FULL YEAR RESULTS

2023

25 Jan 2024

Disclaimer

This presentation does not constitute an offer or invitation to sell or purchase, or any solicitation of any offer to purchase or subscribe for, any NSI securities in the United States or any other jurisdiction.

The information provided herein is extracted from NSI financial reports and press releases and does not reproduce the whole content of these documents, which prevail. This presentation, including charts and associated remarks and comments by management are integrally related and are intended to be presented and understood together.

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views, estimates, forecasts, analyses, projections, as well as beliefs and assumptions about potential future events and involve known and unknown risks, uncertainties, and other factors that are outside of NSI's control and that may cause actual results, performance or events to differ materially from those expressed or implied in such statements.

NSI assumes no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, except as may be required by law. For a more comprehensive discussion of the risk factors affecting NSI's business, please see NSI's 2022 Annual Report, a copy of which can be found on the company's corporate website www.nsi.nl .

“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.”

Table of contents

Key Performance Indicators
Robust performance in 2023

Key metrics

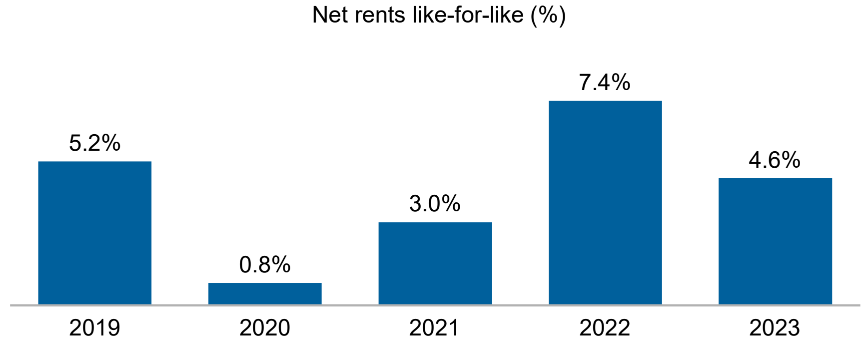
Operational performance	2023	2022	Change
EPRA Vacancy	5.2%	6.2%	-1.0pp
Operating margin	82.1%	83.2%	-1.1pp
Gross rents like-for-like	7.4%	5.8%	1.6pp
Net rents like-for-like	4.6%	7.4%	-2.8pp

Financial performance	2023	2022	Change
EPRA Earnings per share (€)	2.01	2.15	-6.6%
Dividend per share (€)	1.52	2.16	-30.6%
Payout ratio	75.6%	100.5%	-24.9pp

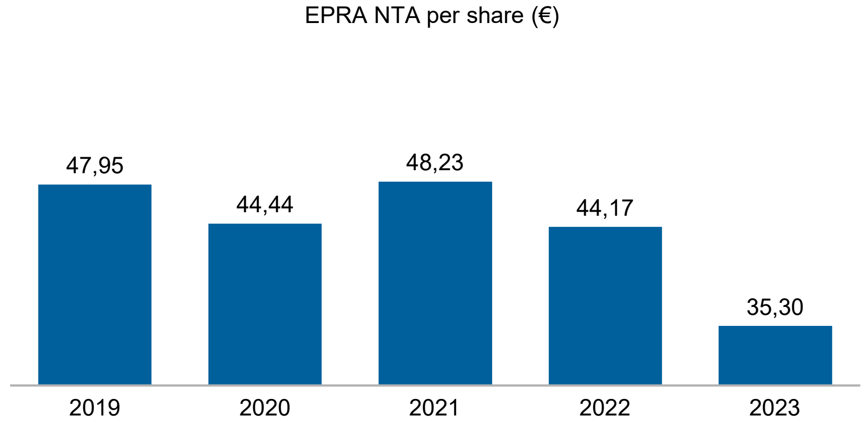
Balance sheet	2023	2022	Change
LTV	33.0%	28.7%	4.4pp
Average cost of debt	3.2%	2.0%	1.2pp
Portfolio revaluation	-17.4%	-5.6%	
EPRA NTA per share (€)	35.30	44.17	-20.1%

Non-financial	2023	2022	Change
CRREM Energy Intensity (kWh/m2/yr)[1]	112	116	-4.0%
EPC label A	95%	88%	7.0pp
GRESB score	94	93	+1

Change in net rents



Change in NTA per share

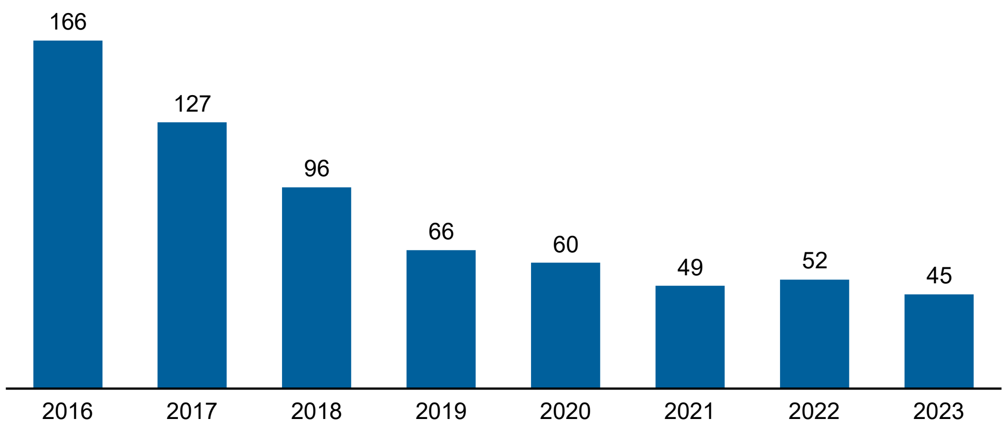


[1] At a preliminary 97.9% data coverage, excluding Leiden (Life Sciences) and developments

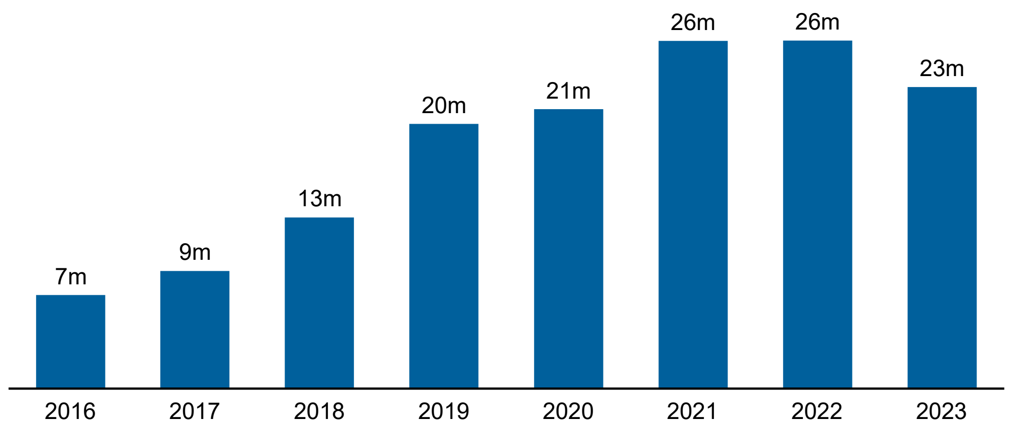
Table of contents

Eight years of asset rotation
Institutional assets that align with changing demand

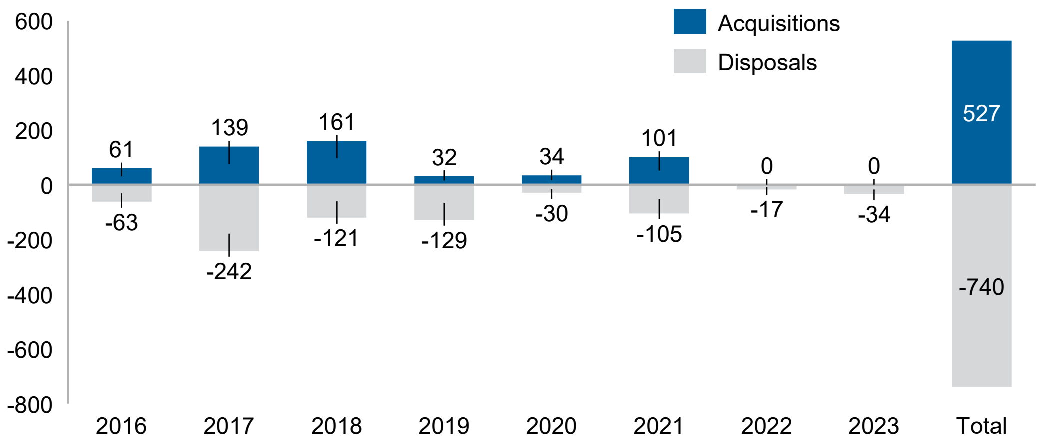
Number of assets



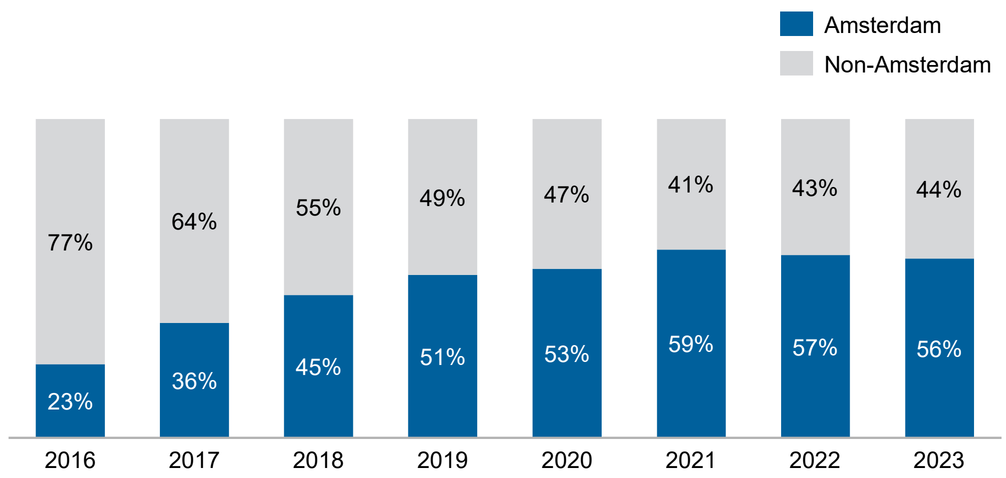
Average asset value (€m)



Annual transaction volumes (€m)



Amsterdam as a percentage of market value



Continued capital recycling of mature/non-core assets
Disposals consistently ahead of book value

H1

HNK Den Bosch
City: Den Bosch
m^2: 7,517

HNK Ede
City: Ede
m^2: 9,706

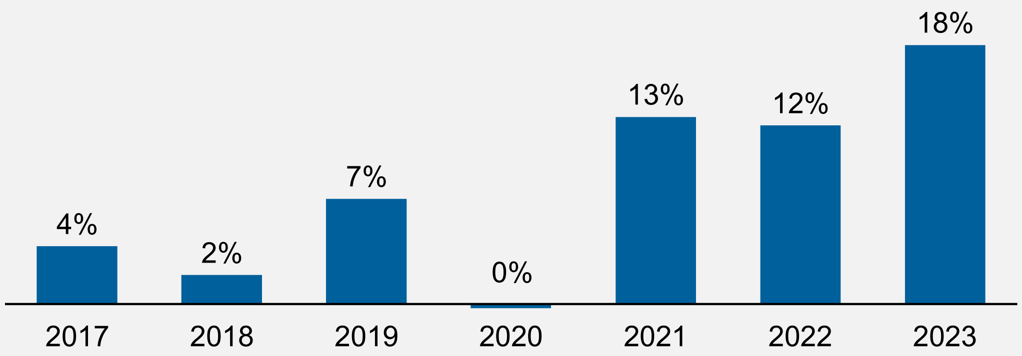
H2

Donauweg 2-B
City: Amsterdam
m^2: 4,613

'24

Laanderpoort
City: Amsterdam
m^2: 12,739

Disposals: Premium/discount to book value[1]

