PRELIMINARY RESULTS 2022

26 JANUARY 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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2022 key performance indicators
Financial and non-financial KPIs

Key metrics

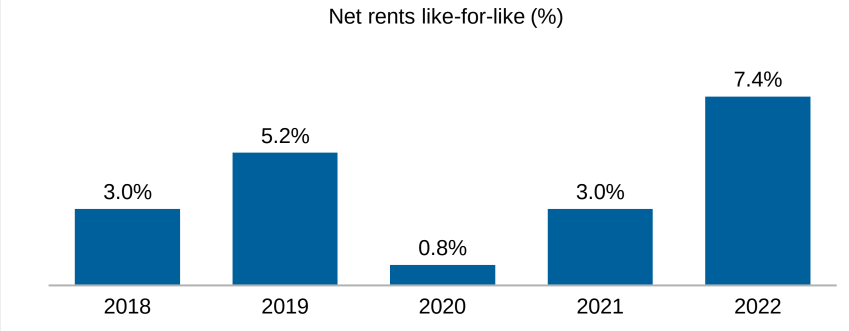
Operational performance	2022	2021	Change
EPRA vacancy	6.2%	5.9%	0.3pp
Net rents like-for-like	7.4%	3.0%	4.4pp
Operating margin	83.2%	81.6%	1.6pp

Financial performance	2022	2021	Change
EPRA Earnings per share (€)	2.15	2.38	-9.6%
EPRA NTA per share (€)	44.17	48.23	-8.4%
Portfolio revaluation	-5.6%	4.8%	

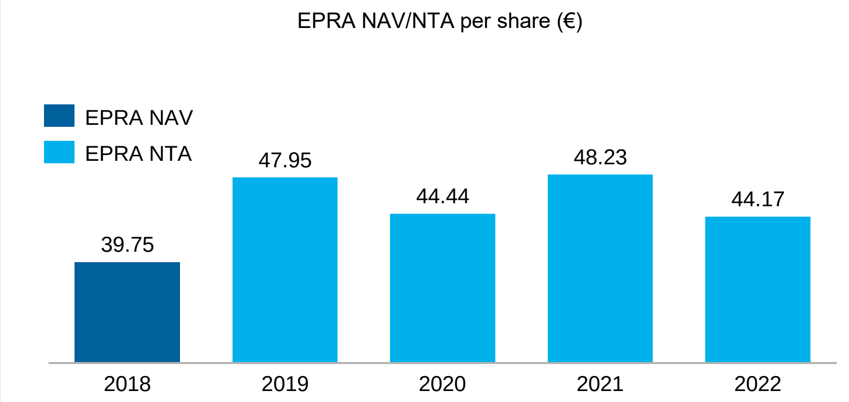
Balance sheet	2022	2021	Change
LTV	28.7%	28.2%	0.5pp
Average cost of debt	2.0%	2.2%	-0.2pp
Average debt maturity	4.7 y	4.9 y	-0.2 y

Non-financial	2022	2021	Change
CRREM Energy Intensity ($kWh/m^2/yr$)[1]	131	131[2]	0.0%
EPC label A	88.0%	81.2%	6.8pp
GRESB score	93	92	+1

Change in net rents



Change in NTA per share



[1] Preliminary result based on 100% covered assets
[2] The previously reported energy intensity for 2021 of 110 kWh/sqm/year was based on GFA including parking garages, not on CRREM sqm.

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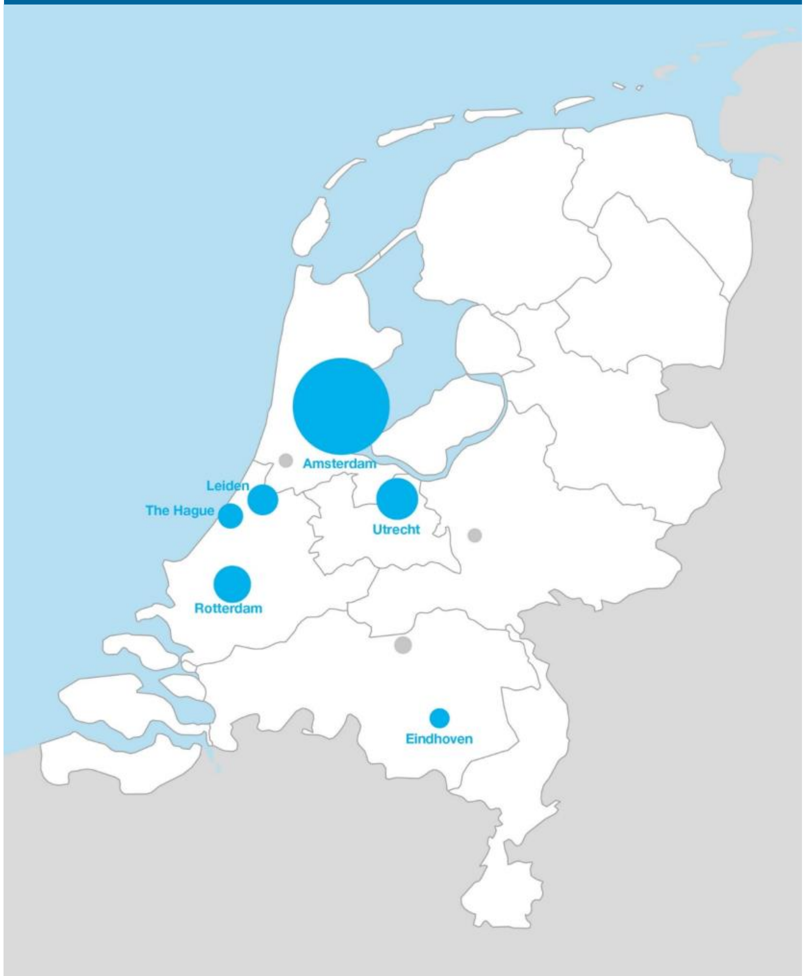
An attractive, highly focused, Dutch office portfolio
Strong concentration in Amsterdam

Total portfolio



Portfolio by segment

City	# assets	Book Value	% of total portfolio	GIY	EPRA Vacancy
Amsterdam	23	€ 730m	57.3%	6.0%	7.0%
Other G4	14	€ 342m	26.8%	7.2%	6.1%
Other NL	12	€ 203m	15.9%	7.0%	4.1%
Total	**49**	**€ 1,275m**	**100%**	**6.5%**	**6.2%**

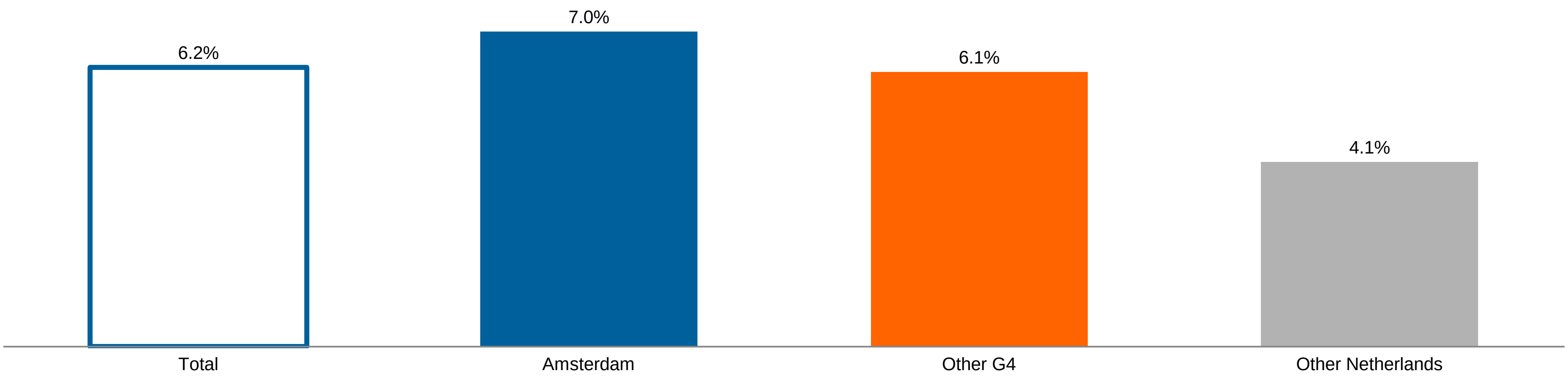
Portfolio split standing and projects

Portfolio split	# assets	Book Value	% of total portfolio	GIY	EPRA Vacancy
Standing assets	47	€ 1,216m	95%	6.5%	6.2%
Non-standing assets	2	€ 59m[1]	5%		
Total	**49**	**€ 1,275m**	**100%**		

[1] Including accumulated capex on development projects

Maintaining low vacancy rate in 2022
Concentrated remaining vacancy

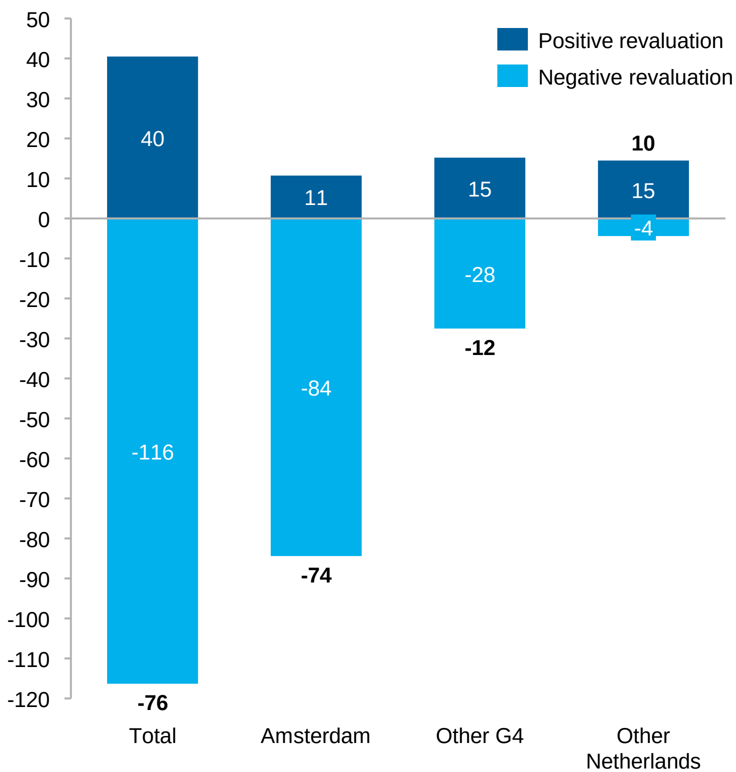
Distribution of EPRA vacancy



Top 5 assets (vacancy)	Segment	Contribution to total vacancy	Asset vacancy	
Donauweg 2-B	Amsterdam	1.0%	100.0%	
HNK Amsterdam Zuid Oost	Amsterdam	1.0%	33.6%	
Alexanderpoort	Other G4	0.7%	32.0%	Strategic vacancy
Centerpoint II	Amsterdam	0.5%	30.0%	
HNK Scheepvaartkwartier	Other G4	0.4%	9.9%	
Subtotal		**3.5%**		
Remaining standing assets (44 assets)		2.7%	3.1%	
Total		**6.2%**		

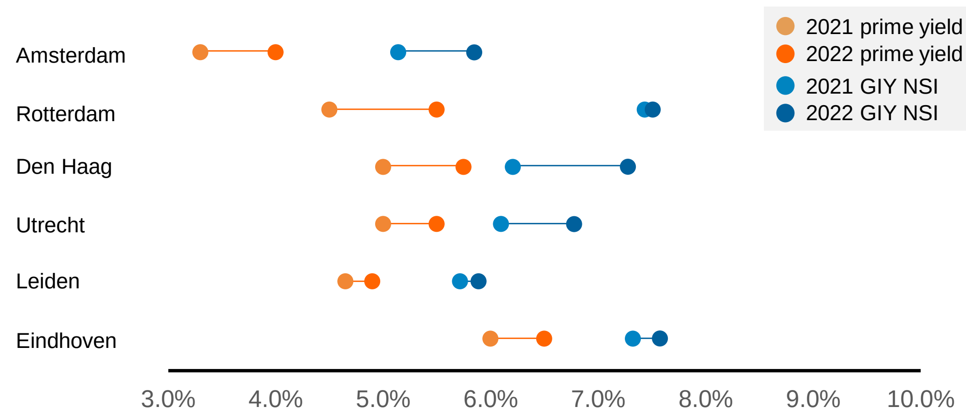
Revaluations 2022: 35 bps yield expansion
Attractive gross initial yield of 6.5%

