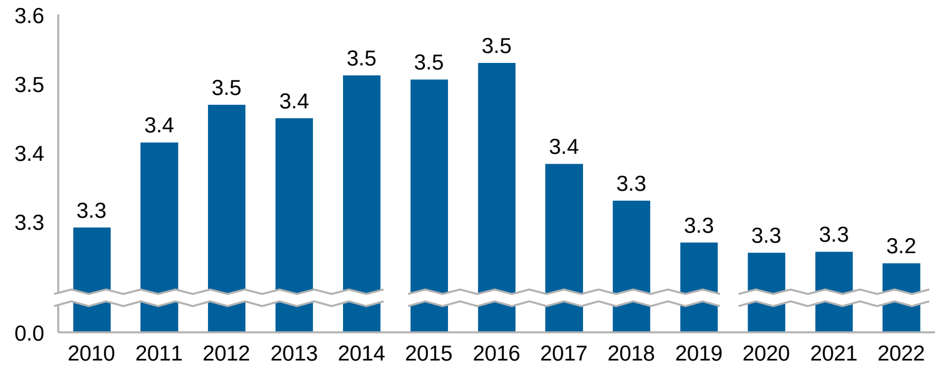
Prime rent (€)



Source: C&W 31-03-2023

Property market data
Rotterdam

Stock (m sqm)



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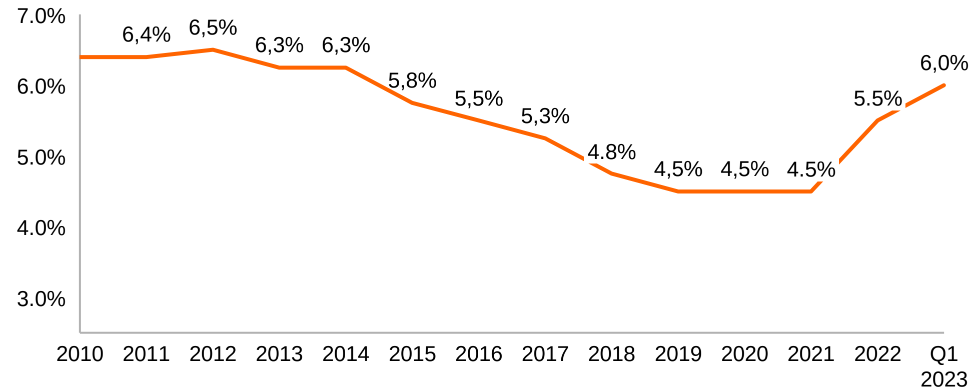
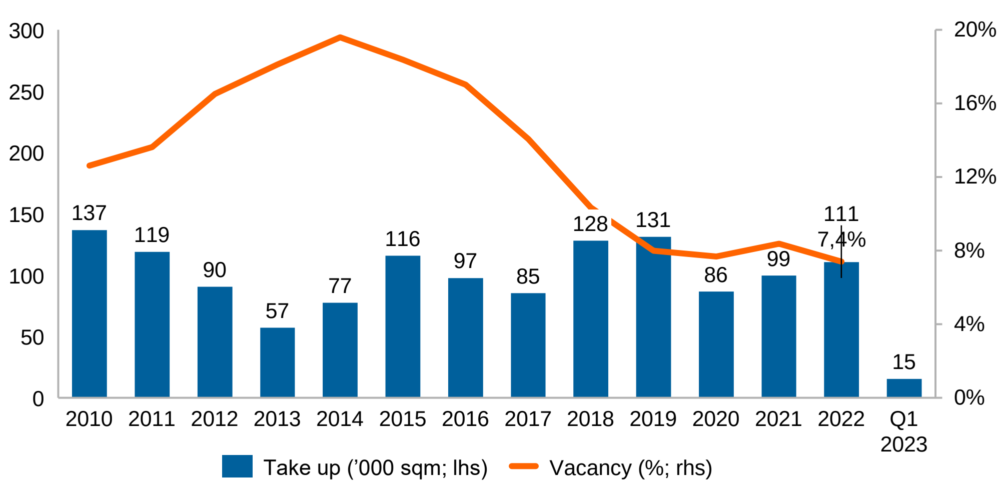
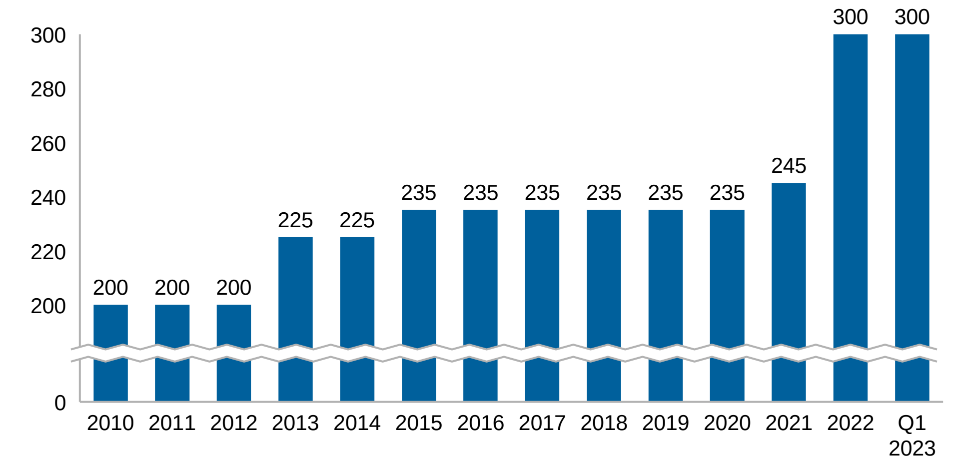