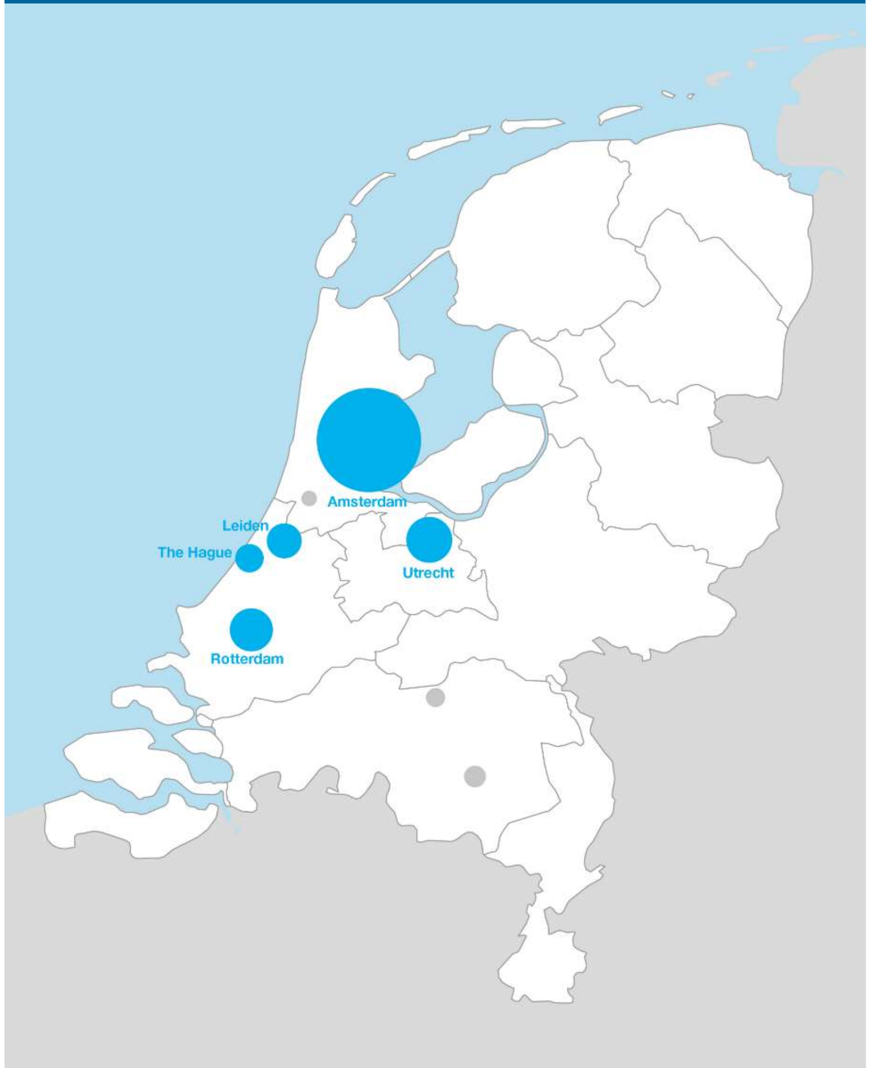


Total disposals	**2023[2]**
Total disposal proceeds	**€ 34.0m[2]**
Premium/discount to book value[1]	**19.8%[2,3]**

[1] Compared to the book value of the end of the previous year
[2] Excluding Laanderpoort
[3] Compared to the book value of 31/12/2022

An attractive, highly focused, Dutch office portfolio
Majority focus on Amsterdam

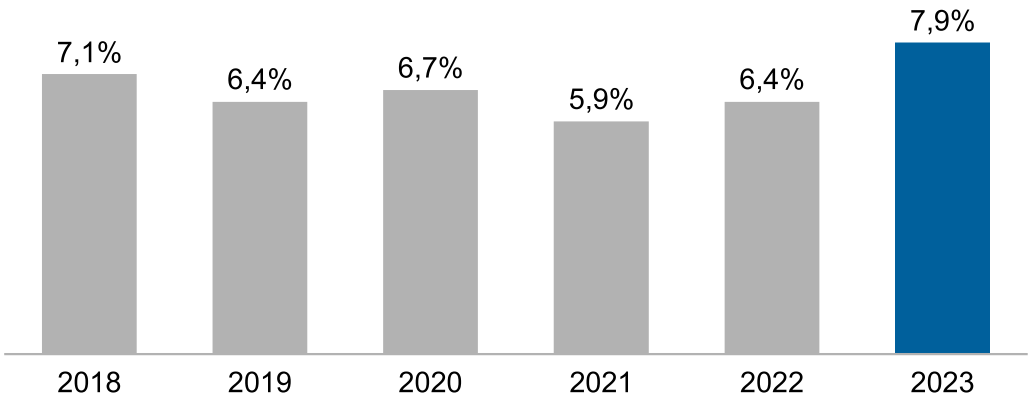
Total portfolio



Portfolio by segment

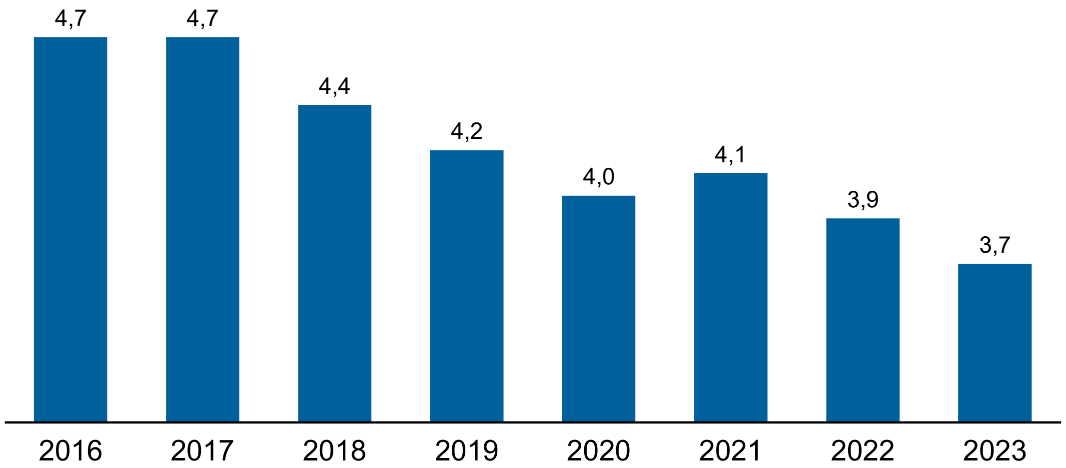
City	# assets	Book Value	% of total portfolio	GIY	EPRA Vacancy
Amsterdam	22	€ 588m	56%	7.4%	5.8%
Other G4	14	€ 301m	29%	8.6%	6.0%
Other NL	10	€ 154m	15%	8.1%	1.5%
Total	**46**	**€ 1,043m**	**100%**	**7.9%**	**5.2%**

Gross initial yield

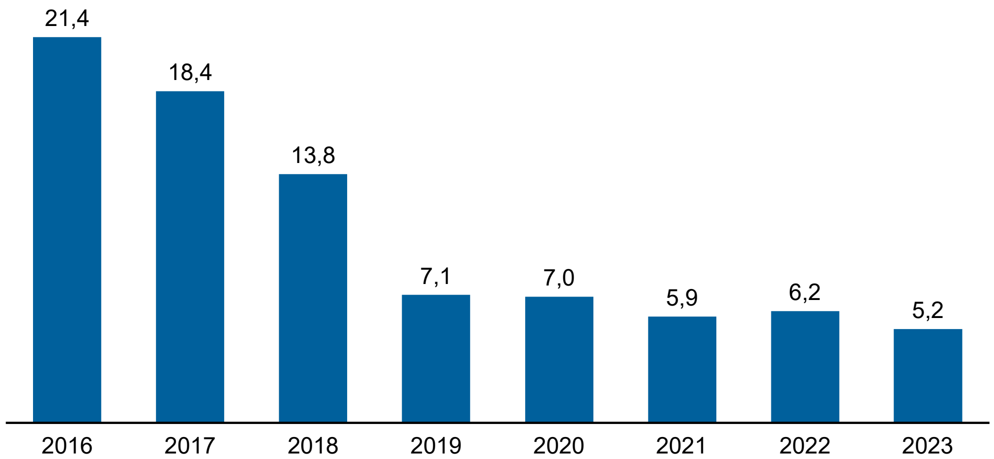


Quality portfolio - on the right side of the bifurcation debate
Delivering successes despite challenging market

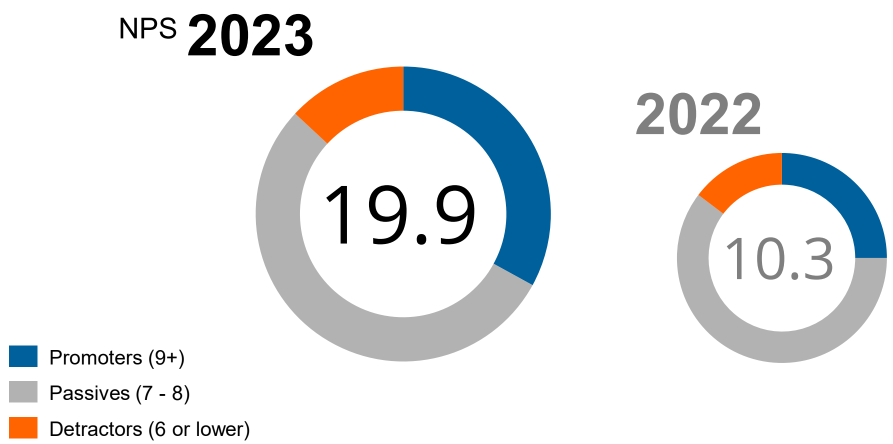
WAULT



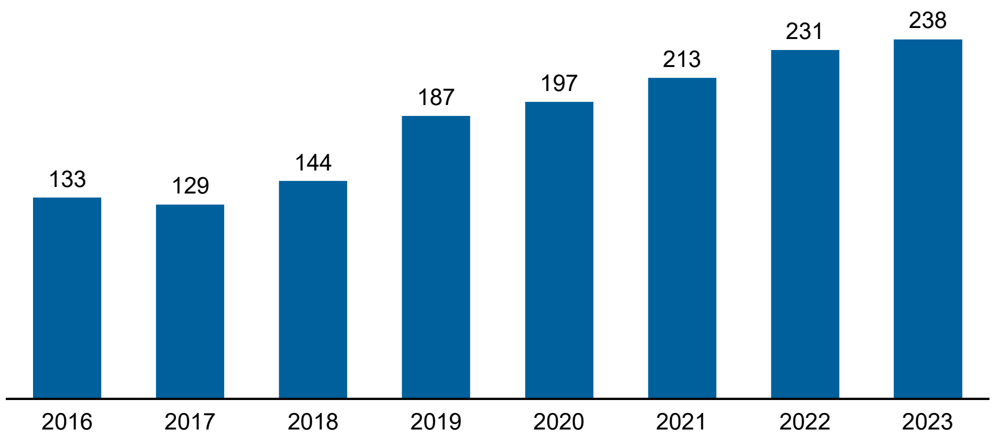
EPRA vacancy rate



Higher tenant satisfaction



ERV per m² LFA per year



Enhanced service offering drives differential performance
Succesful opening of HNK Amsterdam Sloterdijk

Operational excellence through amenities and services

Opened HNK Amsterdam Sloterdijk

- Increase in occupancy rate to 96% since opening
- New brand identity drives improved rental levels

HNK Amsterdam Sloterdijk

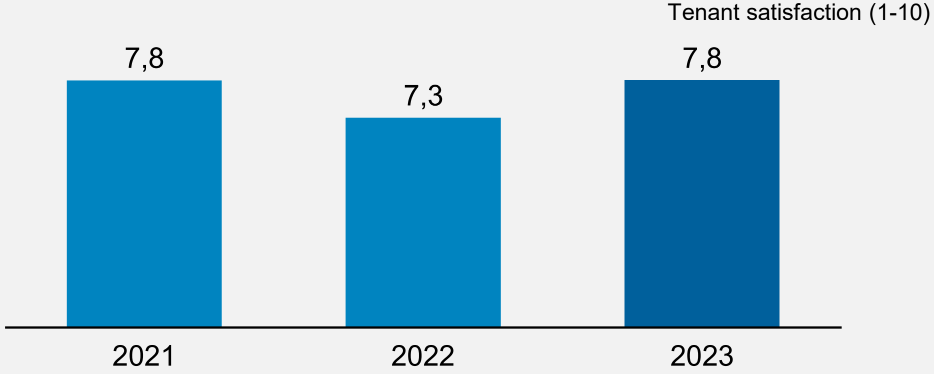
New office leases in 2023 signed **13%** above ERV