Total portfolio (€m)[1]

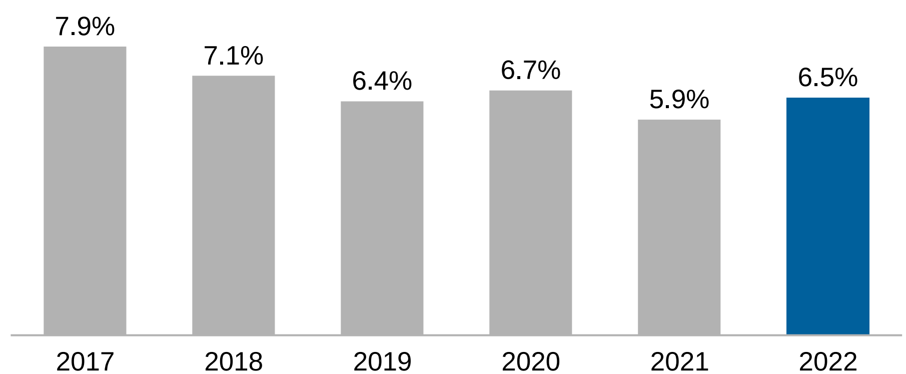


	Total	Amsterdam	Other G4	Other Netherlands
Net revaluation	**-5.6%**	**-9.2%**	**-3.4%**	**4.9%**
EPRA net initial yield	**4.6%**	**4.4%**	**4.9%**	**4.6%**

Yield shift: NSI portfolio vs. prime



Gross initial yield (%)



[1] Externally appraised as of 31 December 2022, Colliers, Cushman & Wakefield and JLL

Continued capital recycling of mature/non-core assets
Discipline/track record across entire property cycle

H1

T' Loon
City: Heerlen
m2: 22,231

H2

HNK Hoofddorp
City: Hoofddorp
m2: 3,195

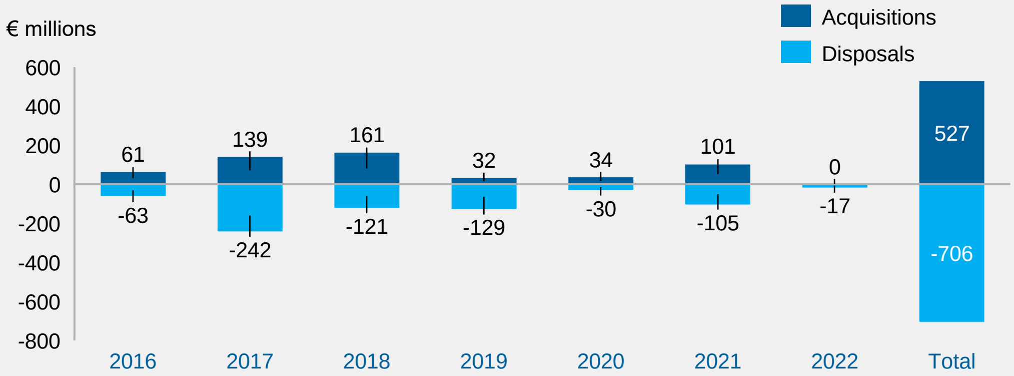
Bezuidenhoutseweg
City: The Hague
m2: 1,876

2023

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

HNK Ede
City: Ede
m2: 9,706

Annual transaction volumes (€m)



Total disposals	**2022**	**2023**
Total disposal proceeds	**€ 17.3m**	**€ 23.2m**
Premium/discount to book value[1]	**-0.8%**	**12.4%**

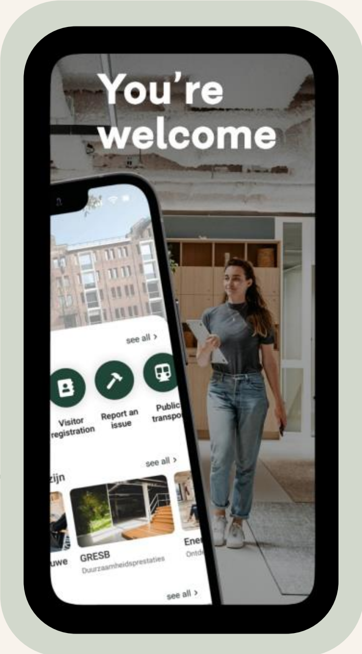
[1] Compared to the book value of 31/12/2021

HNK brand update

New look and feel - branding and marketing material

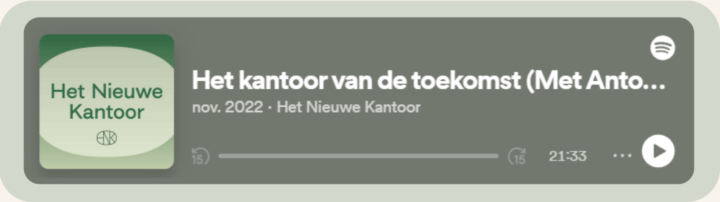
Improved website with new booking tool

Upgraded HNK app for tenants to book spaces and services



Tailor-made F&B concept The Social in all HNK buildings

Podcast series about the office of the future



Strong partnerships

NEXUDUS
your coworking software
NOR NORM
vermaat

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NSI - leading the wider Dutch office sector in Sustainability
A clear investment path to align with the Paris Agreement

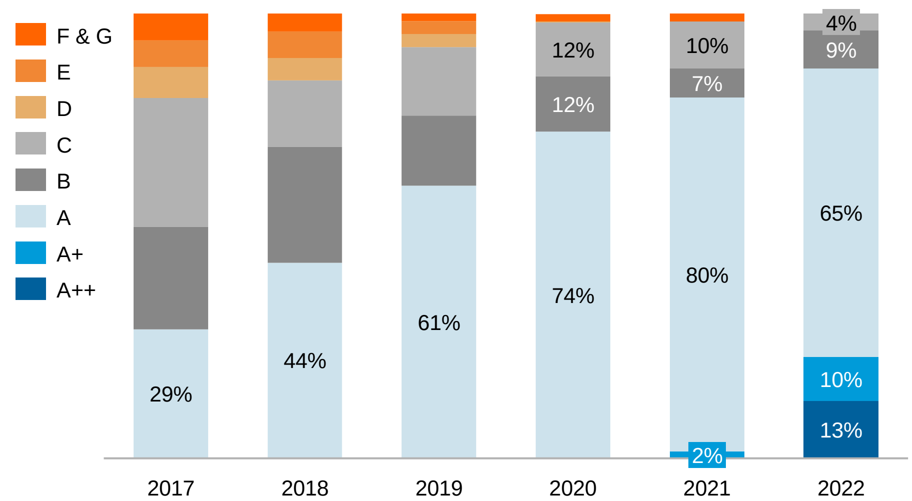
EPC label improvements
- 88% of assets now label A or better
- All assets are label C or better (as per government regulations 1/2023)

BREEAM label improvements
- 60%+ of the portfolio by value at ‘Excellent’ or ‘Very Good’
- Lower labels concentrated in assets with redevelopment potential

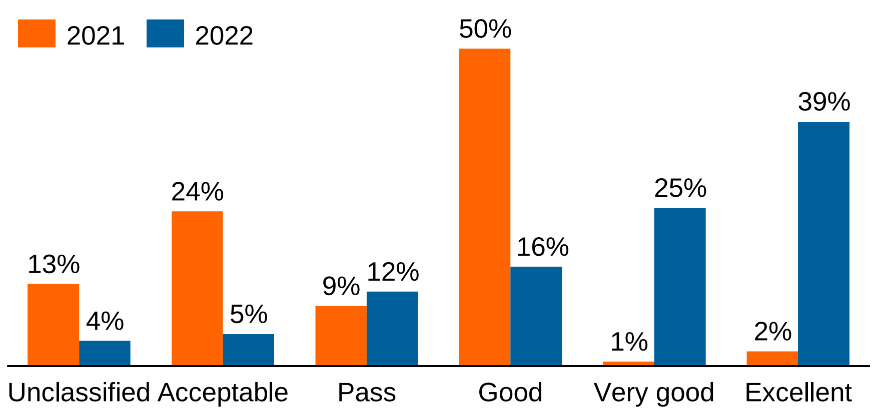
CRREM Energy intensity / Carbon
- NSI energy intensity 131 kWh/m^2/year in 2022
- Results skewed by Leiden life science assets, at 367 kWh/m^2/year
- Aim to stay below CRREM pathway and target <85 kWh/m^2/year by 2034
- All electricity procured by NSI is entirely green (European wind)
-

EU Taxonomy alignment
- Taxonomy recognised activity: ‘acquisition and ownership of buildings’
- Environmental objective: ‘climate change mitigation’
- Initial assessment: 89% of portfolio is aligned, based on 2022 revenues
- Remaining 11% of portfolio relates to (potential) (re-)developments

EPC energy performance certificates



BREEAM[2]



NSI - leading the wider Dutch office sector in Sustainability

New roadmap to align with the Paris Agreement

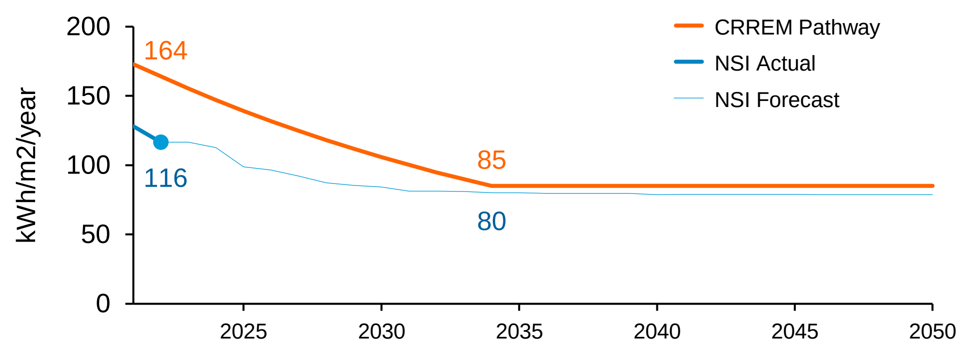
Going well beyond the formal requirement of EPC label C

- EPC label C is the regulatory minimum requirement, but arguably is no longer enough
  - Tenants will increasingly demand more efficient, more sustainable buildings
  - Regulatory requirements will likely become more stringent over time
- CRREM is set to become the industry standard for energy efficiency in the real estate industry
- CRREM energy intensity for current portfolio is 129[1] kWh/sqm/year (113 kWh/sqm/year ex. Leiden).
- 2023: start with execution Paris-alignment investment plan for first 32 assets
  - €58m of estimated capex over 10-year period
- Favorable economics from:
  - Energy savings, ca. €2m p.a.
  - Structurally higher rents, lower vacancy and lower yields

Portfolio split: starting with 32 "straight forward" assets

	# Assets	% of book value	CRREM area (sqm)	Current intensity (kWh/sqm/year)
Straight forward	32	71%	268,123	116
Complex	7	14%	79,705	118
Leiden	5	8%	30,053	367
Development	3	6%	30,511	29
TOTAL[1]	**47**		**408,391**	**129**

CRREM energy reduction pathway for 32 "straight forward" assets



[1] Excluding assets sold in 2023: HNK Ede and HNK Den Bosch

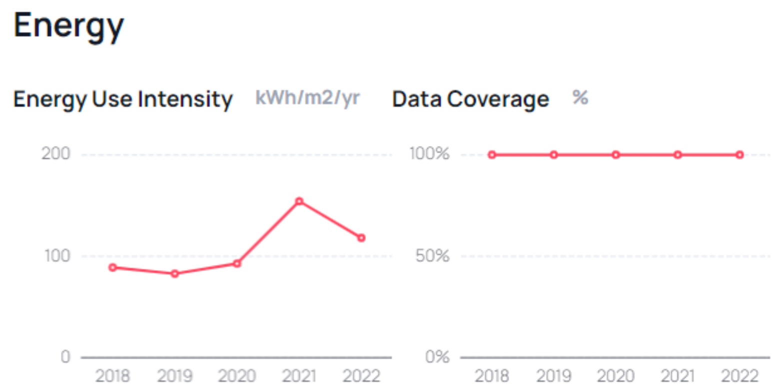
Impact of our Sustainability initiatives
22% energy intensity reduction at HNK The Hague