Vacancy rate and Take-up



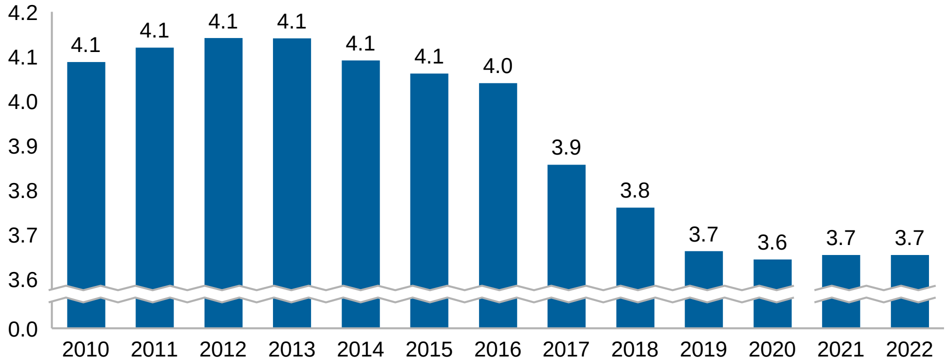
Prime rent (€)



Source: C&W 31-03-2023

Property market data
The Hague

Stock (m sqm)



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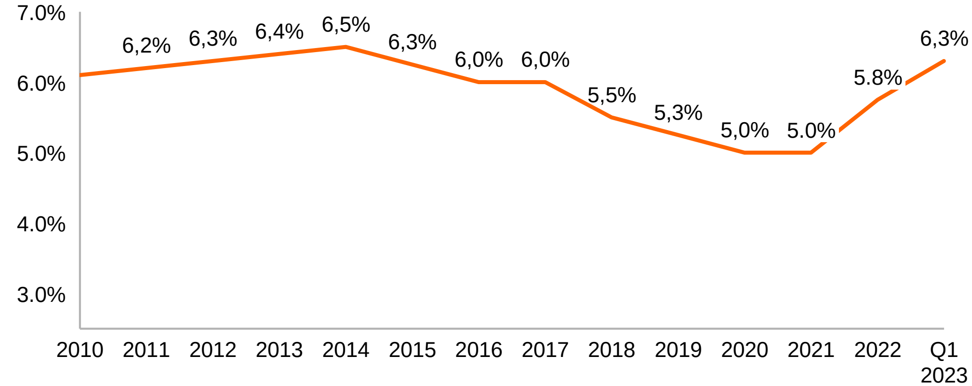