HNK Rotterdam Scheepvaart will be opened in March 2024

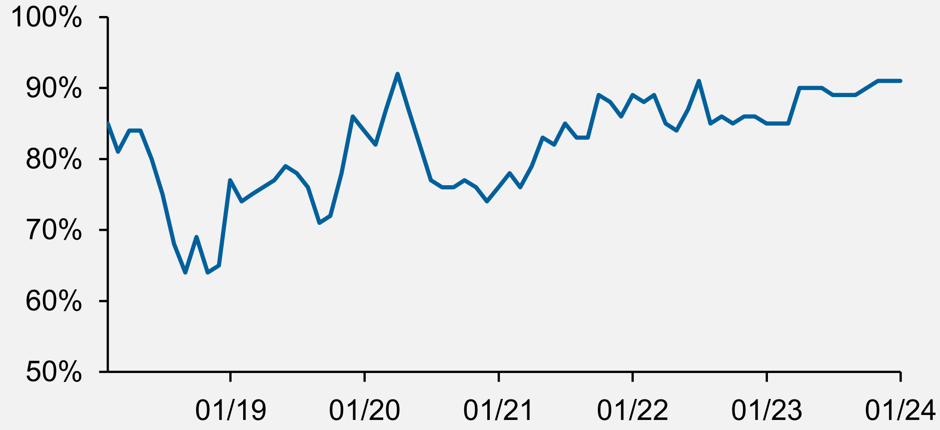
HNK Rotterdam Scheepvaartkwartier

New office leases in 2023 signed **14%** above ERV

Robust tenant satisfaction



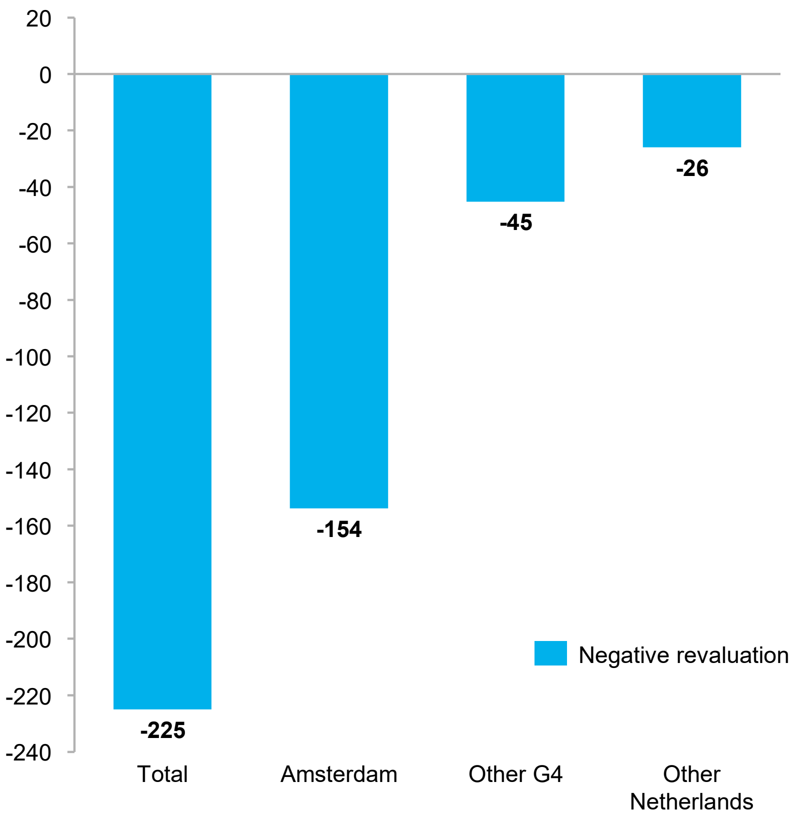
Managed offices occupancy



Yield expansion drives negative portfolio revaluations

Prime assets more significantly impacted

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

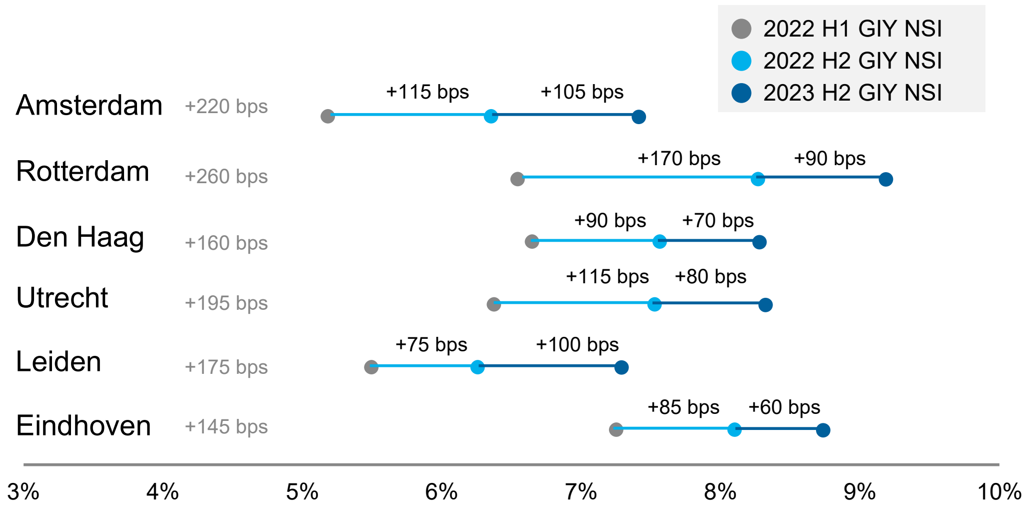


	Total	Amsterdam	Other G4	Other Netherlands
Net revaluation	-17.4%	-20.7%	-13.1%	-12.8%
Gross initial yield	7.9%	7.4%	8.6%	8.1%

Lower yielding assets more impacted by yield expansion

- Negative impact from rising interest rates on property markets
  - Decrease in transaction volumes
  - Substantial yield expansion
- Largest value declines in Amsterdam due to lower starting yields (South Axis) and development exposure, with declines extending well beyond offices (Leiden Life Sciences -15%)
- Cumulative revaluations in NSI's portfolio are -21% since H1 2022

Yield shift: NSI portfolio gross initial yield since H1 2022



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

Development – Update on activities
Adjusting to a challenging environment

Activities in 2023

H1

Well House

- Postponed until further notice

H2

Laanderpoort

- Project sold to ING (owner-occupier)

H2

Vitrum

- Leased on flexible basis and legal process to obtain permits continues to be pursued

2024+

- Development remains a core competency to the business
- Continue to explore opportunities embedded in the portfolio
- Timing of these opportunities depends on market conditions
- Explore private / JV capital

NSI - leading the wider Dutch office sector in Sustainability
Going far beyond EPC labels

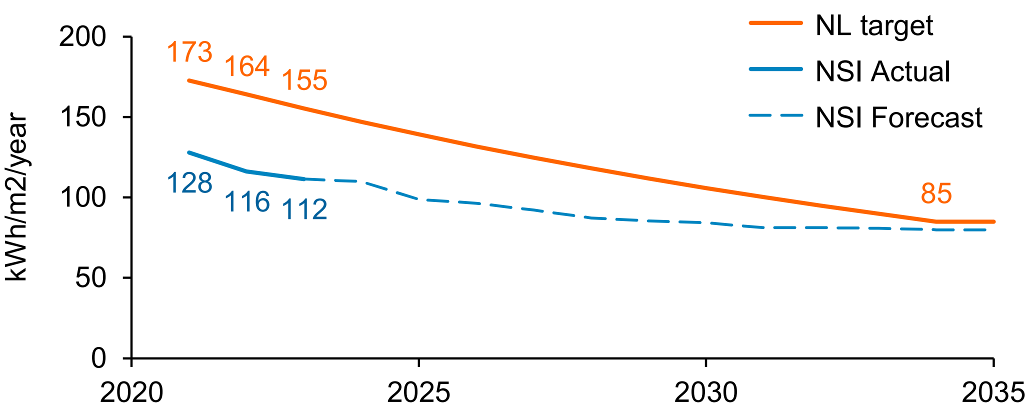
EPC labels
- 95% of assets now label A or better
- Estimated cost to upgrade remaining assets to A circa € 0.7m[1]

GRESB
- Score of 94, Global and Regional Sector leader

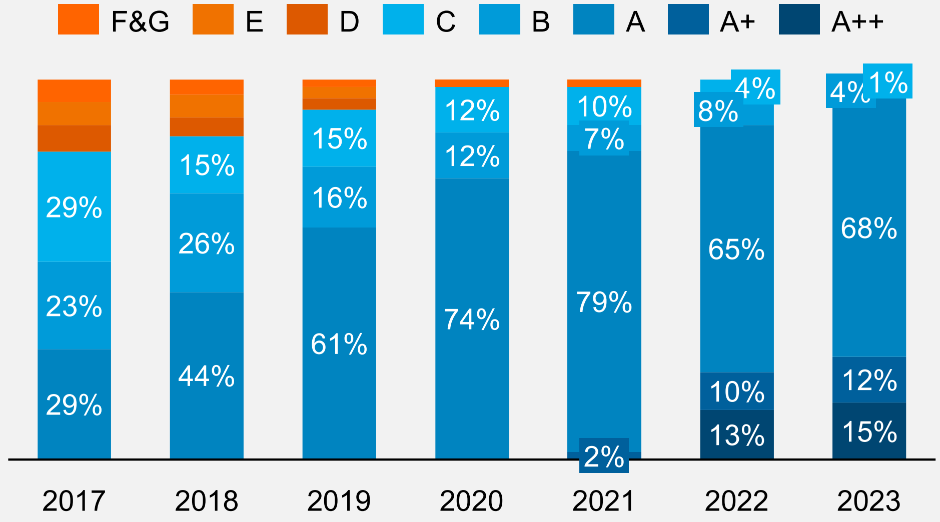
BREEAM labels
- 75% of the portfolio at 'Excellent' or 'Very Good', up from 64% in 2022
- Lower labels concentrated in assets with redevelopment potential

CRREM Energy intensity / Carbon
- Aim to stay below CRREM pathway and target ≤ 85 kWh/m²/year by 2035
- Clear timeline, aligned with maintenance cycle
- Planned sustainability capex for 2024 totaling ca. eight million

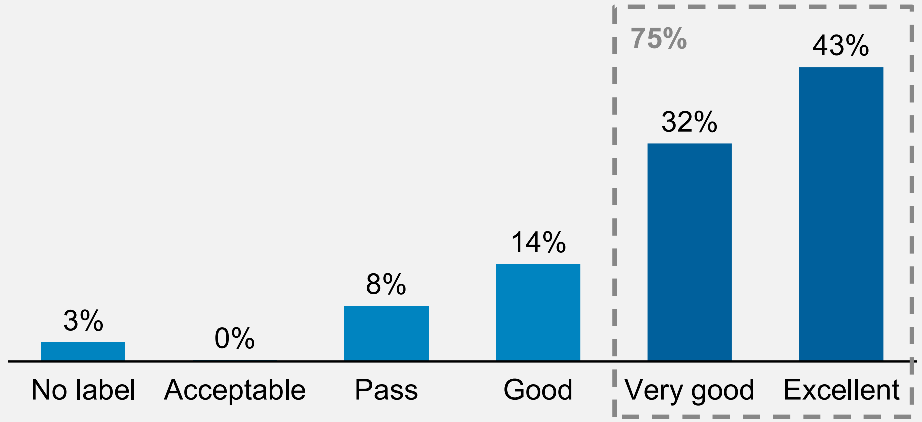
Staying below the CRREM pathway[2]: 85 kWh/m²/year by 2035



EPC energy performance certificates by value[1]



BREEAM by value[1]



[1] Excluding developments
[2] At a preliminary 97,9% data coverage, excluding developments, and the Leiden (Life Sciences) assets at 342 kWh/m²/year. Including Leiden, this is 130 KW/h/m²/year

Table of contents

NSI is fully prepared for a post-FBI world

Internal restructuring enables soft landing

Context

- As from 2025 FBI's can no longer invest directly in Dutch property
- NSI NV can opt to remain an FBI in 2025, with assets held in fully-owned taxable subsidiaries (25.8% tax rate on <u>fiscal</u> profits)

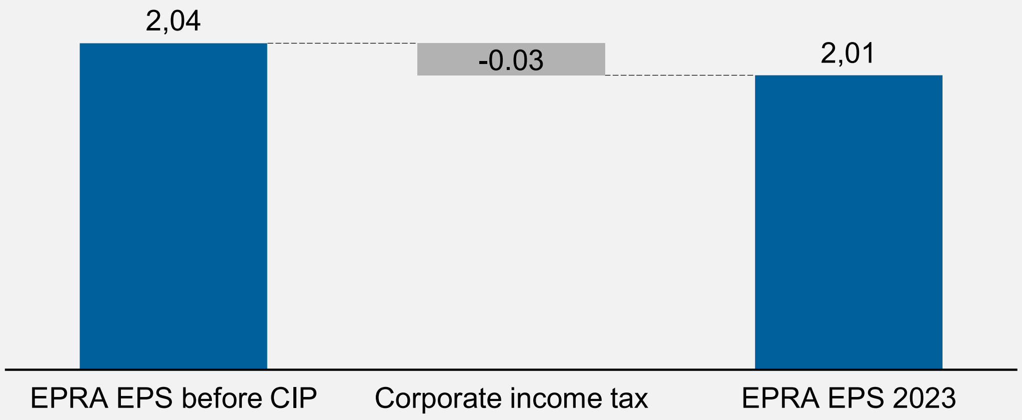
- NSI decided 2023 is the best moment to embark on fiscal restructuring in preparation for 2025:
  - Per 31/12/23 all assets are held in taxable subsidiaries
  - At time of restructuring all asset values were reset to market value for tax purposes
  - NSI NV post restructuring is (and still qualifies) as an FBI

Result

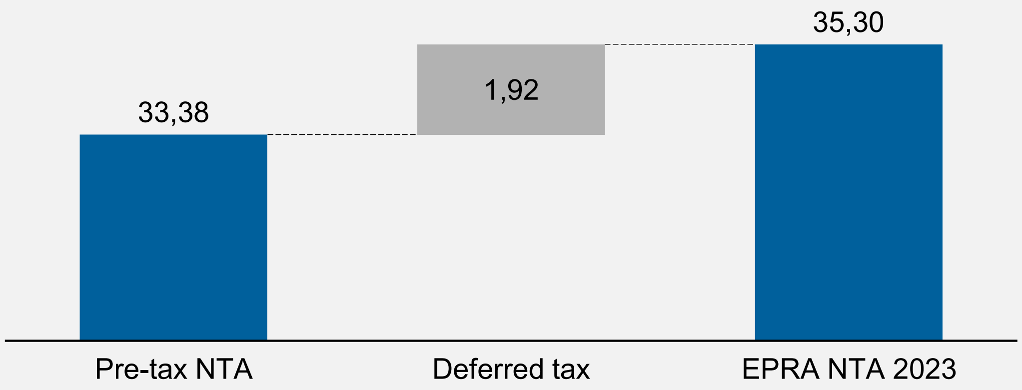
- Total one-off restructuring costs ca. € 600k
- Effective tax rate in 2023 ca. 2%; tax rate in 2024 ca. 5-7%
- Longer term tax rate subject to changes to earnings stripping law