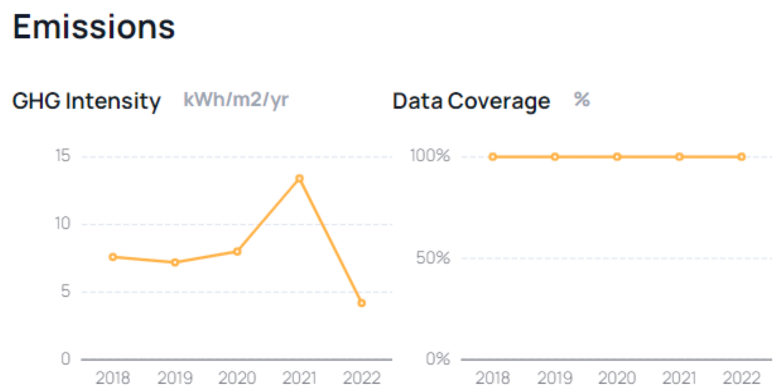
2021: Sustainability improvements
- Installation of heatpumps as replacement of cooling units (end of life cycle)
- Placement additional EV charging stations

Investment
- Ca. €820k CAPEX
- Implementation period: 12 months

2022: Results
- 72% reduction in gas use and increasing electricity use by only 18%
- 23% reduction in energy intensity (from 154 to 118 kWh/m2/year)
- Significant reduction in GHG emissions

Scaler ESG Data Platform





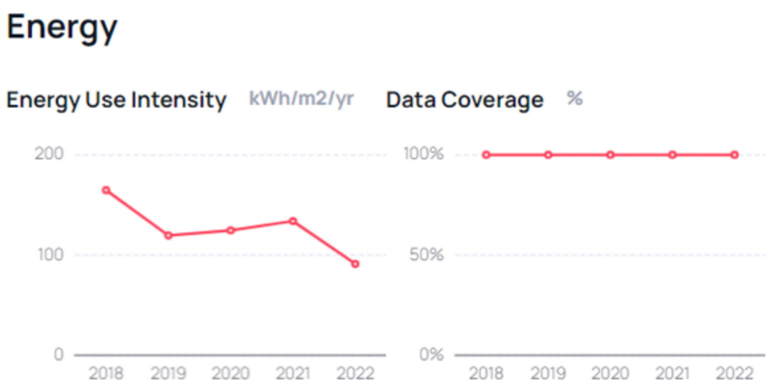
Impact of our Sustainability initiatives
32% energy intensity reduction at Q-port Amsterdam

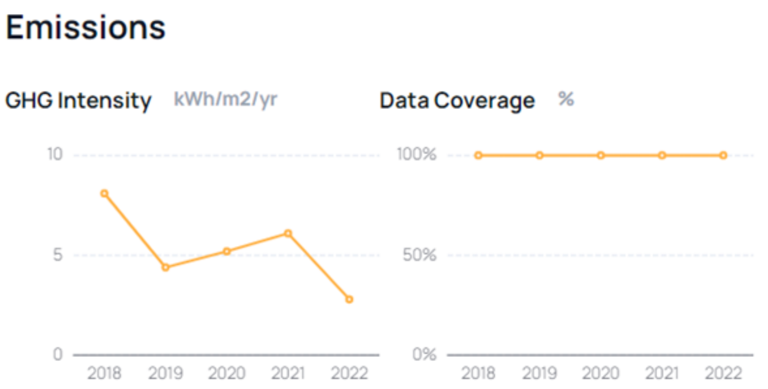
2021: Sustainability improvements
- Installation of heatpumps
- Installation of variable air volume system
- Placement additional EV charging stations
- Placement of Solar panels
- Placement LED lighting

Investment
- Ca. €2m CAPEX, mostly paid for by tenants
- Implementation period: 18 months – due to cooperation with tenants

2022: results
- 57% reduction in use of additional district heating
- 9% reduction in electricity consumption
- 32% reduction in energy intensity (from 134 to 91 kWh/m2/year)
- Significant reduction in GHG emissions

Scaler ESG Data Platform





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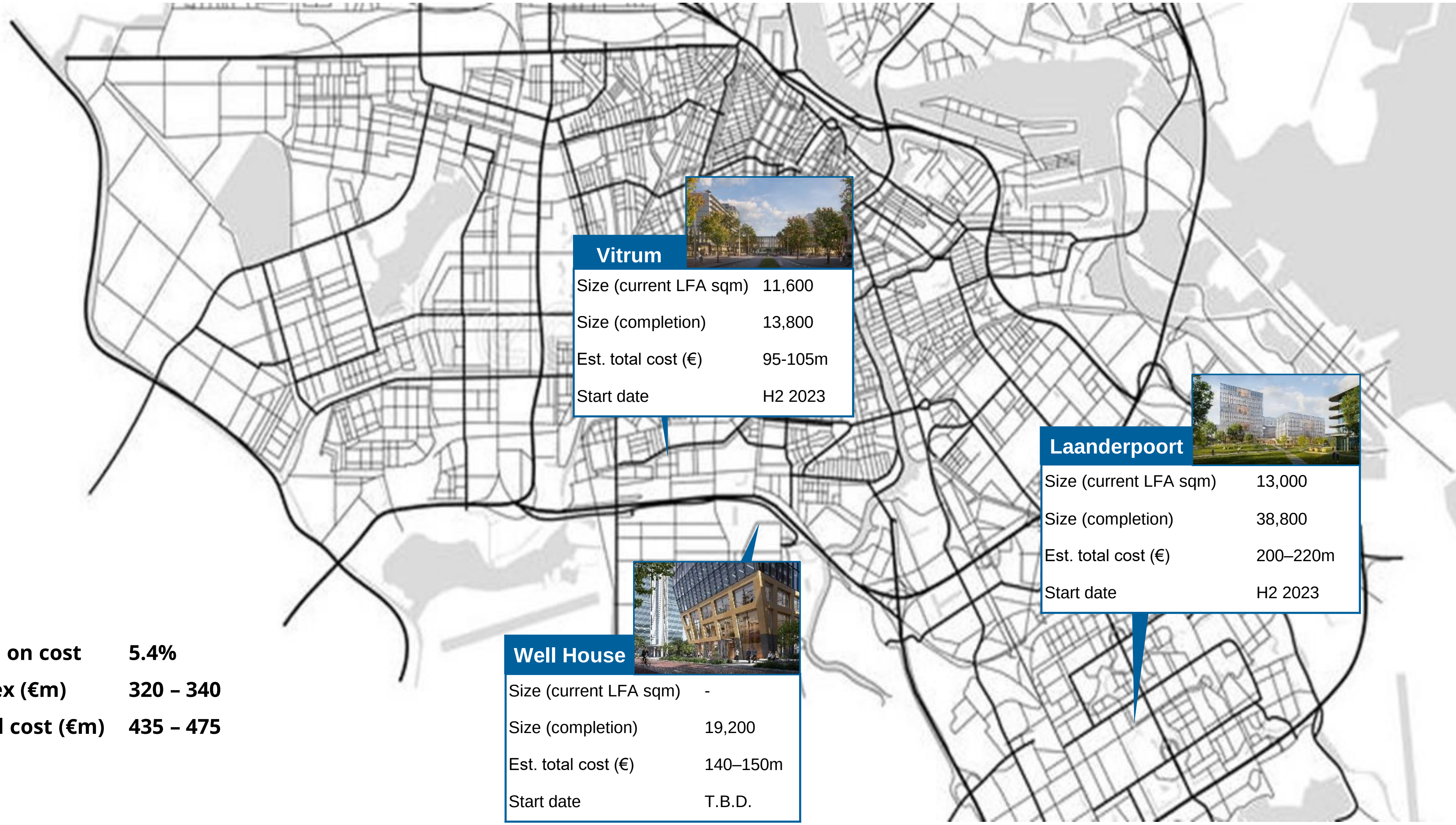
Current development pipeline overview

Three projects in Amsterdam



Vitrum

Size (current LFA sqm)	11,600
Size (completion)	13,800
Est. total cost (€)	95-105m
Start date	H2 2023

Laanderpoort

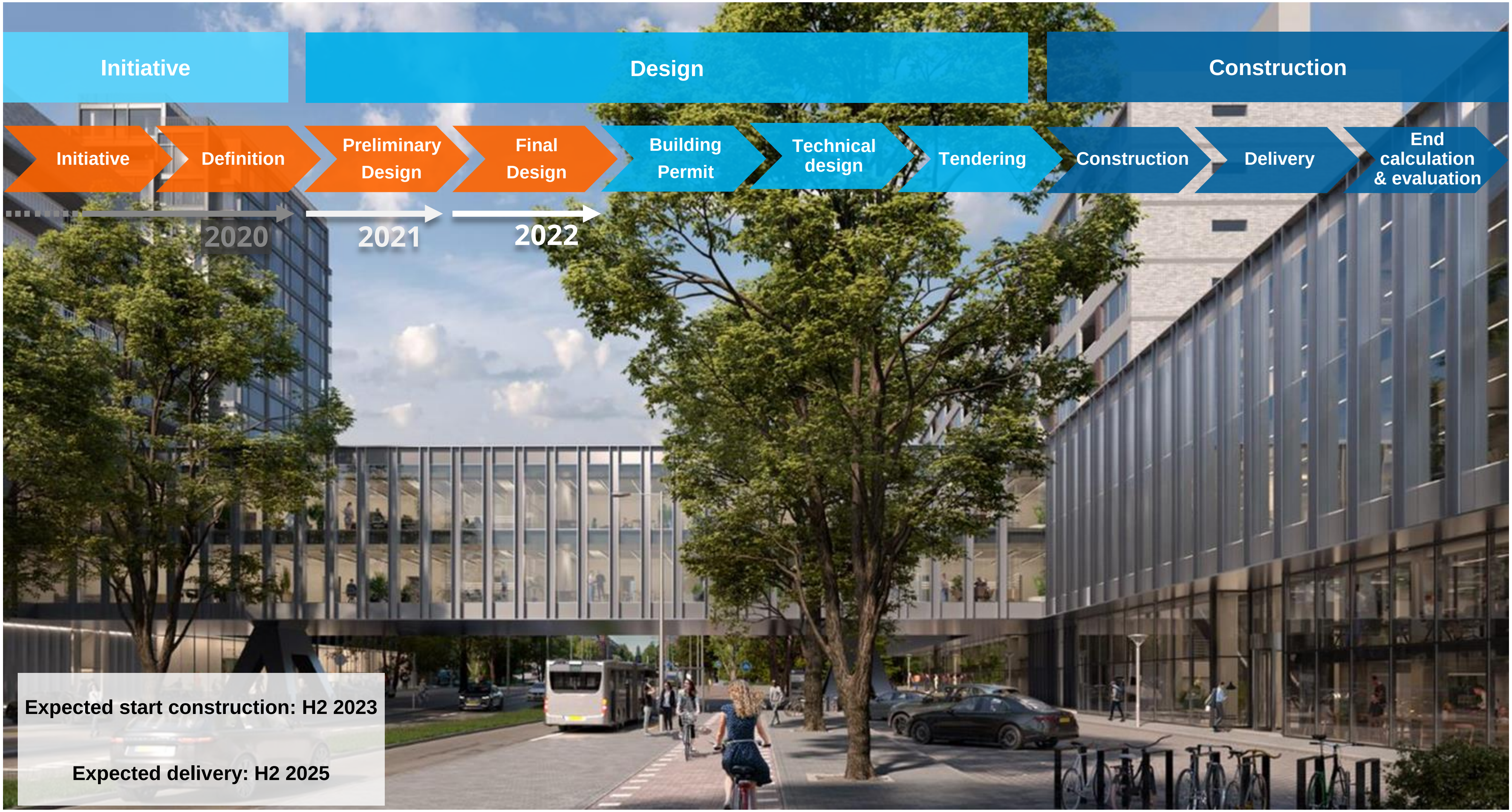
Size (current LFA sqm)	13,000
Size (completion)	38,800
Est. total cost (€)	200–220m
Start date	H2 2023

Well House

Size (current LFA sqm)	-
Size (completion)	19,200
Est. total cost (€)	140–150m
Start date	T.B.D.