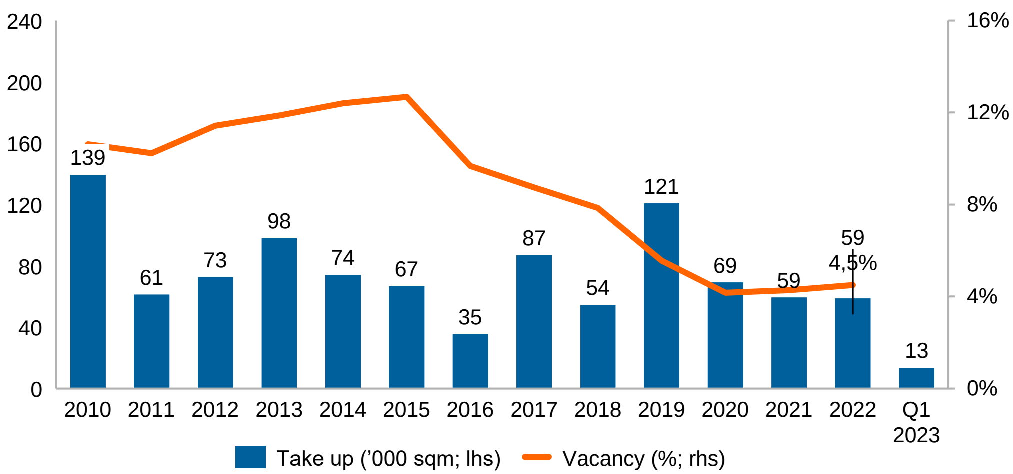
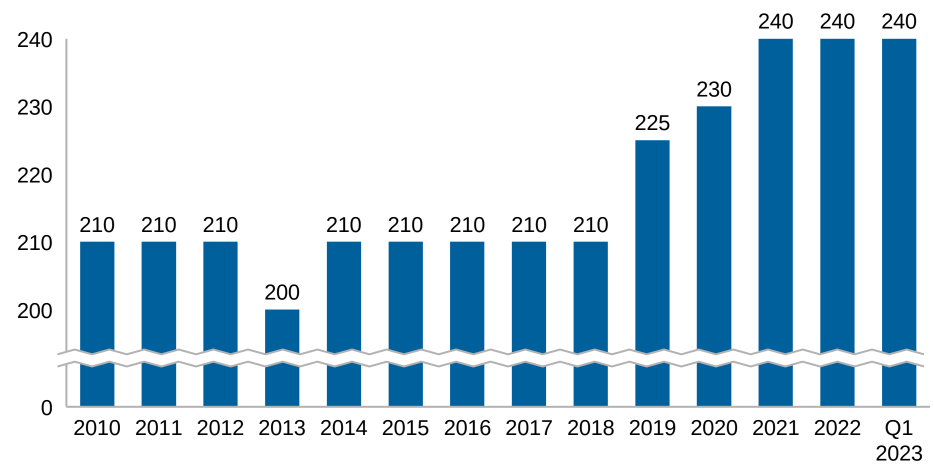


Vacancy rate and Take-up



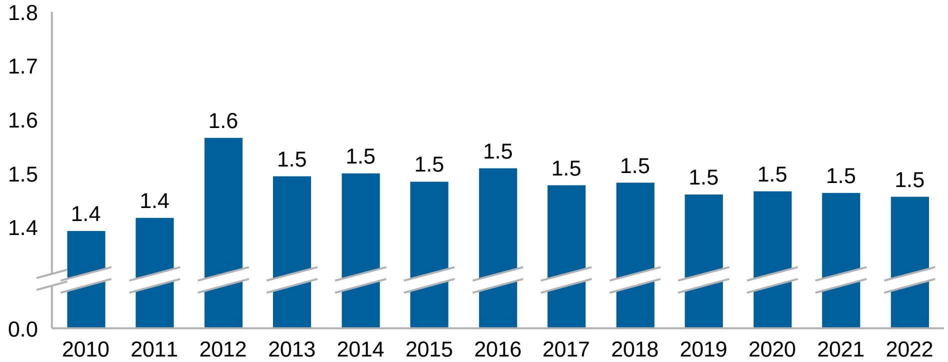
Prime rent (€)



Source: C&W 31-03-2023

Property market data
Eindhoven

Stock (m sqm)



