TRADING UPDATE

Q1 2021

- Acquisition of two office assets in Amsterdam and one in Rotterdam for €79.8m, at an attractive 5.8% gross yield
- Continued asset rotation further strengthens overall investment portfolio, Amsterdam now 55% of assets
- Rent collection for Q1 2021 at 97.8%; Office/HNK rent collection at 99.6%
- EPRA vacancy rate 7.8%; 6.1% excluding strategic vacancy
- EPRA EPS €0.47 per share, down €0.07 vs 20Q1; Guidance remains €2.25 - €2.35 for full year 2021
- LTV at 33.0%, vs 29.2% at December 2020

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FINANCIAL CALENDAR

Publication half year results 2021	14 July 2021
Publication trading update Q3 2021	14 October 2021
Publication preliminary results 2021	25 January 2022
Publication annual report 2021	4 March 2022
Publication trading update Q1 2022	14 April 2022
AGM	21 April 2021
Ex-dividend date (final dividend 2020)	23 April 2021
Record date	26 April 2021
Stock dividend election period	27 April - 10 May 2021
Payment date	13 May 2021
Ex-dividend date (interim dividend 2021)	18 July 2021

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NSI HIGHLIGHTS

KEY FINANCIAL METRICS[1]

REVENUES AND EARNINGS

	Q1 2021	Q1 2020	Change (%)
Gross rental income	19,356	19,283	0.4%[2]
Net rental income	13,224	14,235	-7.1%[2]
Direct investment result	9,018	10,238	-11.9%
Indirect investment result	-392	-997	-60.7%
Total investment result	8,626	9,242	-6.7%
Earnings per share	0.45	0.49	-8.5%
EPRA earnings per share	0.47	0.54	-13.6%
EPRA cost ratio (incl. direct vacancy costs)	30.1%	27.1%	3.0 pp
EPRA cost ratio (excl. direct vacancy costs)	28.3%	27.0%	1.2 pp

BALANCE SHEET

	31 March 2021	31 December 2020	Change (%)
Investment property	1,319,250	1,240,192	6.4%
Net debt	-440,153	-366,194	20.2%
Equity	863,064	854,438	1.0%
IFRS equity per share	44.74	44.29	1.0%
EPRA NTA per share	44.87	44.44	1.0%
Net LTV	33.0%	29.2%	3.8 pp
Number of ordinary shares outstanding	19,291,415	19,291,415	
Weighted average number of ordinary shares outstanding	19,291,415	19,138,717	0.8%

KEY PORTFOLIO METRICS

	31 March 2021				31 December 2020	Δ
	Offices	HNK	Other	TOTAL		
Number of properties	43	13	4	60	60	
Market value[3] (€m)	1,005	250	77	1,332	1,253	6.3%
Annual contracted rent[4] (€m)	60	19	7	86	84	1.5%
ERV (€m)	67	23	7	96	93	3.3%
Lettable area (sqm k)	302	124	53	479	473	1.2%
Average rent / sqm (€/p.a.)	210	192	154	200	197	1.4%
EPRA vacancy	4.6%	17.6%	6.6%	7.8%	7.0%	0.8 pp
EPRA net initial yield	4.3%	4.6%	5.3%	4.4%	4.5%	-0.1 pp
Reversionary yield	6.7%	9.0%	9.1%	7.3%	7.5%	-0.2 pp
Wault (yrs)	4.5	3.2	5.0	4.2	4.0	6.0%

1 The trading update is based on unaudited results.
2 On a like-for-like basis GRI growth is 0.7% negative and NRI growth is 7.6% negative.
3 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).
4 Before free rent and other lease incentives.

AN ICONIC BUILDING WITH HISTORIC GRANDEUR, READY FOR THE FUTURE

The circa 6,500 sqm Atlanta building at Stadhouderskade 5-6 in the city centre of Amsterdam was completed in 1929. Plans dating back to 1919 were to create a hotel on the site, but they were not approved by the municipality. The original development company subsequently went into receivership and in 1926 the site was acquired by the 'N.V. Amsterdamsche Maatschappij tot Exploitatie van Etagewoningen' (AMEE), controlled by Dutch architect F.A. Warners (1888-1952).

The decision was made to build an office instead of a hotel. Whilst the asset is in an excellent central location nowadays, as the city has sprawled over the years, it was a far from ideal office location at the time: it was a relatively fringe location, outside the historic city centre and far from the stock exchange area, where most economic activity was concentrated. AMEE managed to control the rather high development risk by pre-letting part of the building to REO Motor Car Company, an US car manufacturer. At completion in April 1929 the construction costs were 785,000 guilders (356,000 euros).

The foundation stone was laid on March 31, 1928, by Warners' son Allert and his father-in-law Allert de Lange. The building height, originally 10 floors high, was exceptional at the time, as three extra floors were permitted in exchange for a small strip of land being returned to the municipality. On top of the building, a tower was built adorned by two large wings: the emblem of REO Motor Car Company.