Est.	**Yield on cost**	**5.4%**
	Capex (€m)	**320 – 340**
	Total cost (€m)	**435 – 475**

Vitrum – finalising final design and start of tender process



Expected start construction: H2 2023

Expected delivery: H2 2025

Source: Cepezed

Laanderpoort – Agreement letter and approval Final Design

Pre-let: 80% (ING)

Source: Paul de Ruiter Architects

Well House – Decision to postpone in Q4 2022

Irrevocable building permit received

Source: Dam en Partners Architecten

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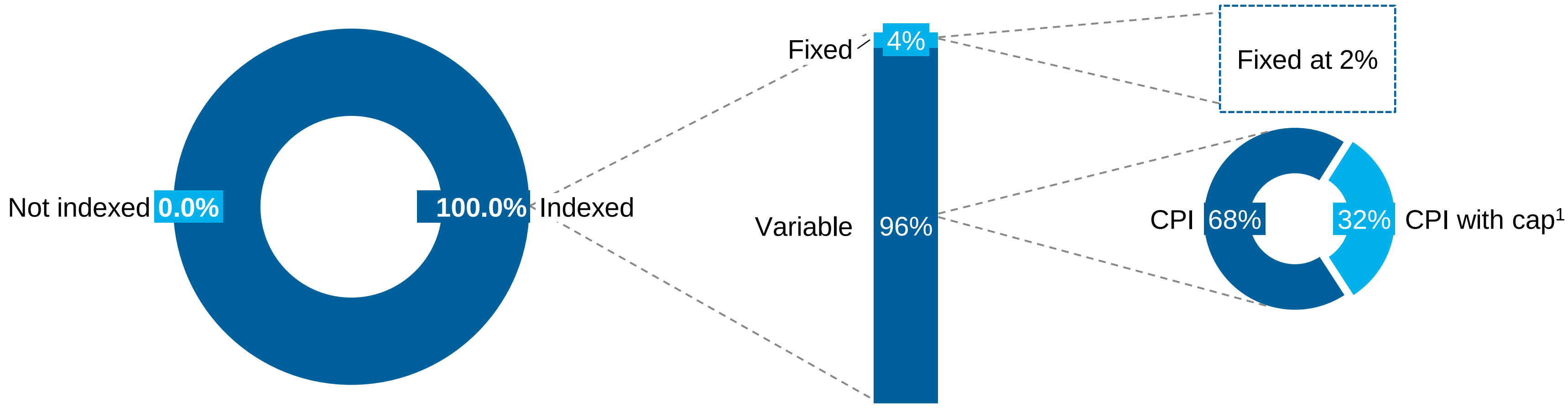
EPRA Earnings

	2022	2021	Change %	Comments
Gross rental income	71.3	77.5	-8.0%	Mostly disposals
Service costs not recharged	-1.3	-1.9	-29.4%	
Operating costs	-10.7	-12.4	-13.7%	Lower maintenance
Net rental income	**59.3**	**63.3**	-6.2%	
Administrative costs	-8.6	-7.6	12.5%	Depreciation related to new HQ, higher consultancy-, travel- and employee training costs
Net financing result	-8.0	-9.3	-13.6%	Higher capitalised interest and lower swap costs
Direct investment result before tax	**42.7**	**46.4**	-7.8%	
Corporate income tax	-0.0	-0.0		
Direct investment result / EPRA earnings	**42.7**	**46.4**	-7.9%	
Direct result / EPRA earnings per share	2.15	2.38	-9.6%	

High Dutch CPI drives lease indexation in 2022-2023
2.6% indexation for 2022, ca. 6% expected for 2023

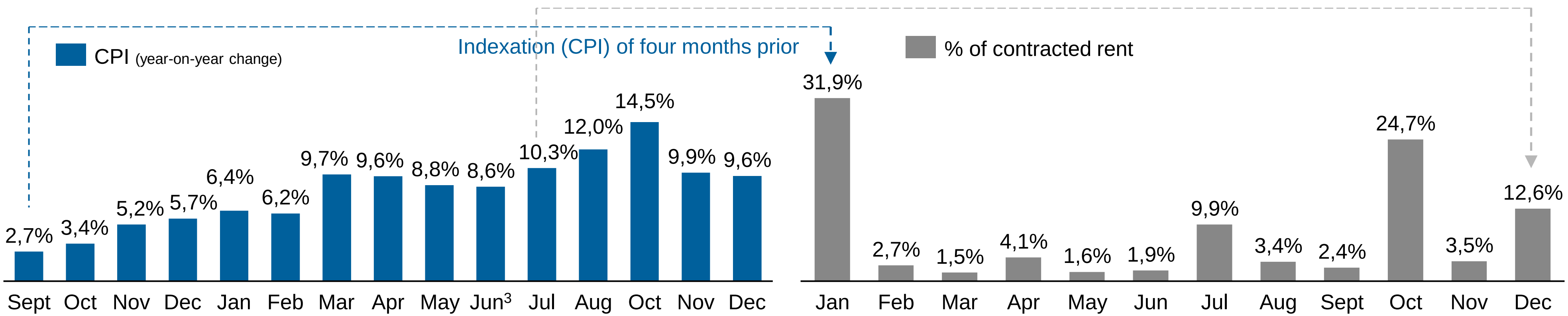
Contractual indexation



Indexation schedule

Year on year CPI change per month

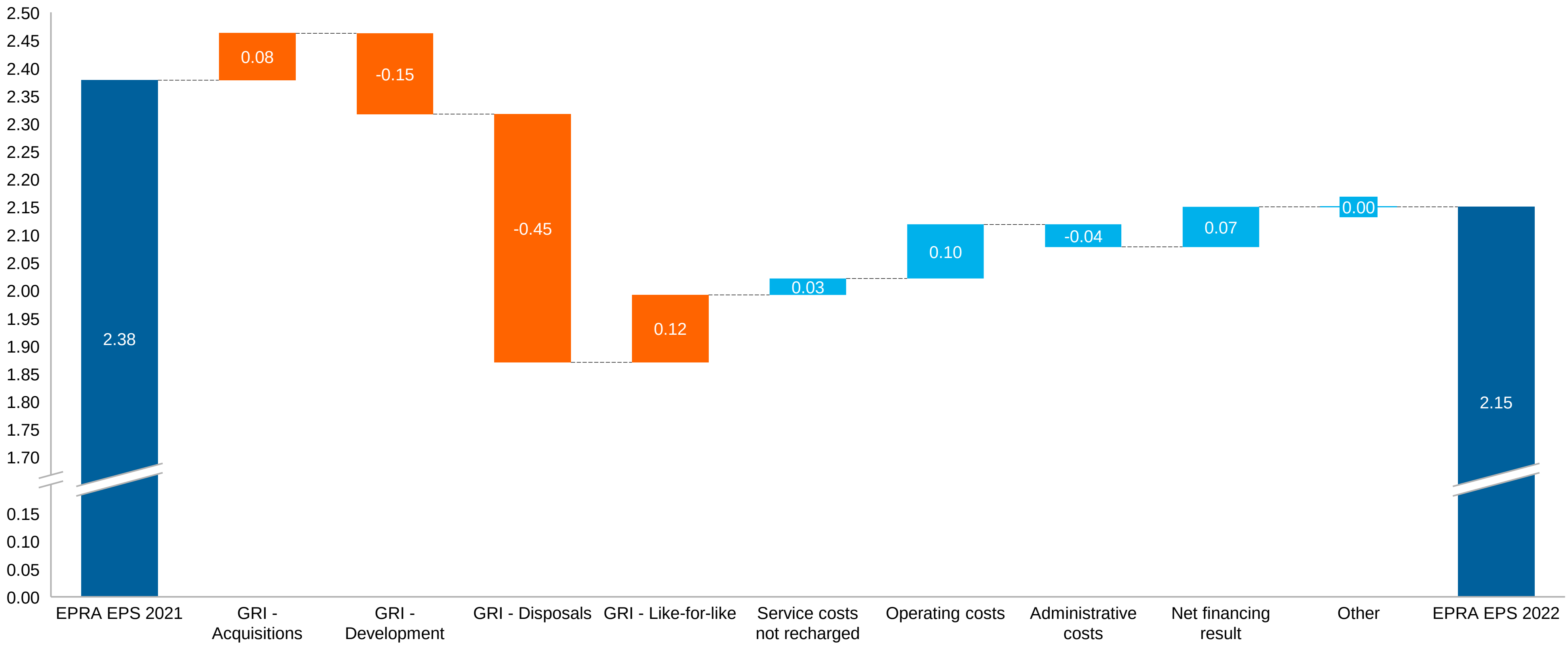
Indexation of leases per month for 2022



[1] These caps are composed in various ways (in total 26 different compositions).

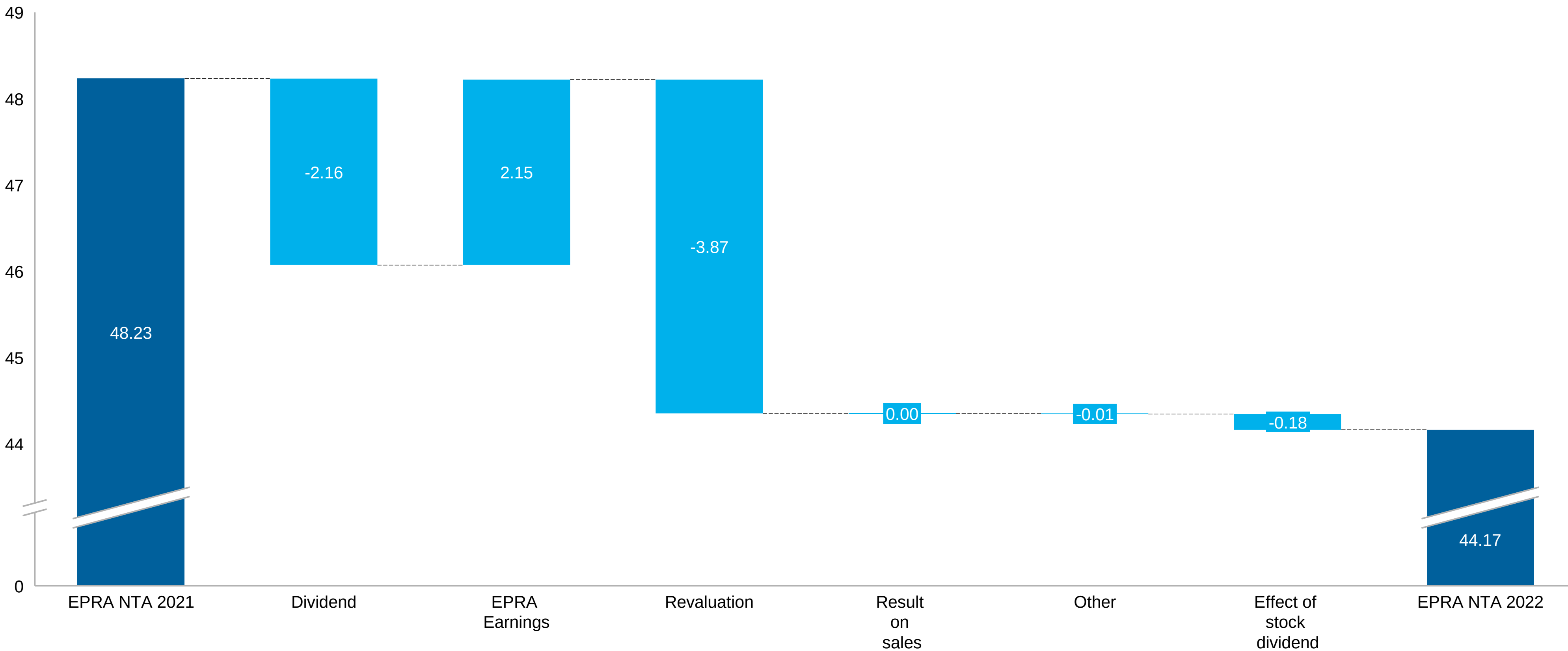
EPRA Earnings

(€ per share)



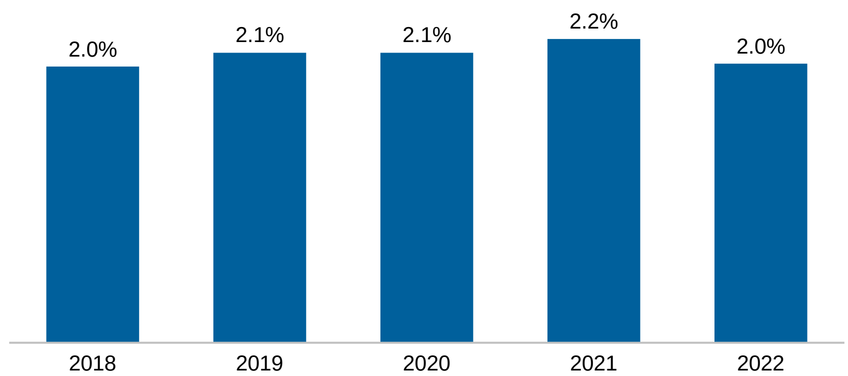
EPRA NTA

(€ per share)