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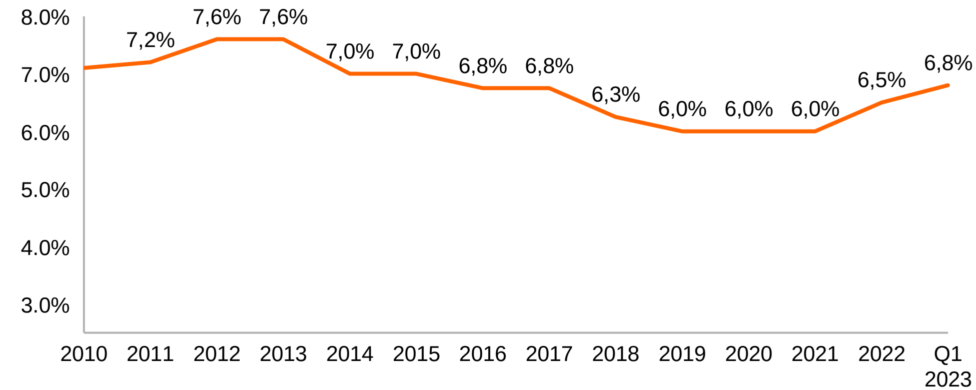
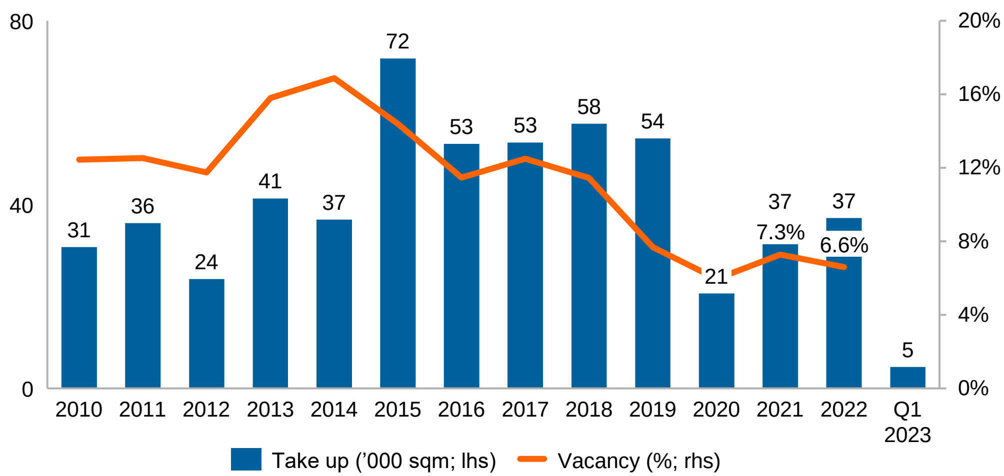
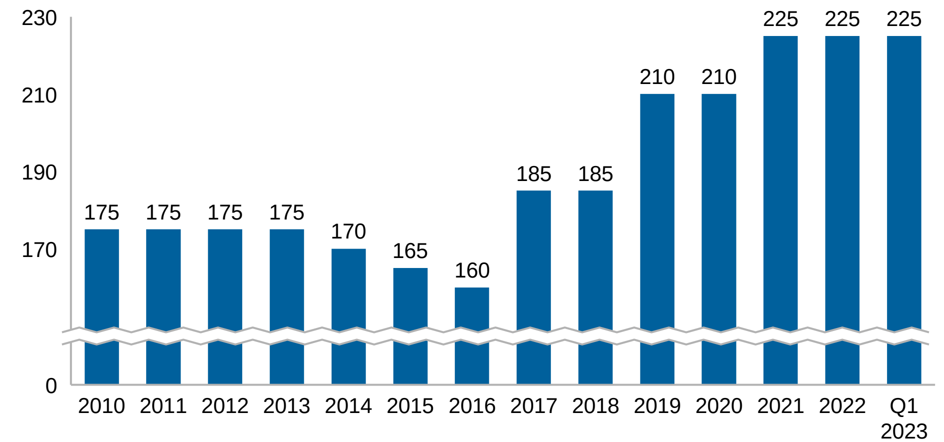


Vacancy rate and Take-up



Prime rent (€)



Source: C&W 31-03-2023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