- The revaluation of assets for tax purposes created a deferred tax asset of € 38.7m (€ 1.92 per share) per end of year:
  - Under IFRS this is booked nominally in our accounts
  - Increase in EPRA NTA by equal amount as a result

EPRA EPS - Tax impact



EPRA NTA per share - Tax impact

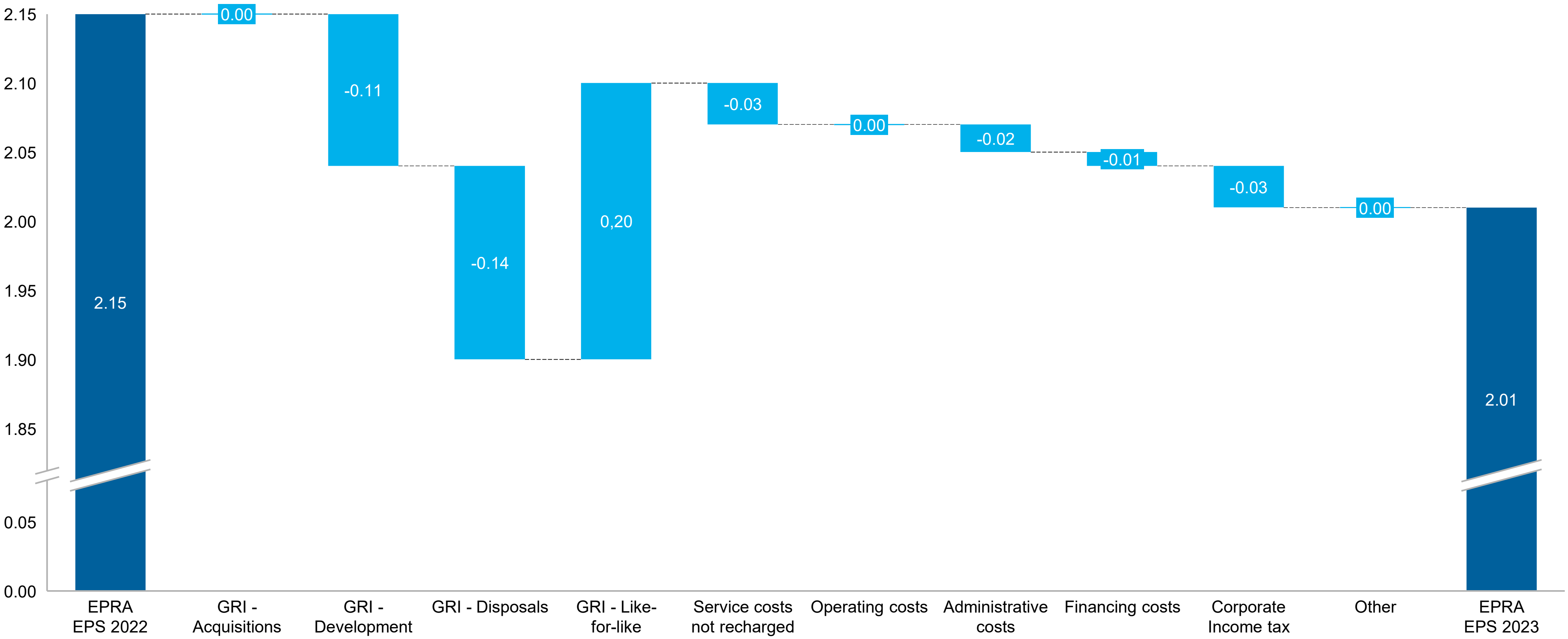


EPRA Earnings

	2023	2022	Change %
Gross rental income	71.2	71.3	-0.2%
Service costs not recharged	-1.9	-1.3	45.7%
Operating costs	-10.9	-10.7	1.8%
Net rental income	**58.4**	**59.3**	-1.5%
Administrative costs	-9.1	-8.6	6.5%
Net financing result	-8.3	-8.0	4.0%
Direct investment result before tax	**41.0**	**42.7**	-4.2%
Corporate income tax	-0.6	-0.0	
Direct investment result / EPRA earnings	**40.4**	**42.7**	-5.5%
Direct result / EPRA earnings per share	2.01	2.15	-6.6%

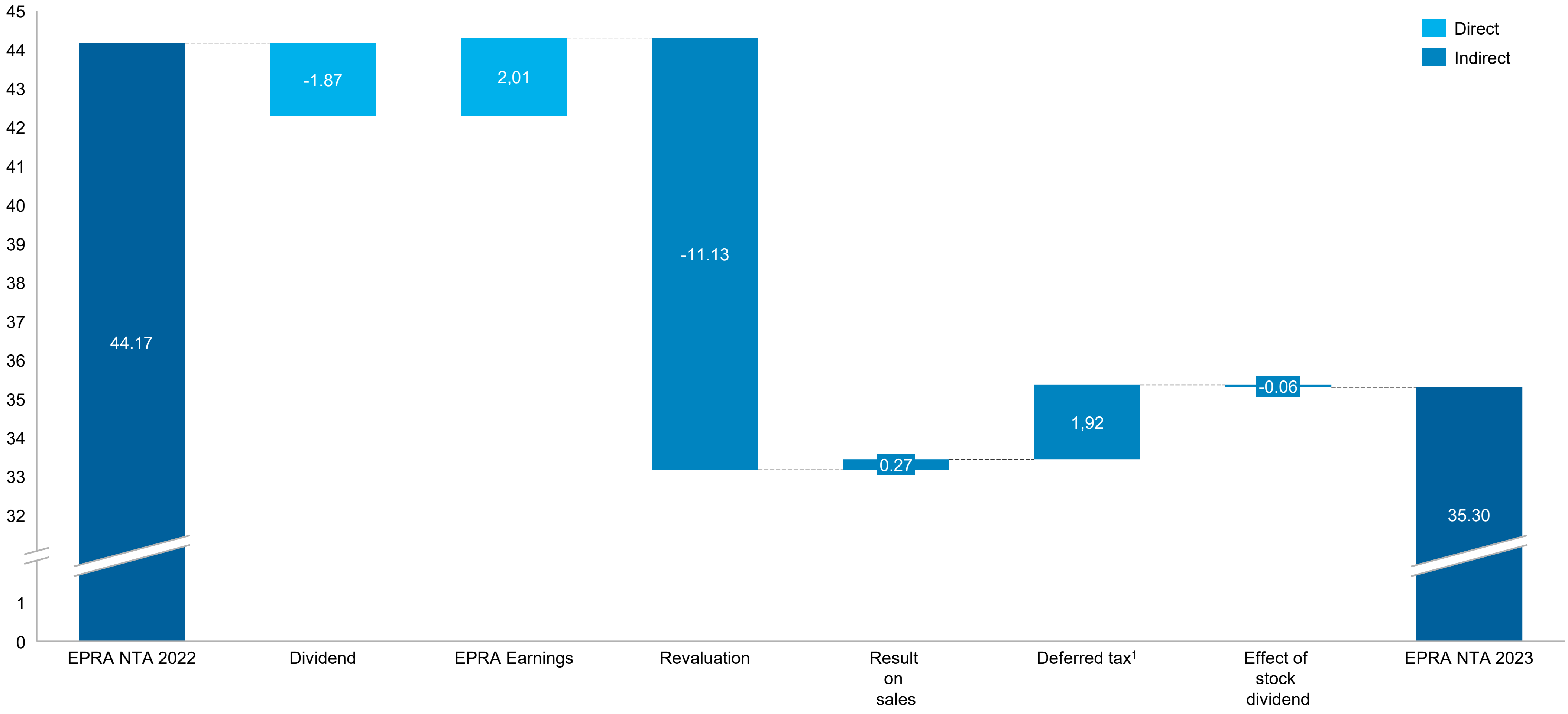
EPRA EPS

(€ per share)



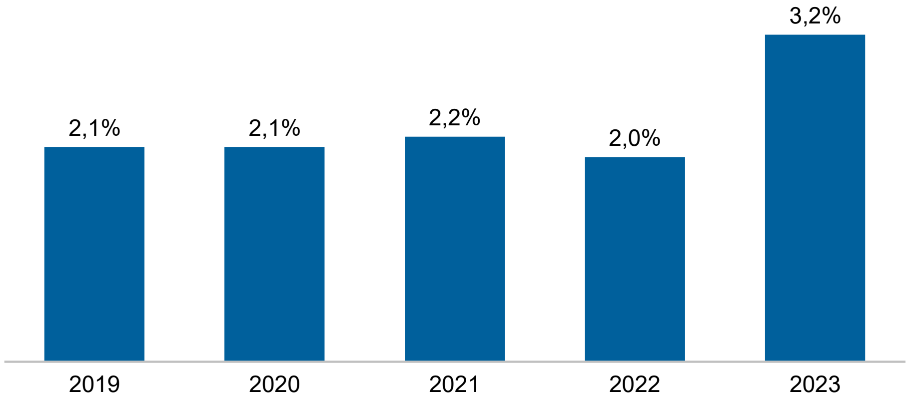
EPRA NTA per share

(€ per share)