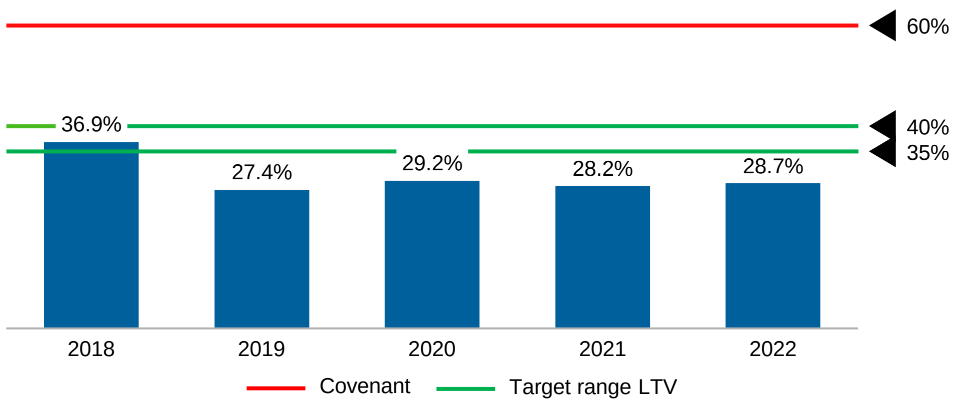


Main balance sheet KPIs
Metrics consistently favourable

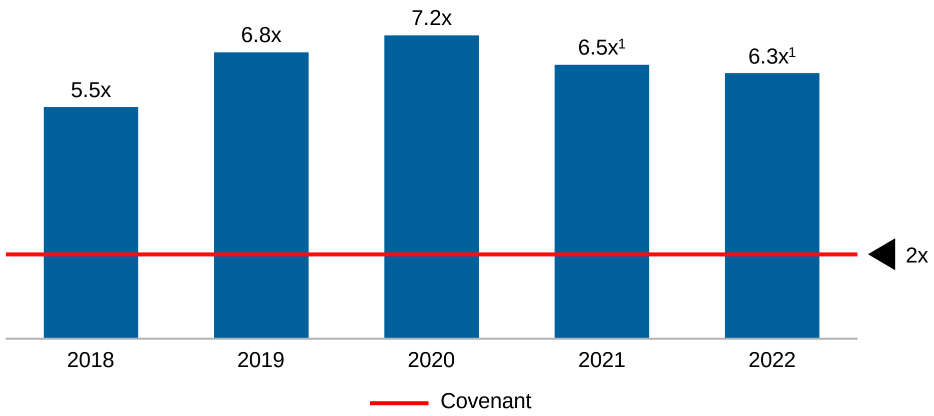
Cost of debt



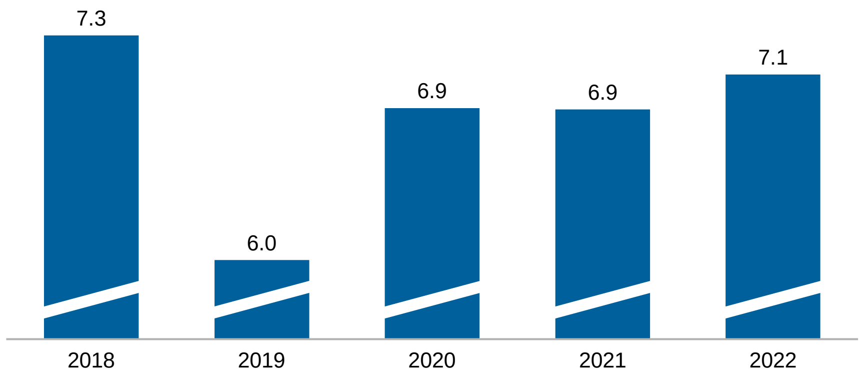
Loan to value



Interest coverage ratio



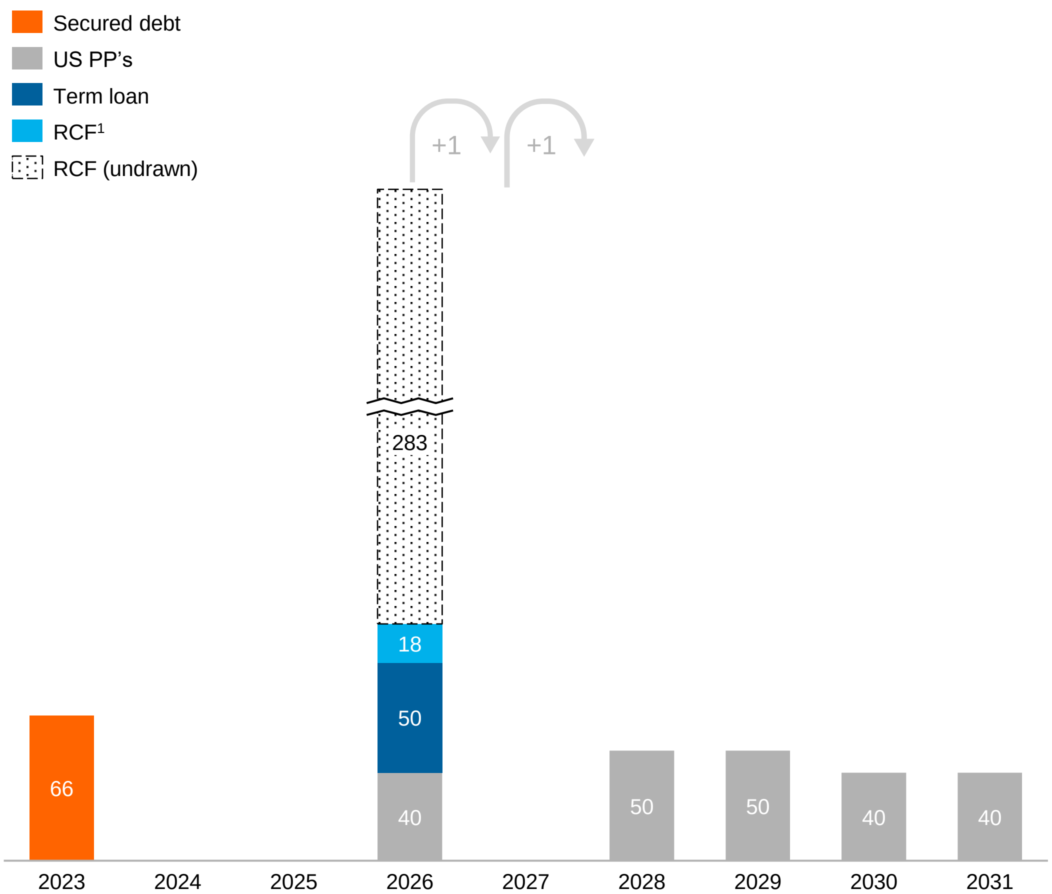
Net debt to EBITDA



[1] Adjusted for capitalised interest

Extending debt maturity profile
Aiming for long term stability

Loans maturity profile (€m)



Achievements and strategy

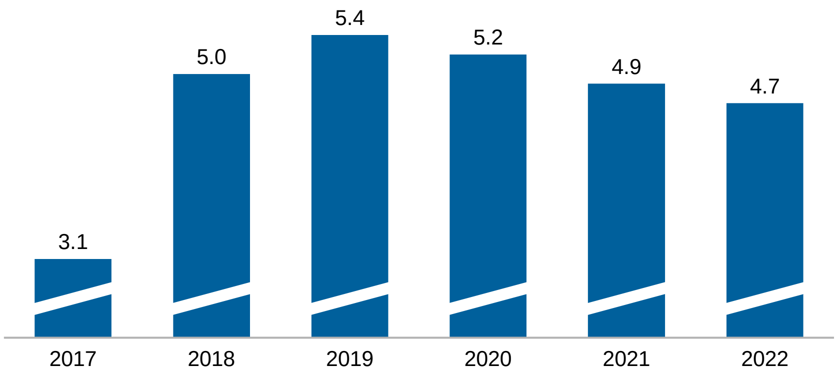
Achievements in 2022

- Amended and extended the Term Loan from June 2023 to December 2026 with a sustainability linked margin adjustment.
- Captured a sustainability linked margin adjustment on the RCF for 2022 by achieving all sustainability related targets for 2021.

Strategy

- Maintain balance sheet capacity for development and acquisitions.
  - Undrawn RCF € 283m
- Manage secured debt expiring in 2023.

Average maturity (years)



[1] There are two one-year extension options on the revolving credit facility

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Action plan 2022
Acting in a changing environment

Real estate portfolio

	Progress
• Manage and extend 2022 lease expiries	
• Lower vacancy rate to below 5%	
• Opening of HNK Amsterdam Sloterdijk and HNK Rotterdam Alexander	

Progress in development projects

• Take final decision to start construction Well House in Q3 2022	
• Select contractor and complete design process for Vitrum and Laanderpoort	2023
• Start marketing for Well House and Vitrum	2023 (Vitrum)

Services

• Launch refreshed HNK brand, positioning and services	
• Further improve smart building solutions	
• Expand customer relationships and partnerships	

Sustainability

• Publish NSI Paris-proof roadmap with clear milestones	
• Increase assets with BREEAM “Excellent” label from 1 to at least 8 assets	13 assets
• Ensure developments starting in 2022 will be Paris Proof upon delivery	2023

Action plan 2023
Delivering results in a challenging market

Corporate

- Lobby for positive FBI regime solution + further map alternative scenarios
- Manage LTV and capacity for developments and/or opportunistic acquisitions

Real estate portfolio

- Keep overall portfolio vacancy rate stable at 6%
- Successfully manage 2023 indexation cycle, as indexation is now far above normal levels
- Improve 2022 customer satisfaction score of 7.3

Development projects

- Start Vitrum re-development in H2 2023, start marketing
- Start Laanderpoort demolition in H2 2023 to prepare for construction H1 2024
- Re-appraise financial viability of Well House development

ESG

- Stay below CRREM pathway and start Paris Alignment investment program
- Formulate long term biodiversity and social strategy

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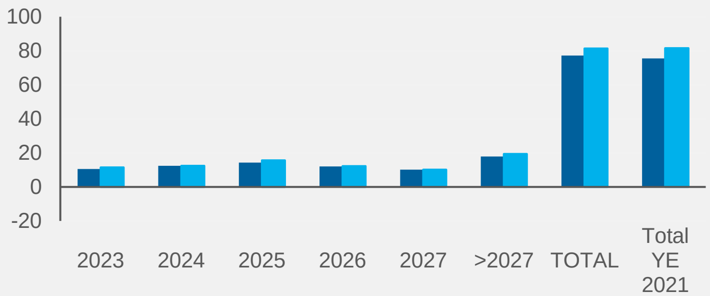
Segment information
Key portfolio metrics

	31 December 2022				Dec. 2021	Change
	Amsterdam	Other G4	Other NL	TOTAL		
Number of properties	23	14	12	49	52	-5.8 %
Market value (€)[1]	730	342	203	1,275	1,355	-5.9 %
Annual contracted rent[2]	40	24	14	79	76	3.9 %
Market rent	47	26	15	88	87	1.5 %
Lettable area (sqm k)	178	122	82	382	409	-6.6 %
Average rent / sqm	247	213	180	221	201	10.2 %
EPRA vacancy	7.0%	6.1%	4.1%	6.2%	5.9%	0.3 pp
EPRA net initial yield	4.4%	4.9%	4.6%	4.6%	4.1%	0.5 pp
Reversionary yield	7.0%	7.6%	7.5%	7.3%	6.7%	0.5 pp
Wault (years)	4.1	4.0	3.3	3.9	4.1	-2.9 %

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

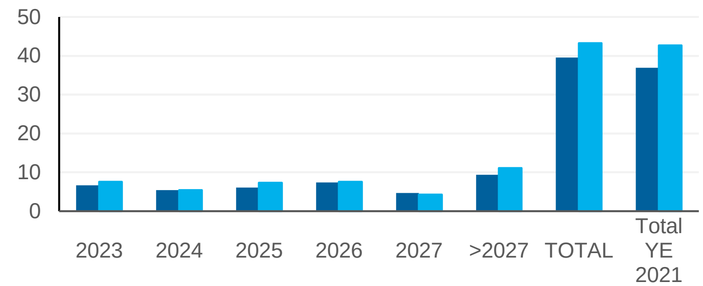
Segment information
Expiries and reversion

Total portfolio[1] (€m)



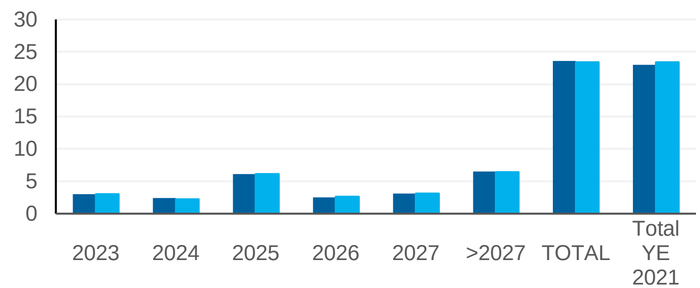
	2023	2024	2025	2026	2027	>2027	TOTAL	Total YE 2021
■ Contract rent	10.6	12.4	14.3	12.0	10.2	17.8	77.2	75.6
■ ERV	11.4	12.4	15.7	12.3	10.1	19.4	81.3	81.6
# Contracts	296	95	80	45	58	70	644	651
■ Reversionary potential	7.9%	0.4%	9.7%	2.7%	-1.1%	8.8%	5.2%	7.90%

Amsterdam portfolio (€m)



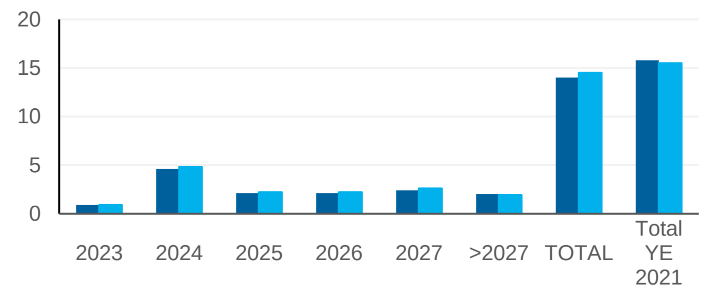
	2023	2024	2025	2026	2027	>2027	TOTAL	Total YE 2021
■ Contract rent	6.7	5.4	6.1	7.4	4.7	9.4	39.6	36.9
■ ERV	7.6	5.4	7.3	7.6	4.3	11.1	43.3	42.7
# Contracts	76	38	28	10	27	26	205	182
■ Reversionary potential	13.6%	-0.9%	20.2%	3.3%	-7.4%	18.0%	9.3%	15.7%

Other G4 portfolio (€m)



	2023	2024	2025	2026	2027	>2027	TOTAL	Total YE 2021
■ Contract rent	3.0	2.4	6.1	2.5	3.1	6.5	23.6	23.0
■ ERV	3.0	2.2	6.1	2.6	3.1	6.4	23.4	23.4
# Contracts	167	37	34	25	19	26	308	316
■ Reversionary potential	-1.9%	-5.5%	0.8%	0.5%	2.3%	-1.1%	-0.6%	1.7%

Other Netherlands portfolio (€m)



	2023	2024	2025	2026	2027	>2027	TOTAL	Total YE 2021
■ Contract rent	0.9	4.6	2.1	2.1	2.4	2.0	14.0	15.8
■ ERV	0.9	4.8	2.2	2.2	2.6	1.9	14.5	15.5
# Contracts	53	20	18	10	12	18	131	153
■ Reversionary potential	-1.2%	5.1%	5.1%	3.5%	6.7%	-3.3%	3.6%	-1.4%

[1] The reversion for lease contracts due for renewal in 2021 is 22%, which is heavily skewed by Laanderpoort. Adjusted for Laanderpoort, the reversion for leases due in 2022 is circa 8.5% and total reversionary potential of the portfolio is 5.0%

Consolidated financial statements
Income statement

(€ m)	Amsterdam	Other G4	Other Netherlands	Corporate[1]	TOTAL
Gross rental income	35.9	22.3	13.1		71.3
Service costs not recharged	-0.5	-0.4	-0.4		-1.3
Operating costs	-4.5	-3.8	-2.4		-10.7
Net rental income	**30.8**	**18.1**	**10.4**		**59.3**
Administrative costs				-8.6	-8.6
Earnings before interest and taxes	**30.8**	**18.1**	**10.4**	**-8.6**	**50.8**
Net financing result				-8.0	-8.0
Direct investment result before tax	**30.8**	**18.1**	**10.4**	**-16.6**	**42.7**
Corporate income tax				-0.0	-0.0
Direct investment result / EPRA earnings	**30.8**	**18.1**	**10.4**	**-16.6**	**42.7**
Revaluation of investment property	-74.6	-12.1	9.9		-76.8
Net result on sale of investment property		1.2	-1.2		0.0
Other indirect income and costs				-0.2	-0.2
Net financing result				2.9	2.9
Indirect investment result	**-74.6**	**-10.9**	**8.8**	**2.7**	**-74.1**
Total investment result	**-43.8**	**7.2**	**19.1**	**-13.9**	**-31.4**

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

Consolidated financial statements
Balance sheet

(€ m)	31 December 2022	31 December 2021
Real estate investments	1,259	1,338
Other assets	20	22
Cash and cash equivalents	0	8
Total assets	**1,280**	**1,368**
Shareholders' equity	**887**	**948**
Interest bearing loans	286	390
Debts to credit institutions	14	0
Other liabilities	93	30
Total liabilities	**393**	**420**
Total shareholders' equity and liabilities	**1,280**	**1,368**

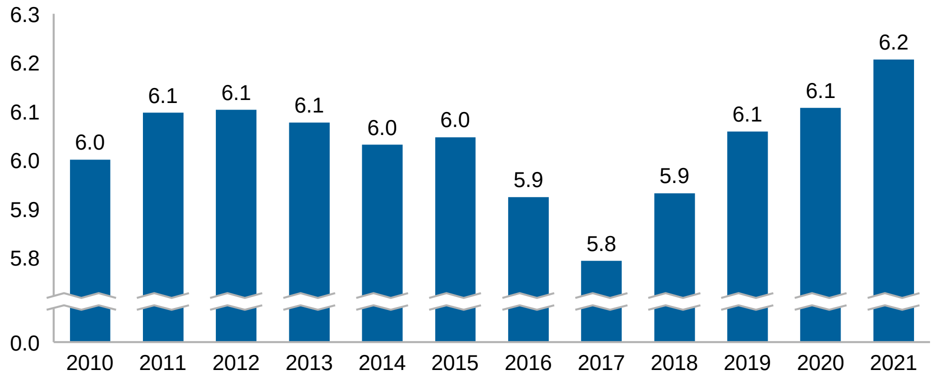
Consolidated financial statements
Balance sheet

(€ m)	30 December 2022		31 December 2021	
	EPRA NTA	per share	EPRA NTA	per share
IFRS Equity attributable to shareholders	**887**	**44.23**	**948**	**48.15**
Diluted NTA	**887**	**44.23**	**948**	**48.15**
Diluted NTA at fair value	**887**	**44.23**	**948**	**48.15**
Fair value of financial instruments	-1.2	-0.06	1.7	0.09
Intangibles as per IFRS balance sheet[1]	-0.1	-0.00	-0.1	-0.01
EPRA NTA	**886**	**44.17**	**950**	**48.23**
Fully diluted number of shares (m)	20.05		19.70	

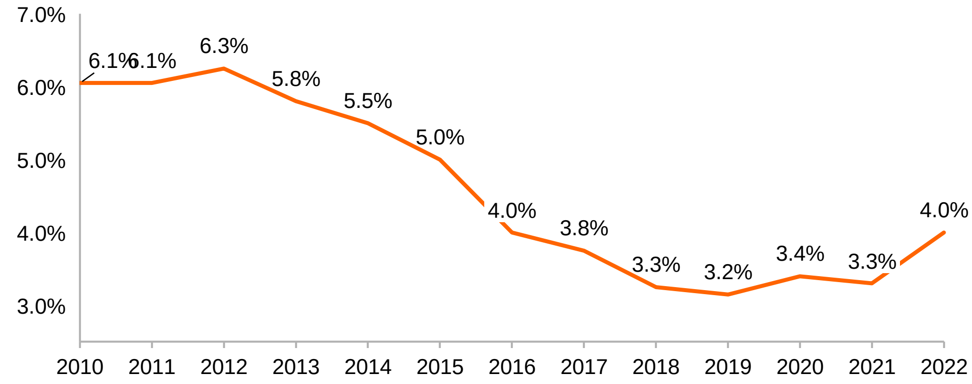
[1] Includes software licenses

Property market data
Amsterdam

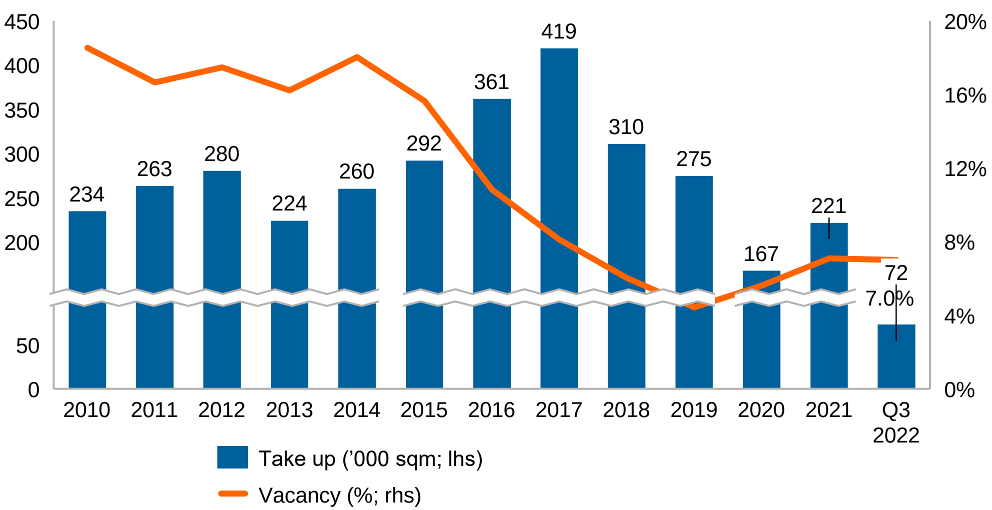
Stock (m sqm)



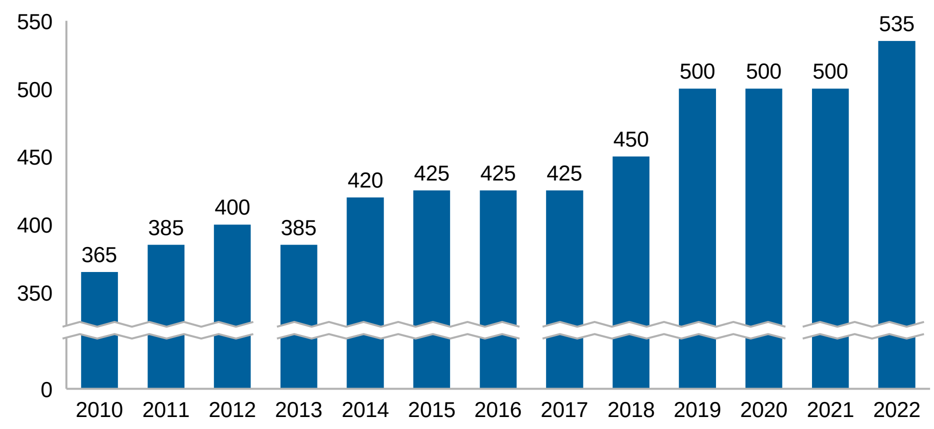
Prime yields



Vacancy rate and Take-up



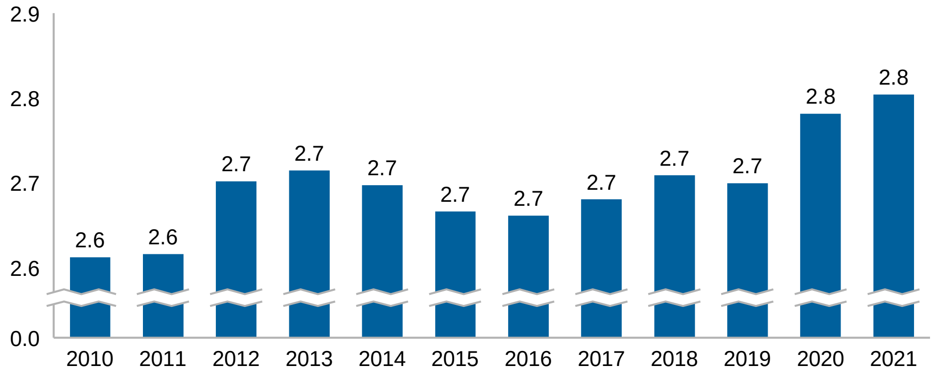
Prime rent (€)