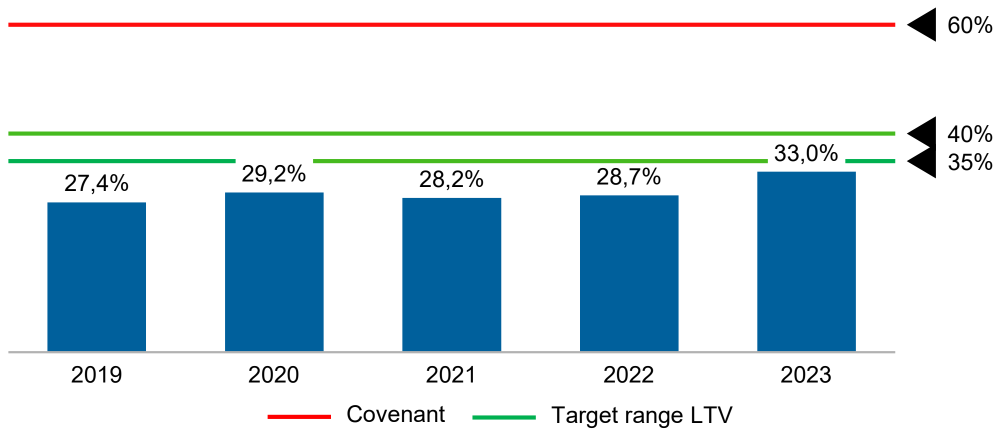


Main balance sheet KPIs
Metrics consistently resilient

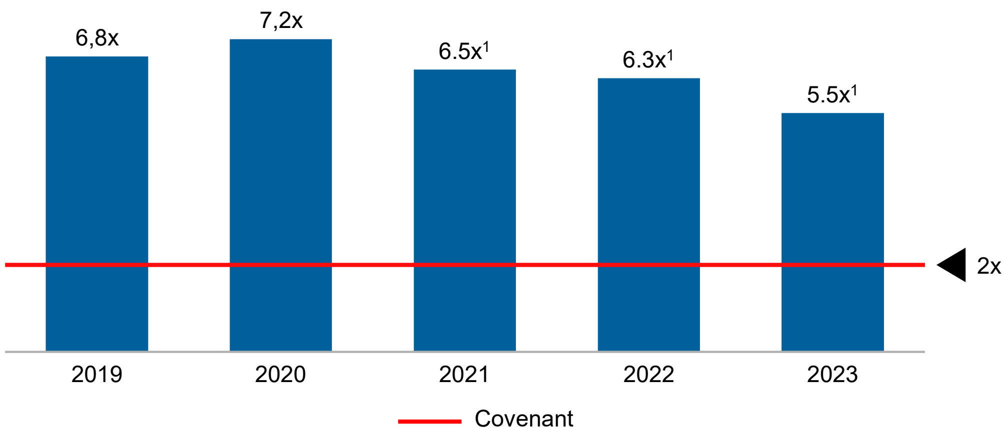
Cost of debt



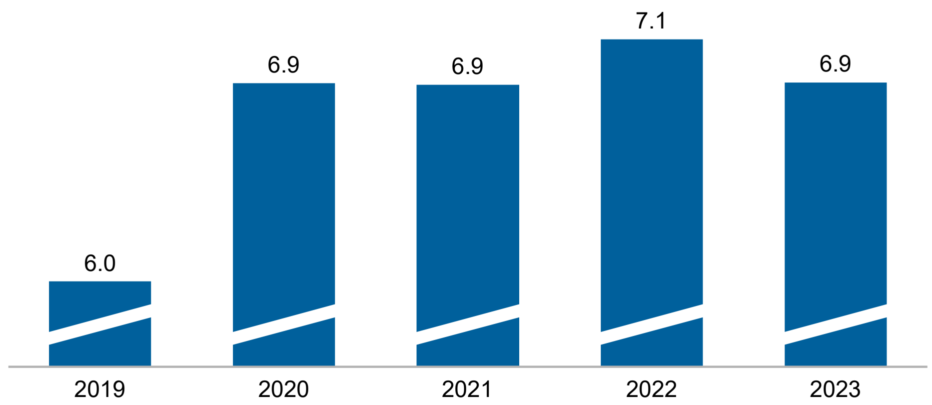
Loan to value



Interest coverage ratio



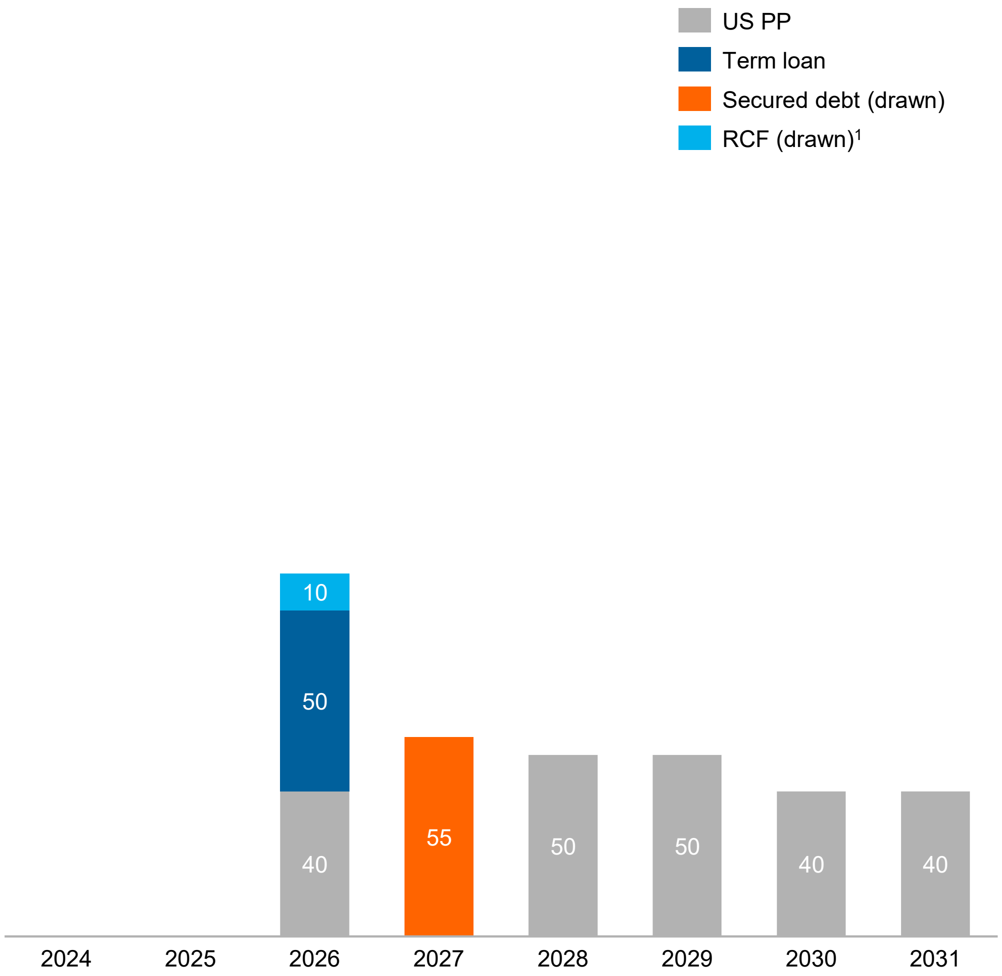
Net debt to EBITDA



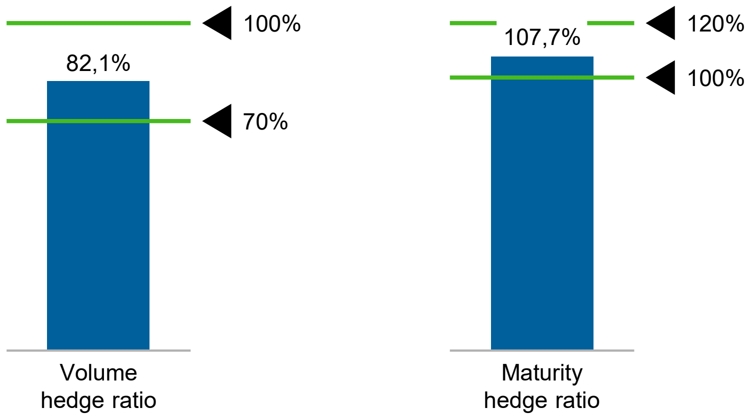
[1] Adjusted for capitalised interest

Sound maturity and hedging profile
No maturities until 2026

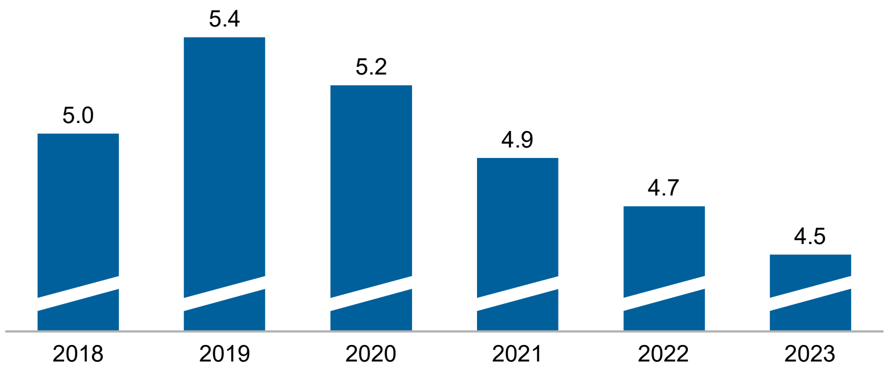
Loans maturity profile December 2023 (€m)



Hedge ratio's



Average maturity (years)



[1] Undrawn facility: € 290 million

Table of contents

Facing the myriad challenges since 2020 head on

Adapting to structural and cyclical changes

Challenges	Our Answers
COVID	Invest in long term relationships with tenants
Work from home	Portfolio rotation to focus on the best buildings in the best locations
Rising interest rates	Maintain a low leverage to absorb negative revaluations
Higher construction costs	Reassess development pipeline and exercise capital discipline
Environmental pressures	Leading in sustainability in the wider Dutch office sector
More demanding customer base	Enhance offering of services, amenities, activation and flexibility
FBI legislation	Proactive restructuring

Back on the front foot
All elements in place to drive differential performance

Quality platform	• Team that can manage the increasingly operational nature of offices • Clearly identified opportunities for brown to green investments • Improved portfolio quality results in lowest vacancy rate since 2005
Strong balance sheet	• Low leverage • No loan maturities until mid 2026 • No major capital commitments
Capital discipline	• Flexible mindset on monetising opportunities, as proven by Laanderpoort • Continued disposal of assets that no longer meet return requirements • Selective acquisitions

Looking ahead 2024

Guidance	• EPRA EPS (post-tax) : € 1.85 to 2.00
Share buyback	• € 20m, details to be announced
Capital allocation	• Pursue selective opportunities as market conditions allow

Table of contents

Segment information
Key portfolio metrics

	31 December 2023				Dec. 2022	Change
	Amsterdam	Other G4	Other NL	TOTAL		
Number of properties	22	14	10	46	49	-6.1 %
Market value (€)[1]	588	301	154	1,043	1,275	-18.2%
Annual contracted rent[2]	39	26	12	77	78	-0.9%
Market rent	44	27	13	84	88	-5.4 %
Lettable area (sqm k)	161	125	65	351	382	-8.2 %
Average rent / sqm	259	220	195	233	219	6.3 %
EPRA vacancy	5.8%	6.0%	1.5%	5.2%	6.2%	-1.1 pp
EPRA net initial yield	5.2%	5.7%	5.0%	5.3%	4.6%	0.8 pp
Reversionary yield	8.3%	8.9%	8.6%	8.5%	7.3%	1.2 pp
Wault (years)	4.1	3.5	2.9	3.7	3.9	-6.0 %

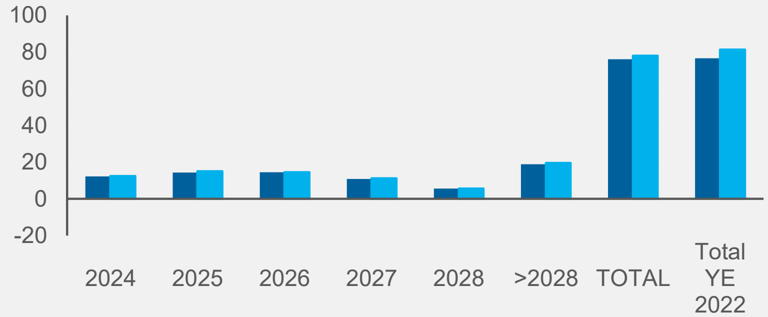
[1] Reported in the balance sheet at book value including right of use leasehold (IFRS 16), excluding lease incentives and part of NSI HQ (own use).
[2] Before free rent and other lease incentives

Segment information
Yields

	EPRA net initial yield		Gross initial yield		Reversionary yield	
	Dec. 2023	Dec. 2022	Dec. 2023	Dec. 2022	Dec. 2023	Dec. 2022
Amsterdam	5.2%	4.4%	7.4%	5.9%	8.3%	7.0%
Other G4	5.7%	4.9%	8.6%	7.2%	8.9%	7.6%
Other NL	5.0%	4.6%	8.1%	7.0%	8.6%	7.5%
TOTAL	5.3%	4.6%	7.9%	6.4%	8.5%	7.3%

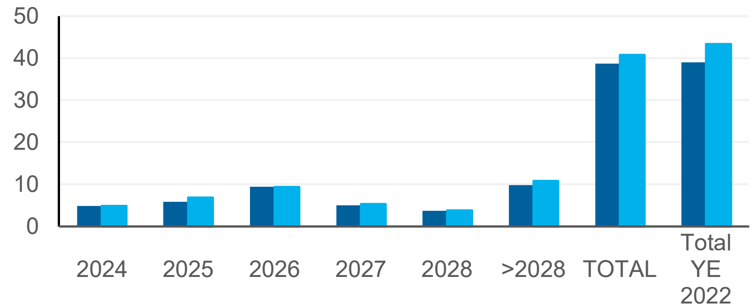
Segment information
Expiries and reversion

Total portfolio (€m)



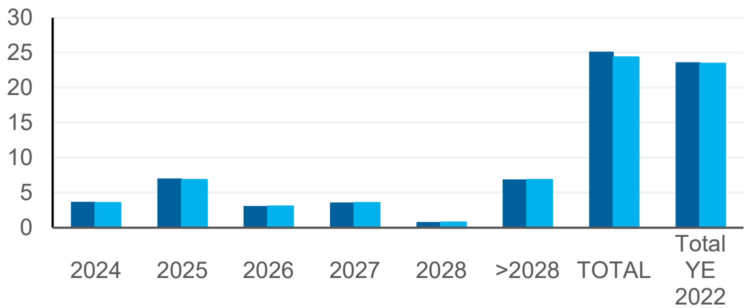
	2024	2025	2026	2027	2028	>2028	TOTAL	Total YE 2022
Contract rent	12,2	14,3	14,4	10,8	5,5	18,8	76,1	76,6
ERV	12,4	15,0	14,4	11,1	5,5	19,5	77,9	81,3
# Contracts	239	63	60	76	45	56	539	644
Reversionary potential	1,4%	5,4%	-0,1%	2,0%	-0,7%	3,7%	2,4%	6,1%

Amsterdam portfolio (€m)



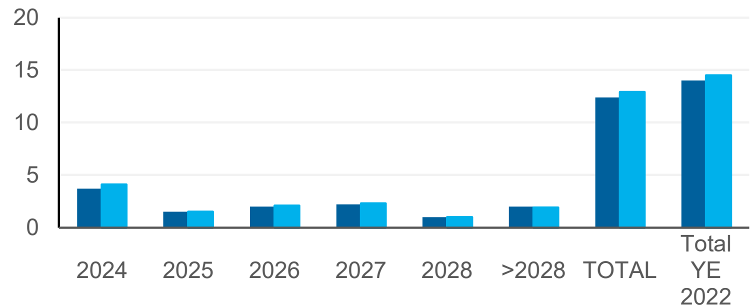
	2024	2025	2026	2027	2028	>2028	TOTAL	Total YE 2022
Contract rent	4,8	5,8	9,4	5,0	3,7	9,8	38,7	39
ERV	4,8	6,8	9,3	5,3	3,8	10,8	40,7	43,3
# Contracts	68	19	20	40	19	25	191	205
Reversionary potential	-0,8%	16,2%	-1,1%	4,8%	1,3%	9,4%	5,2%	11,0%

Other G4 portfolio (€m)



	2024	2025	2026	2027	2028	>2028	TOTAL	Total YE 2022
Contract rent	3,7	7,0	3,1	3,6	0,8	6,9	25,1	23,6
ERV	3,5	6,8	3,0	3,5	0,7	6,8	24,3	23,4
# Contracts	161	36	33	28	11	22	291	308
Reversionary potential	-5,3%	-2,6%	-2,9%	-3,2%	-4,6%	-1,8%	-3,0%	-0,6%

Other Netherlands portfolio (€m)



	2024	2025	2026	2027	2028	>2028	TOTAL	Total YE 2022
Contract rent	3,7	1,5	2,0	2,2	1,0	2,0	12,4	14
ERV	4,1	1,5	2,1	2,3	1,0	1,9	12,9	14,5
# Contracts	10	8	7	8	15	9	57	131
Reversionary potential	10,7%	0,1%	9,1%	4,1%	-5,0%	-5,4%	4,1%	3,6%