Source: C&W 31-12-2022

Property market data
Utrecht

Stock (m sqm)



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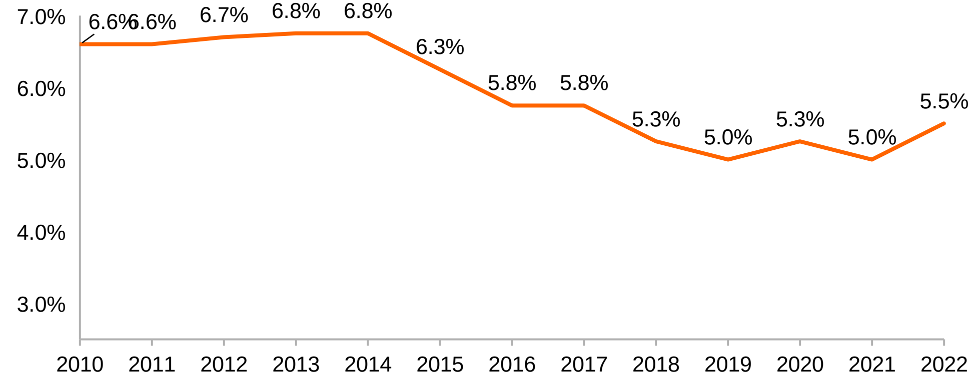
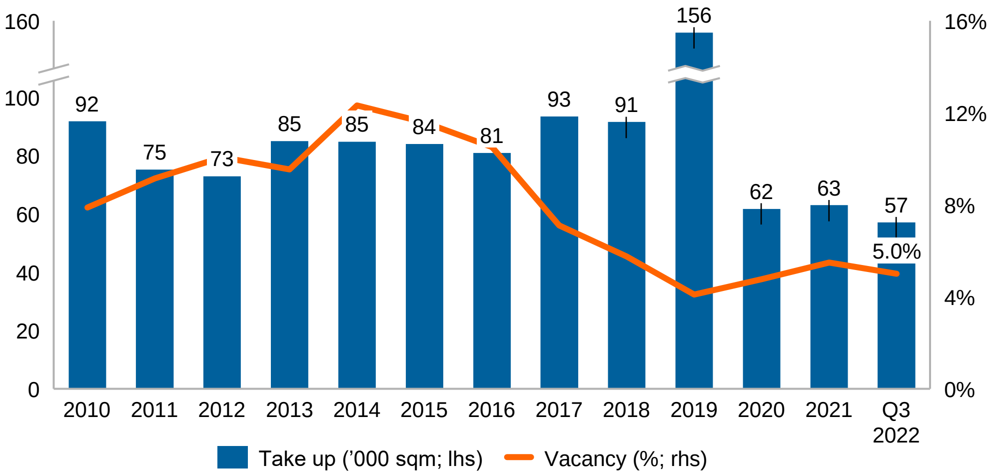
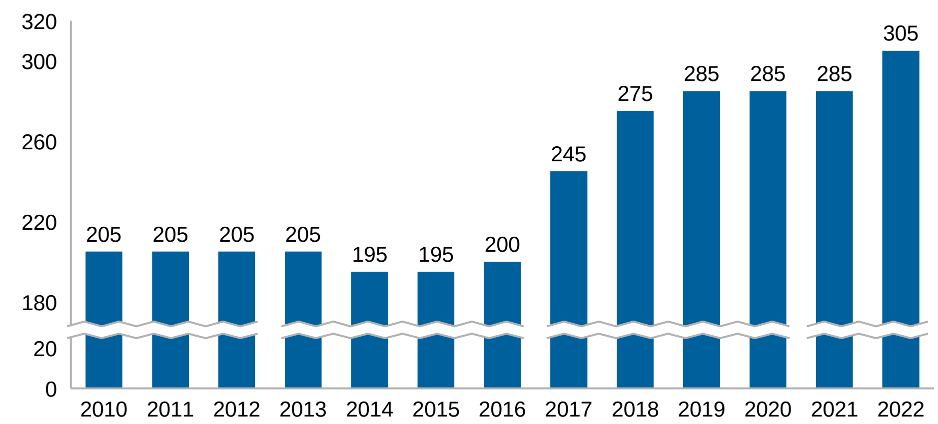


Vacancy rate and Take-up



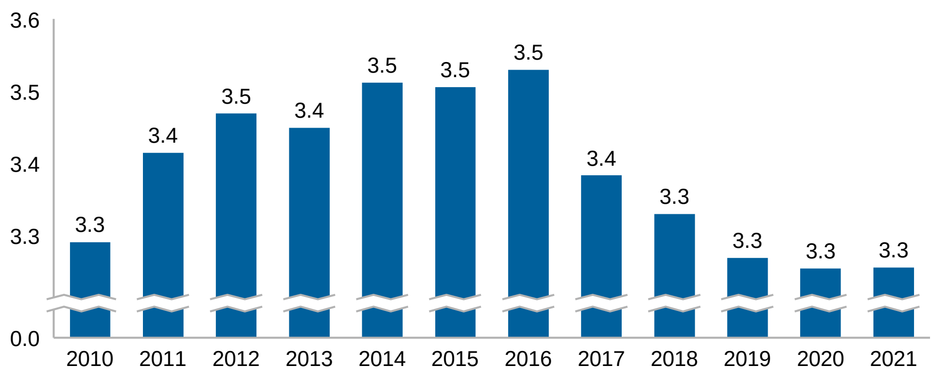
Prime rent (€)



Source: C&W 31-12-2022

Property market data
Rotterdam

Stock (m sqm)



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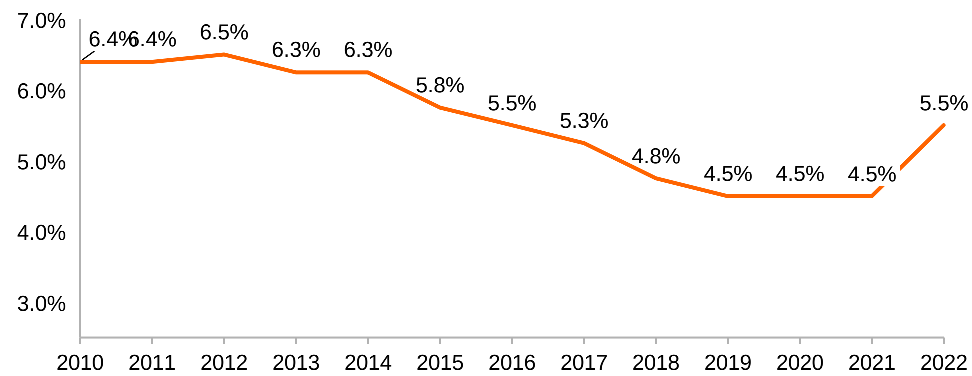
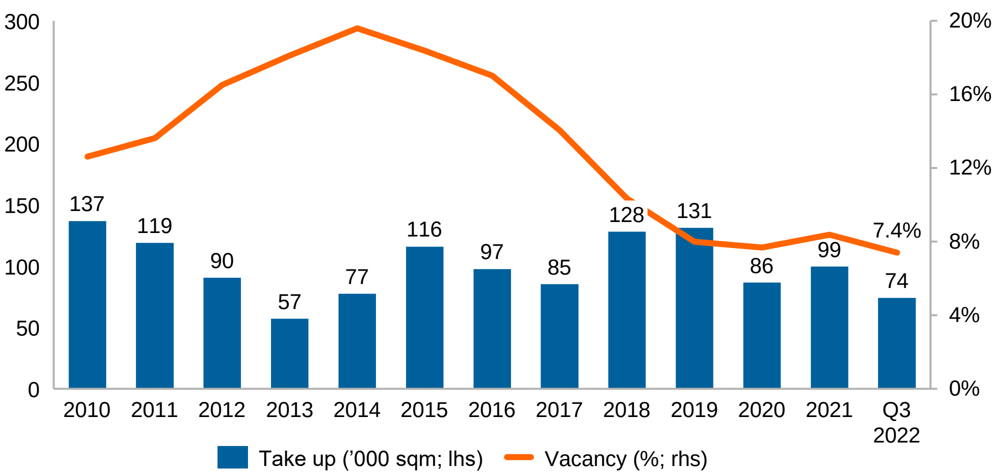
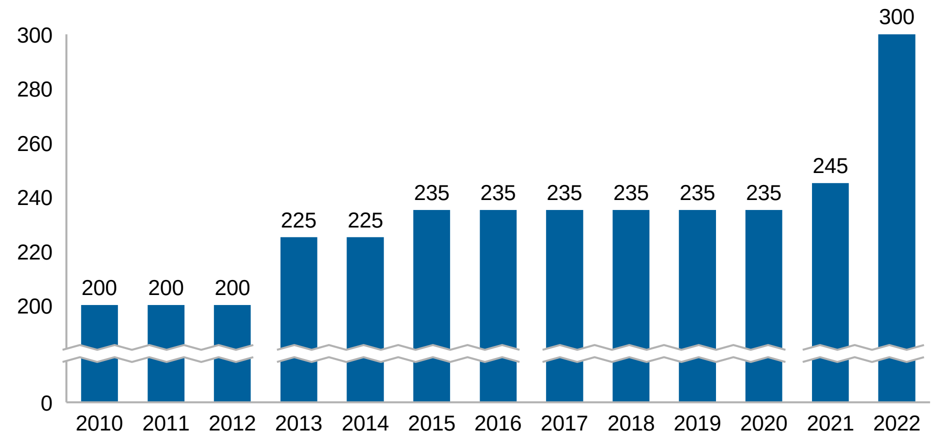


Vacancy rate and Take-up



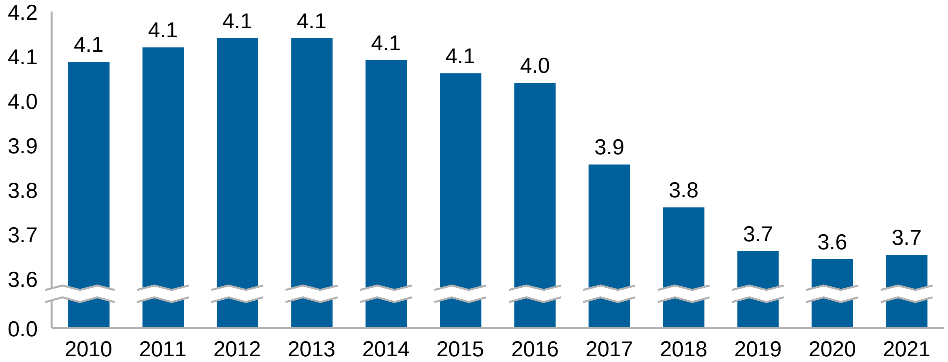
Prime rent (€)



Source: C&W 31-12-2022

Property market data
The Hague

Stock (m sqm)