Consolidated financial statements
Income statement

(€ m)	Amsterdam	Other G4	Other Netherlands	Corporate[1]	TOTAL
Gross rental income	35.6	24.2	11.4		71.2
Service costs not recharged	-1.1	-0.9	0.0		-1.9
Operating costs	-5.2	-4.0	-1.7		-10.9
Net rental income	**29.3**	**19.4**	**9.7**		**58.4**
Administrative costs				-9.1	-9.1
Earnings before interest and taxes	**29.3**	**19.4**	**9.7**	**-9.1**	**49.3**
Net financing result				-8.3	-8.3
Direct investment result before tax	**29.3**	**19.4**	**9.7**	**-17.5**	**41.0**
Corporate income tax[1]				-0.6	-0.6
Direct investment result / EPRA earnings	**29.3**	**19.4**	**9.7**	**-18.0**	**40.4**
Revaluation of investment property	-153.8	-44.6	-25.6		-224.0
Net result on sale of investment property	5.3	-0.0	0.1		5.4
Other indirect income and costs				-0.1	-0.1
Net financing result				-2.8	-2.8
Indirect investment result before tax	**-148.5**	**-44.6**	**-25.5**	**-2.9**	**-221.4**
Corporate income tax				38.7	38.7
Indirect investment result after tax	**-148.5**	**-44.6**	**-25.5**	**35.8**	**-182.8**
Total investment result	**-119.1**	**-25.3**	**-15.7**	**17.8**	**-142.4**

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

Consolidated financial statements
Balance sheet

(€ m)	31 December 2023	31 December 2022
Real estate investments	1,029	1,259
Other assets	59	20
Cash and cash equivalents	0	0
Total assets	**1,088**	**1,280**
Shareholders' equity	**710**	**887**
Interest bearing loans	334	286
Debts to credit institutions	11	14
Other liabilities	33	93
Total liabilities	**378**	**393**
Total shareholders' equity and liabilities	**1,088**	**1,280**

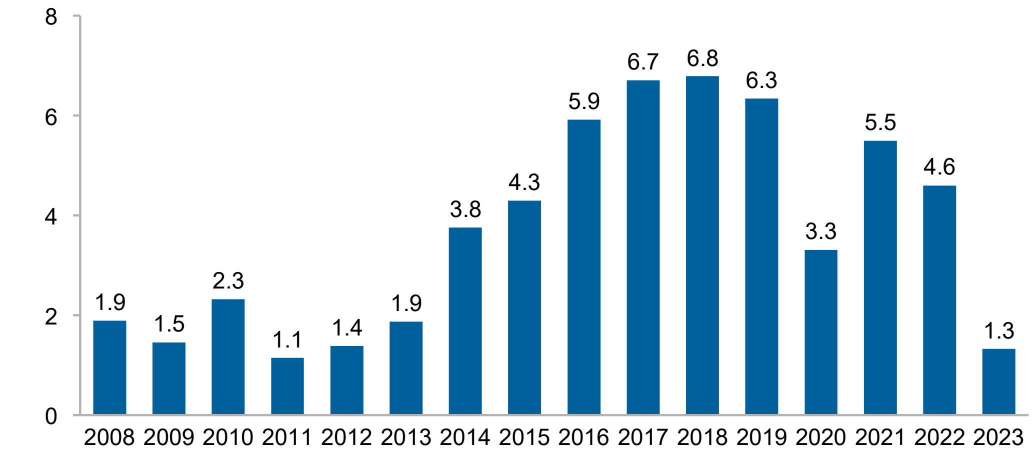
Consolidated financial statements
EPRA NTA

(€ m)	30 December 2023		31 December 2022	
	EPRA NTA	per share	EPRA NTA	per share
IFRS Equity attributable to shareholders	**710**	**35.22**	**887**	**44.23**
Diluted NTA	**710**	**35.22**	**887**	**44.23**
Diluted NTA at fair value	**710**	**35.22**	**887**	**44.23**
Fair value of financial instruments	1.6	0.08	-1.2	-0.06
Intangibles as per IFRS balance sheet[1]	-0.0	-0.00	-0.0	-0.00
EPRA NTA	**711**	**35.30**	**886**	**44.17**
Fully diluted number of shares (m)	20.16		20.05	

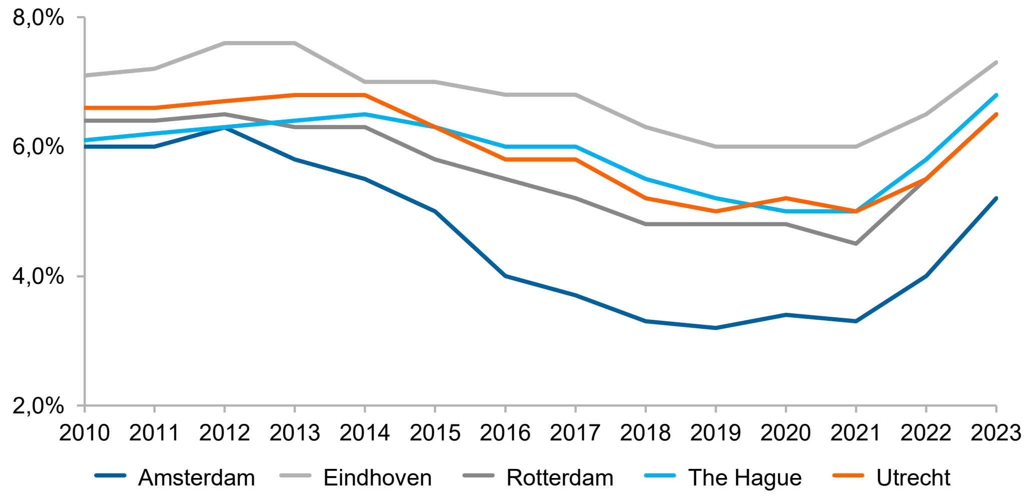
[1] Includes software licenses

Property market data
The Netherlands

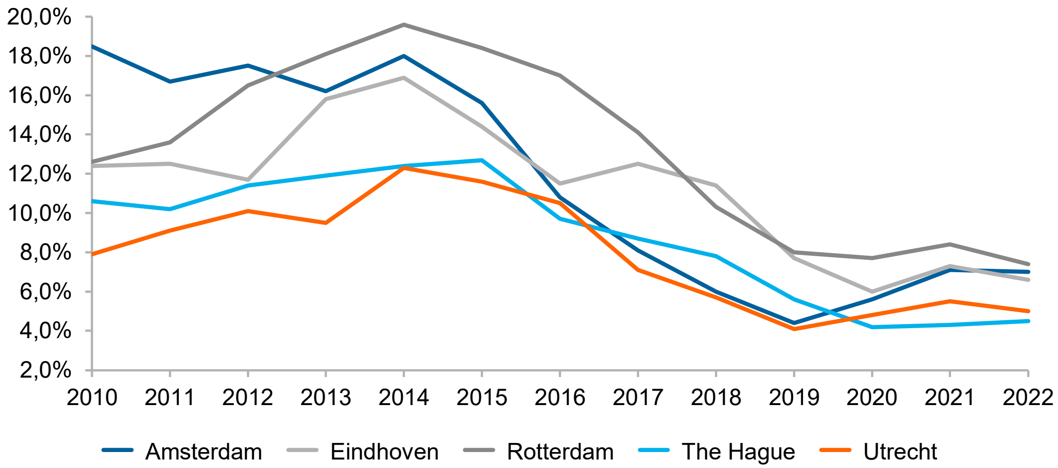
Investment volumes Offices Netherlands (€ bn)



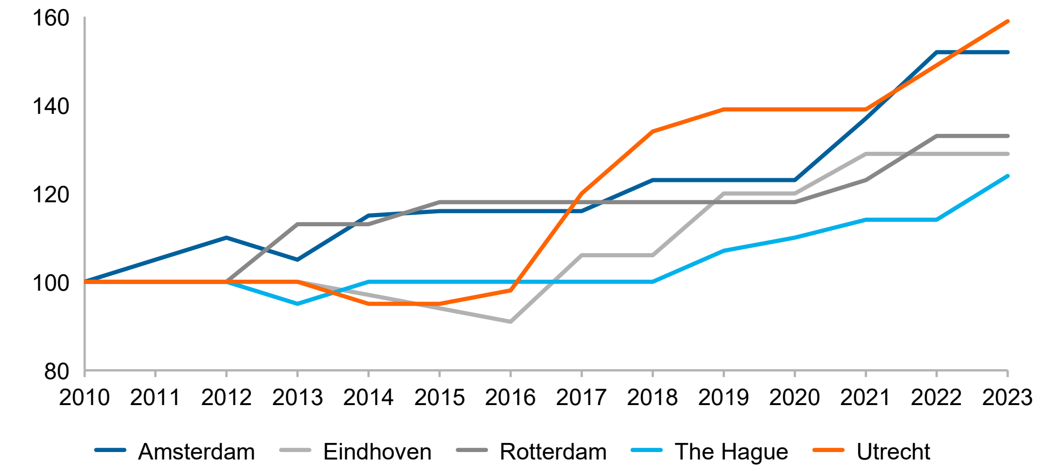
Prime Yields (%)



Vacancy rate (%)



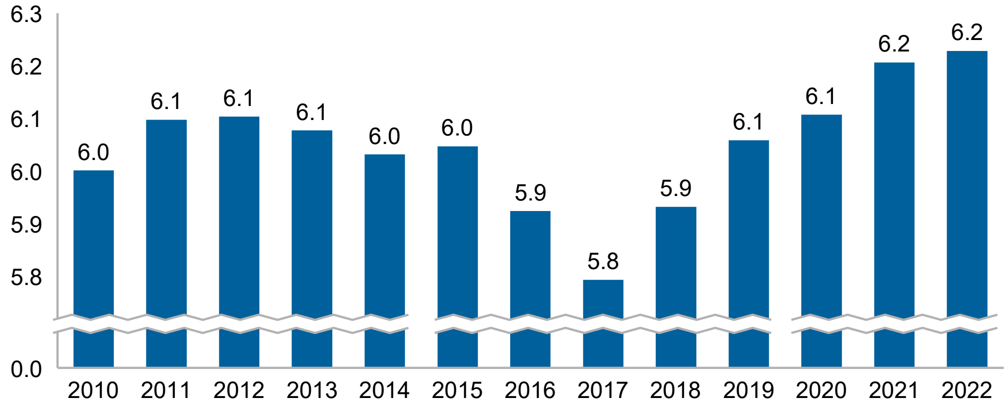
Prime rental growth[1]



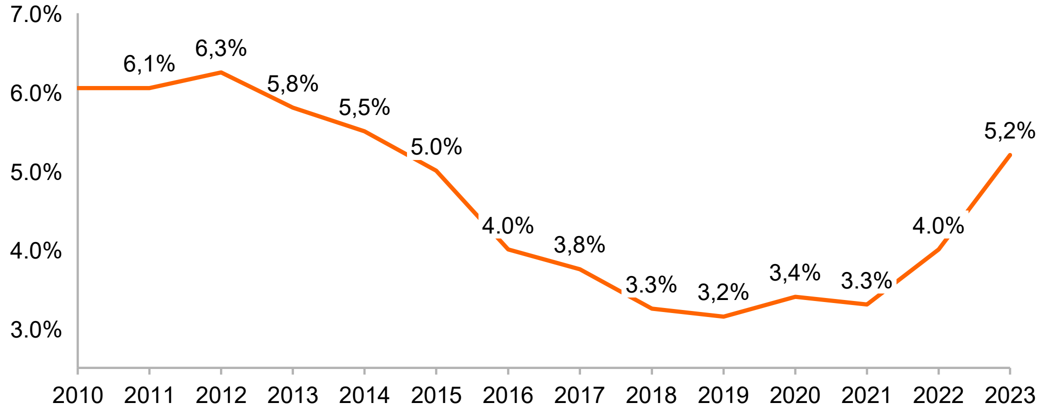
[1] Indexed (2010 = 100)
Source: C&W 31-12-2023

Property market data
Amsterdam

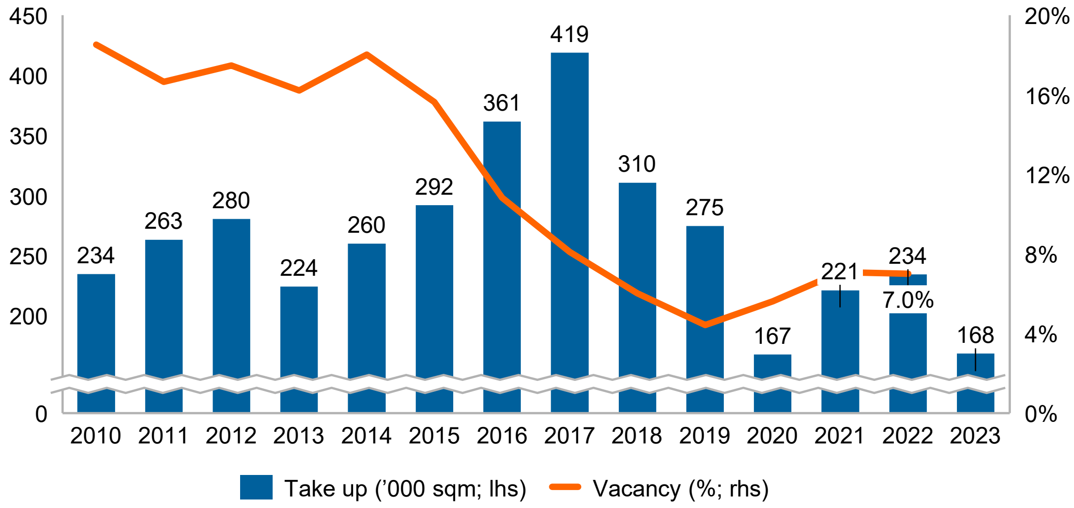
Stock (m sqm)



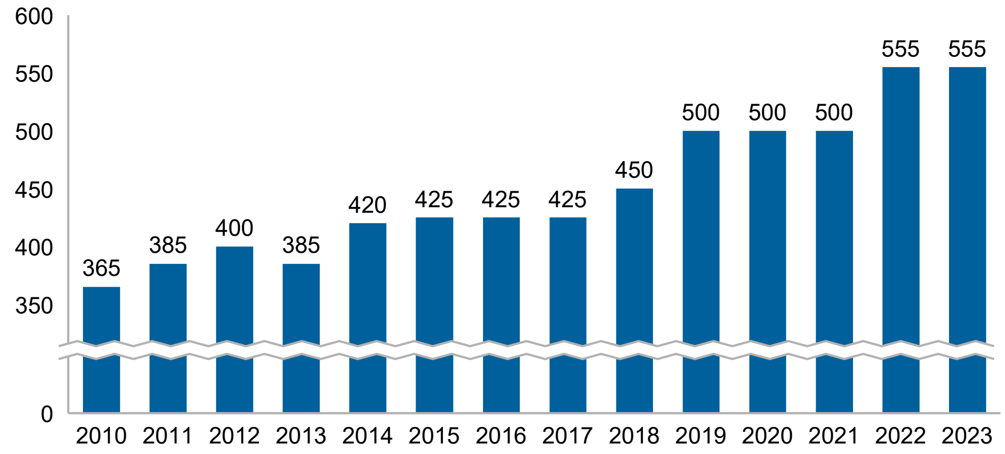
Prime yields



Vacancy rate and Take-up



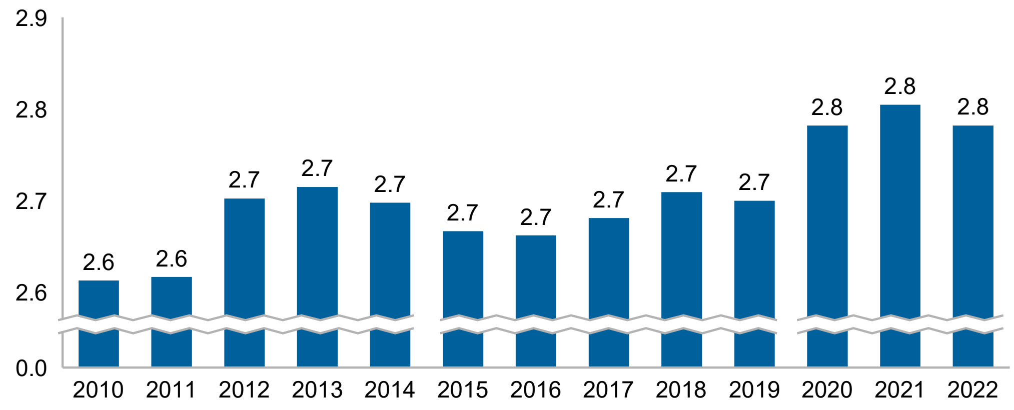
Prime rent (€)



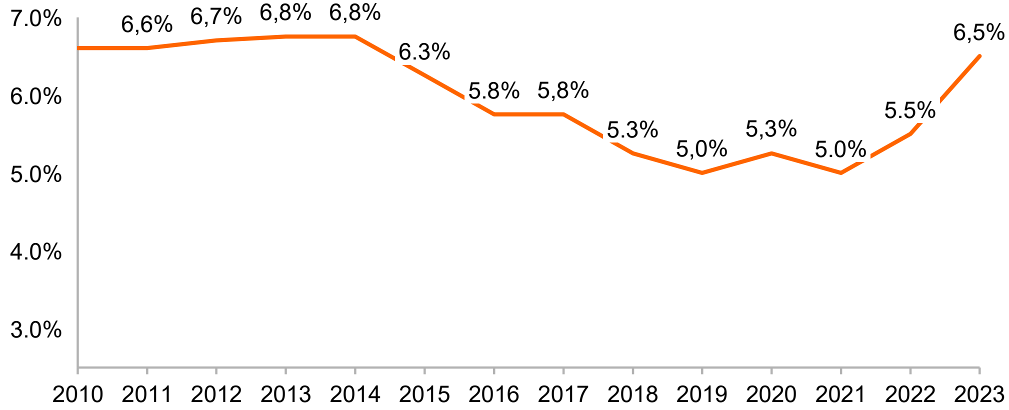
Source: C&W 31-12-2023

Property market data
Utrecht

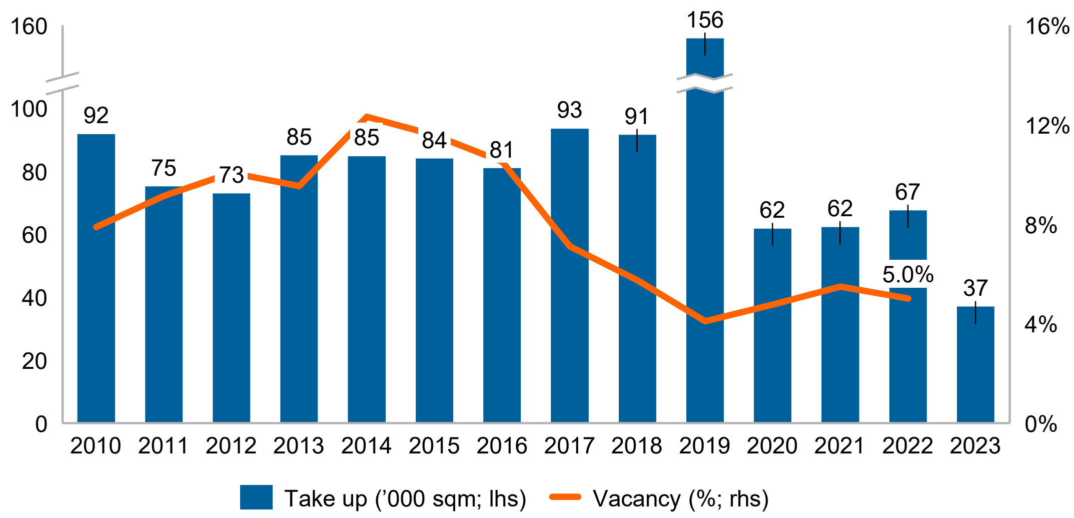
Stock (m sqm)



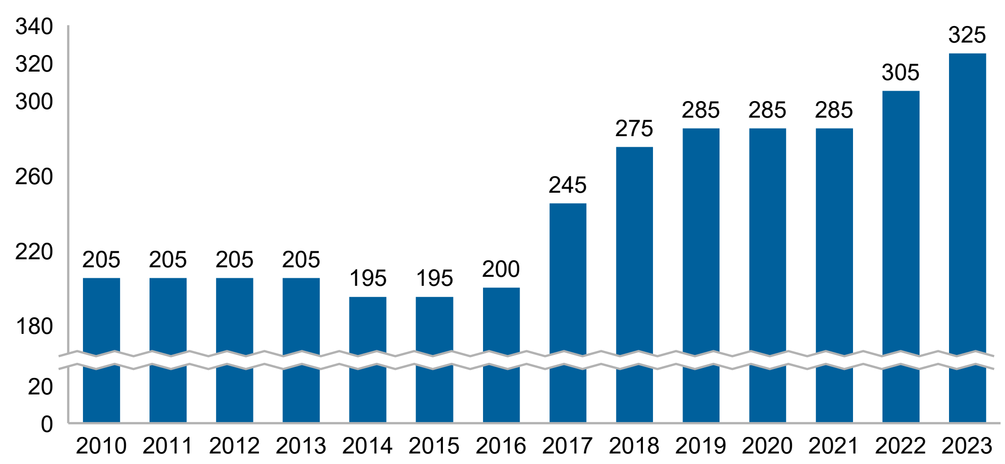
Prime yields



Vacancy rate and Take-up



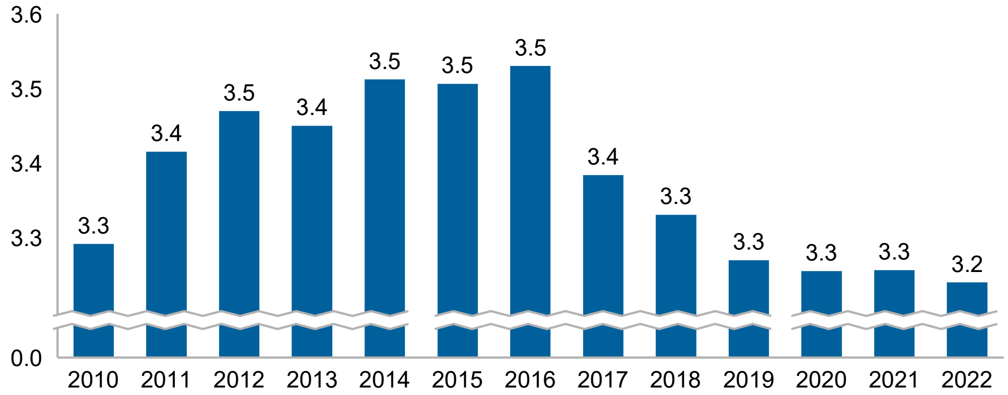
Prime rent (€)



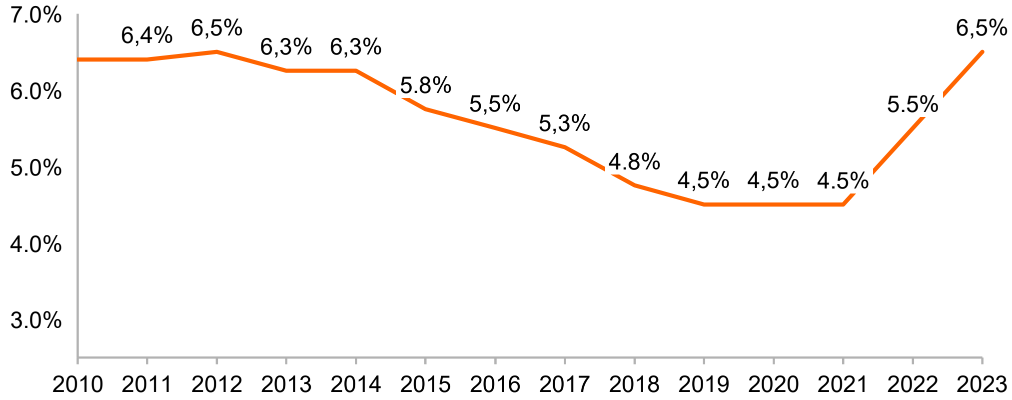
Source: C&W 31-12-2023

Property market data
Rotterdam

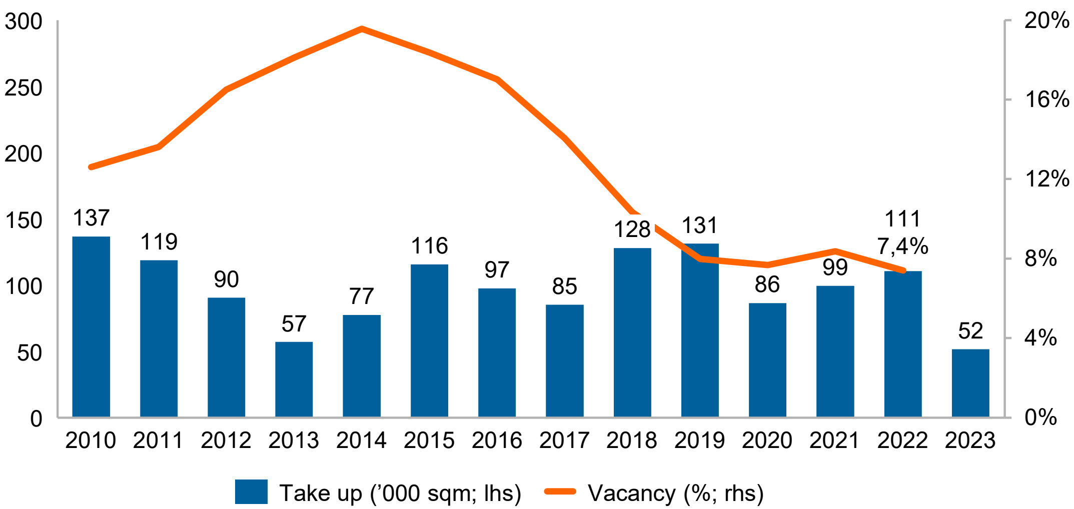
Stock (m sqm)