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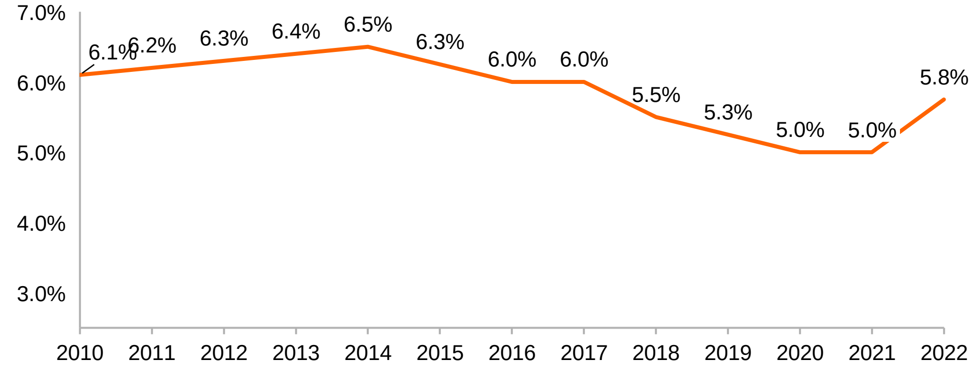
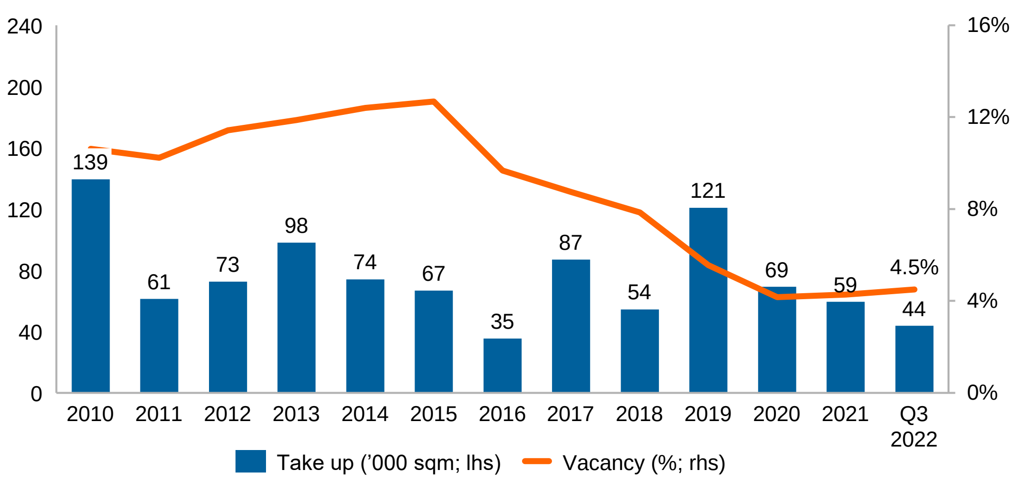
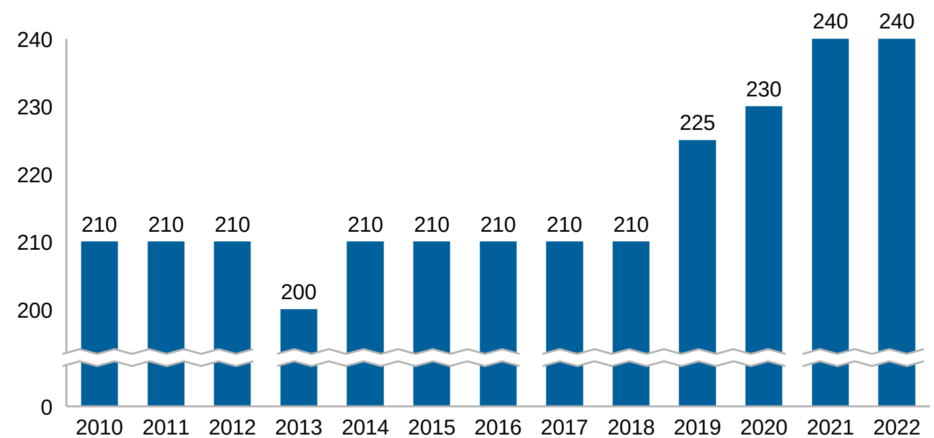


Vacancy rate and Take-up



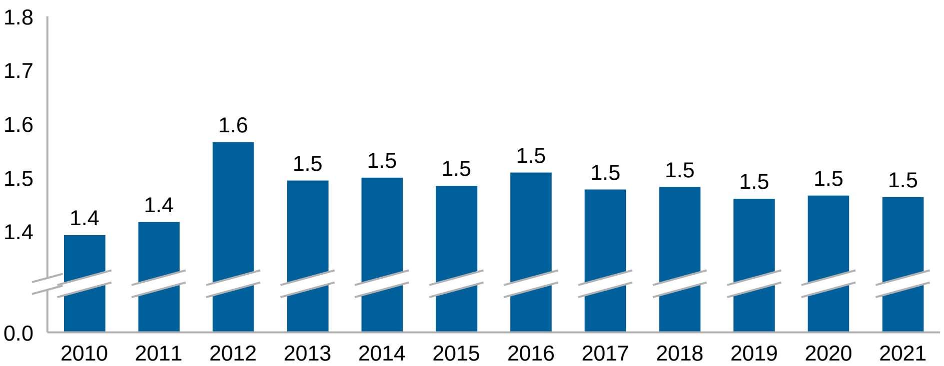
Prime rent (€)



Source: C&W 31-12-2022

Property market data
Eindhoven

Stock (m sqm)



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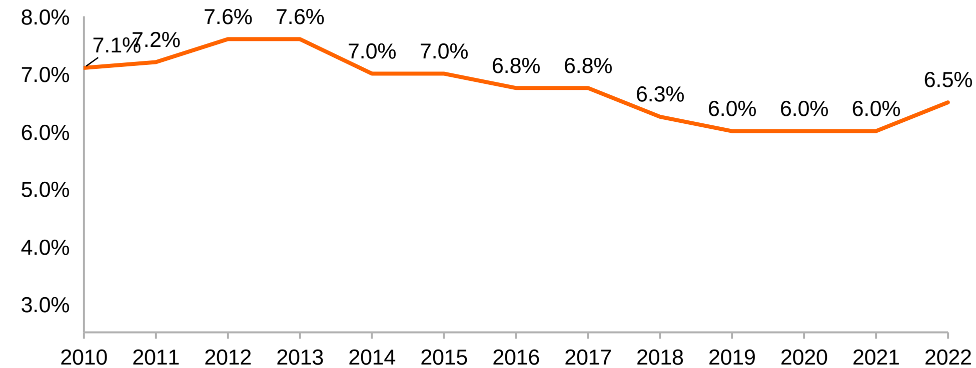
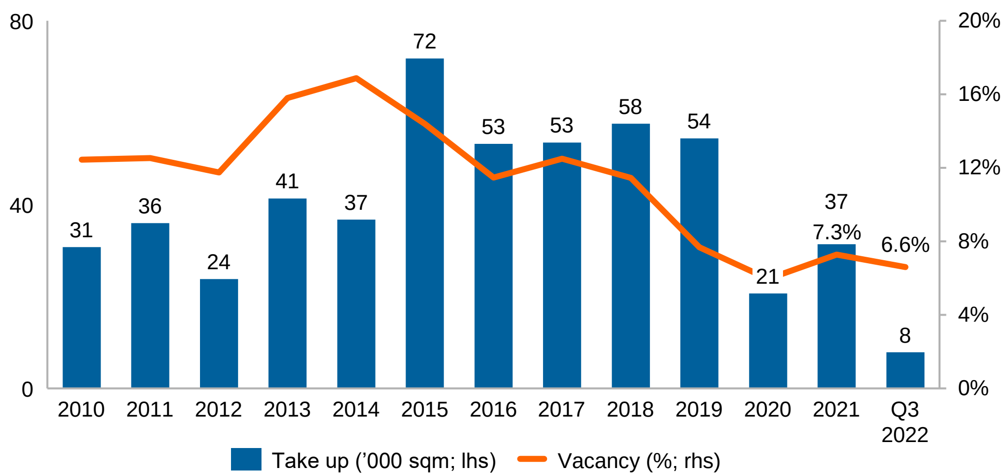
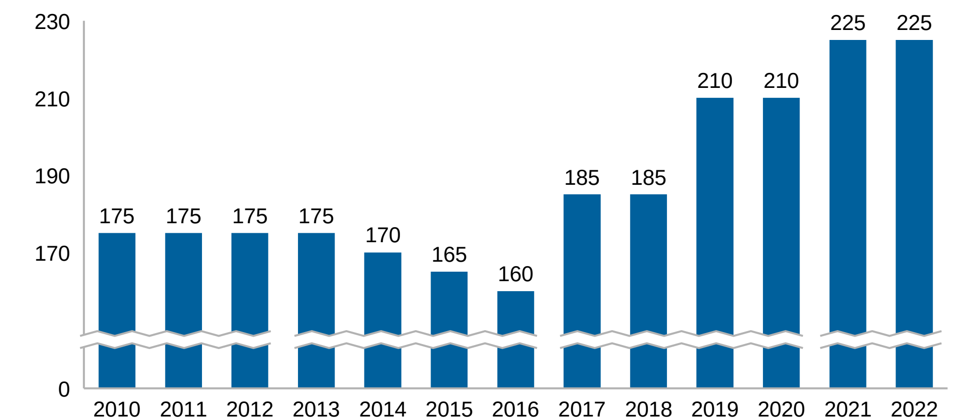


Vacancy rate and Take-up



Prime rent (€)

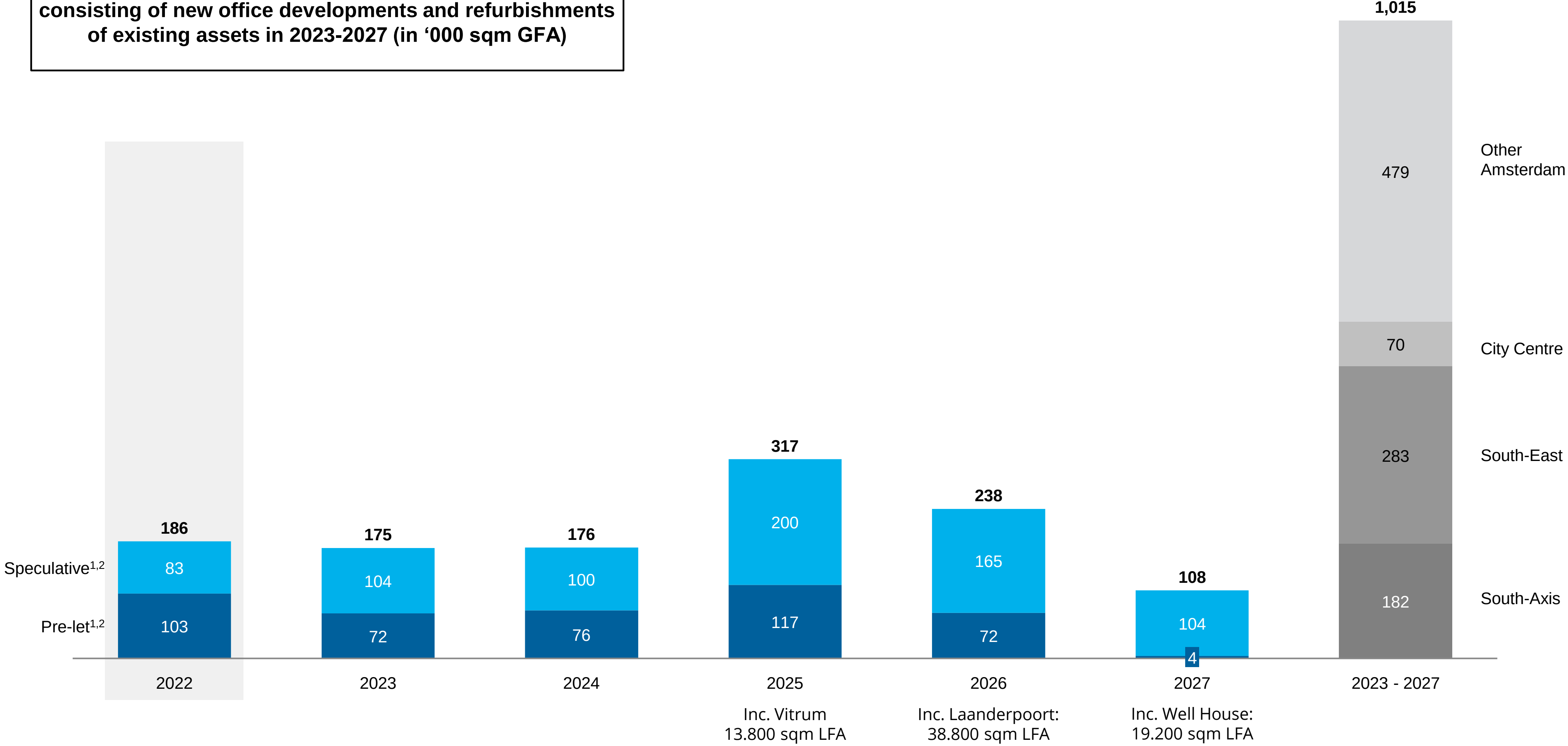


Source: C&W 31-12-2022

Amsterdam office market

Expected development completions 2023 - 2027

Total expected sqm's delivered, consisting of new office developments and refurbishments of existing assets in 2023-2027 (in '000 sqm GFA)



[1] Total expected sqm delivered includes new developments and refurbishments of existing assets 2023 – 2027.
These projects can not all be added to the current stock as some projects concern existing office buildings (and thus are already included in the current stock)
[2] Source: CBRE, NSI, 31-12-2022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