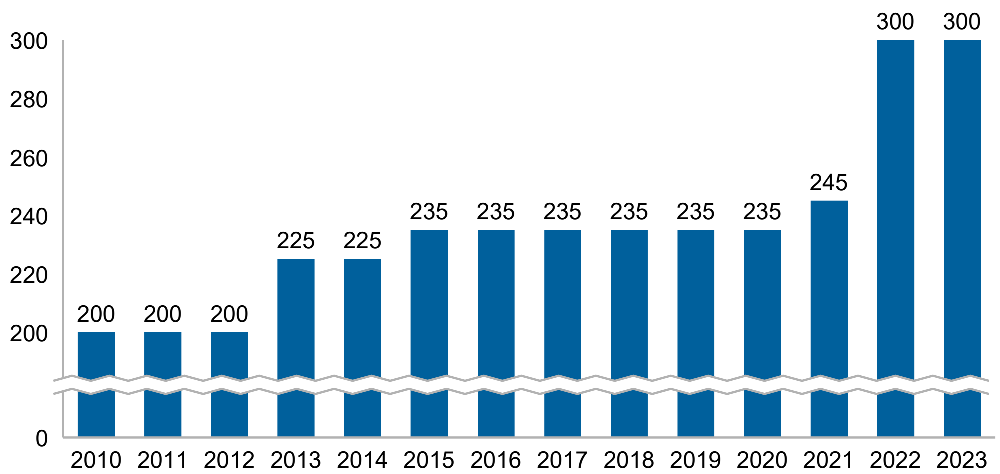
Prime yields



Vacancy rate and Take-up



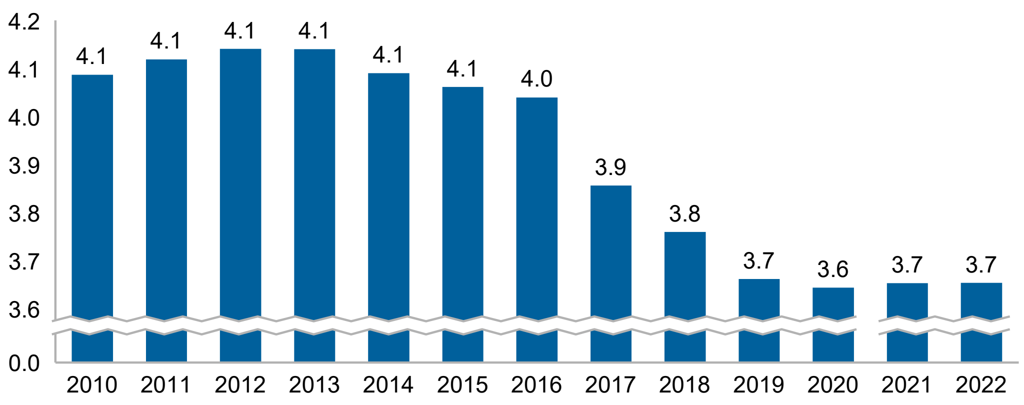
Prime rent (€)



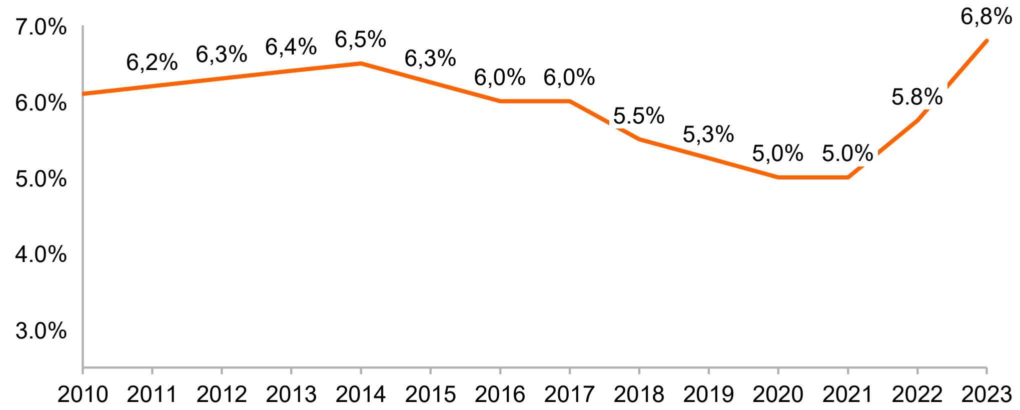
Source: C&W 31-12-2023

Property market data
The Hague

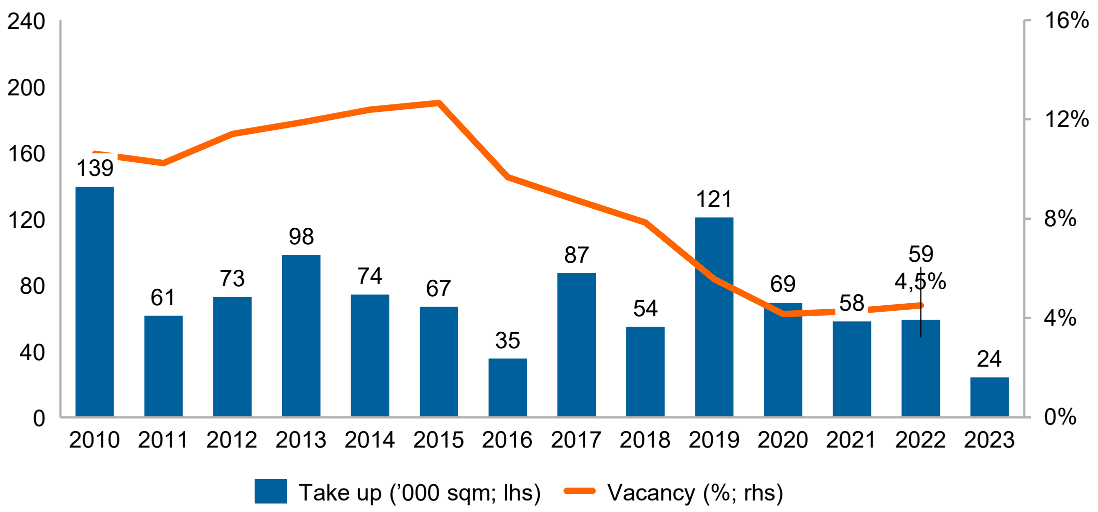
Stock (m sqm)



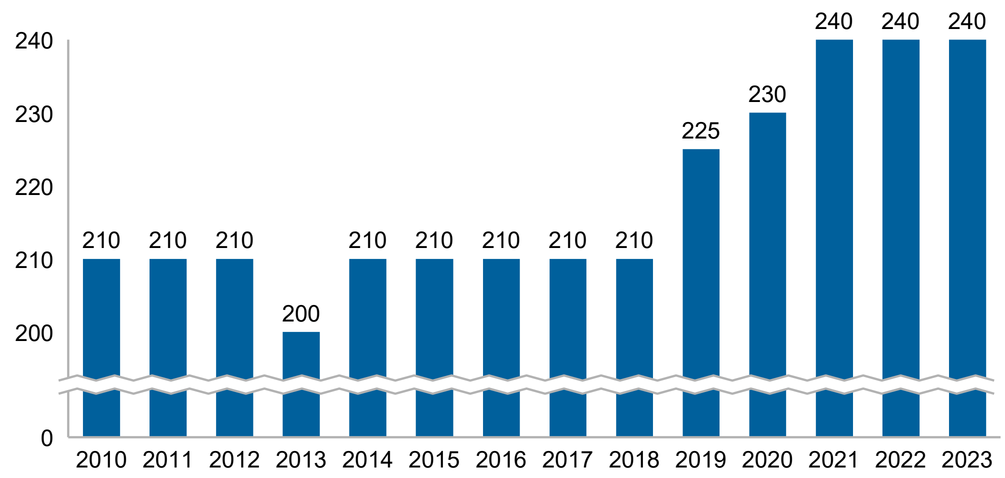
Prime yields



Vacancy rate and Take-up



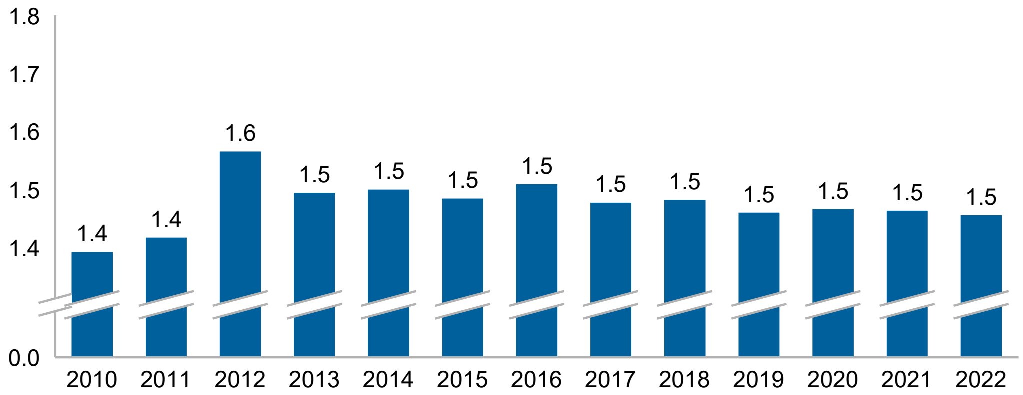
Prime rent (€)



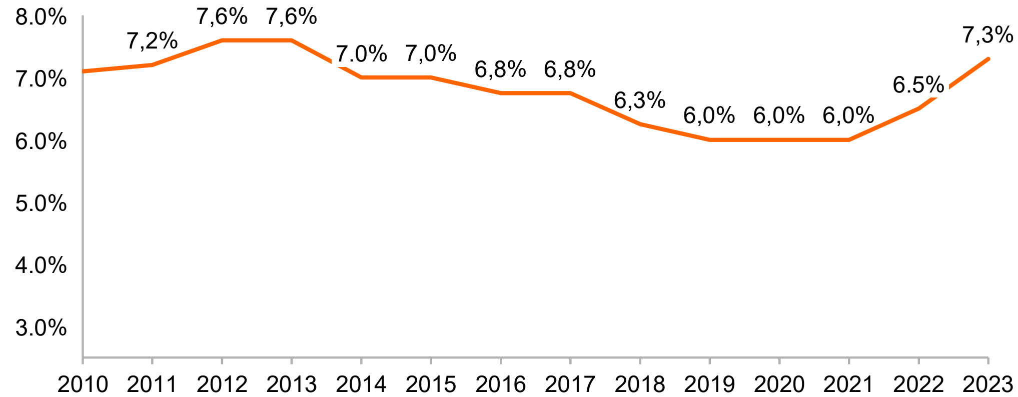
Source: C&W 31-12-2023

Property market data
Eindhoven

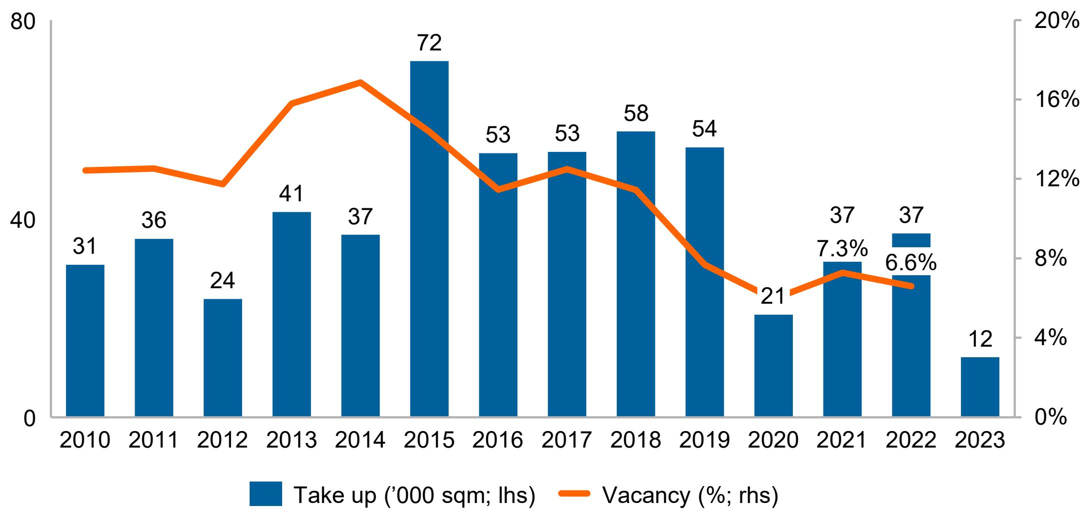
Stock (m sqm)



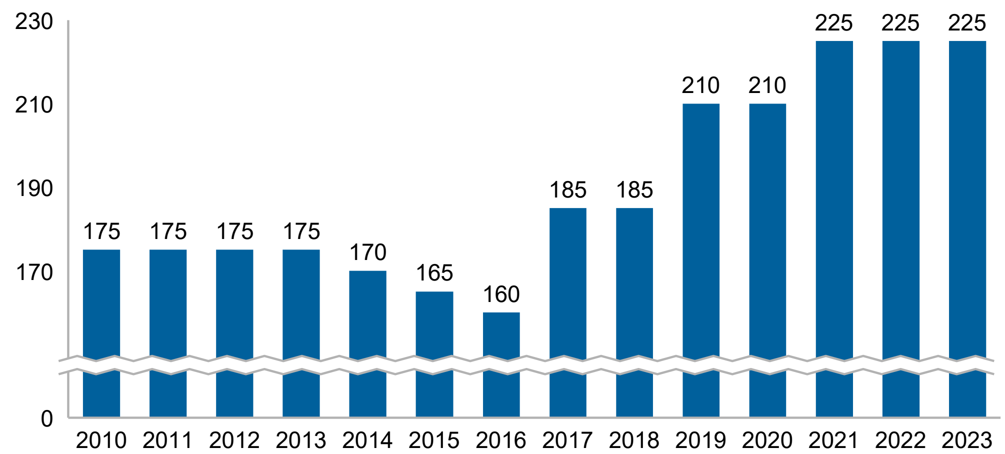
Prime yields



Vacancy rate and Take-up



Prime rent (€)



Source: C&W 31-12-2023


HOTELS
wework