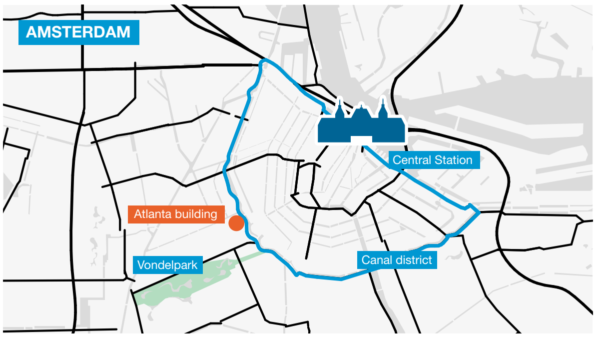
Atlanta building in 1931 - unknown photographer via Amstelodamum

A novel concept: flexible office in the 1930's

The extra floors lowered the construction and operating costs of the building, supporting the financial case for the building. As a matter of fact, F.A. Warners was far ahead of his time: the property was built on an almost square plot with a concrete structure. This ensured that a flexible layout was possible so that tenants could organise their space according to their own requirements.

FUN FACTS

1. The name Atlanta: The site was originally owned by N.V. Atlanta, a hotel company jointly founded by the 'Amsterdamse Scheepsvaartmaatschappijen' during the First World War. Hotel Atlanta was never built, but the name was kept and used to name the office building.
2. The Chrysler Coupe Windson: The building still has an elevator to move cars from the basement to the mezzanine floor, a remnant from the time REO Car Motor Company used the building. The elevator was in active use up to a few years ago. The construction company responsible for the latest renovation gifted a 1949 burgundy Chrysler Coupe Windson to the previous owner and it was placed in the elevator as a tribute to the history of Atlanta and American automotive history in general. This car can now no longer be removed from the building, following the latest renovation.
3. The concierge's house: The design of Atlanta featured a concierge's house behind the main entrance. The concierge lived in the building and took care of the reception activities and the maintenance of the building.

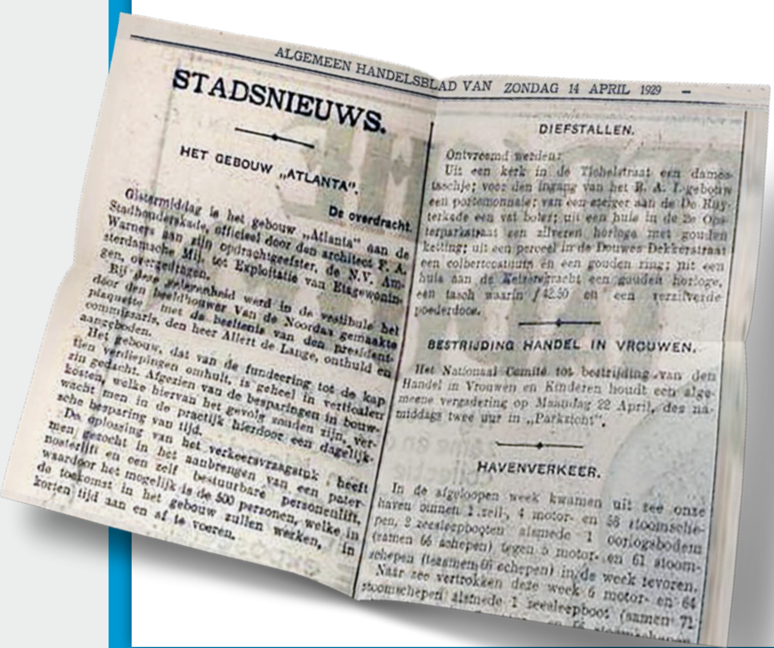


Window-shopping for large American cars

REO Motor Car Company leased the basement, ground floor and first four floors. The ground floor was used as showroom for its latest models and the back of the ground floor, two entresol levels and basement as a garage. The large glass facade gave locals the opportunity to catch a glimpse of the latest American cars. Alas, REO would end up only occupying the space for a relatively short period of time. It turned out that the average price tag of a car of 2,000 guilders (900 euro) was far too tall an order for Amsterdammers.

Multiple tenants over the years

In addition to REO Motor Car Company the building has had many occupiers, larger and smaller, as it was in fact a multi-let building from the start. Major tenants over the years were 'Koninklijke Emballage Industrie van Leer', DAF trucks, whilst the ground floor has also been used by Indonesian Restaurant Raden Mas. Tommy Hilfiger has occupied this building for most of the past two decades, whilst part of the building was also used by Paradiso to stage concerts. Most recently Atlanta has been entirely leased to the international operator WeWork, so the building has come full circle as a flex office.



ALGEMEEN HANDELSBLAD VAN ZONDAG 14 APRIL 1929

STADSNIEUWS.

HET GEBOUW „ATLANTA".

De overdracht.

Gistermiddag is het gebouw „Atlanta" aan de Stadhouderskade, officieel door den architect F. A. Warners aan zijn opdrachtgeefster, de N.V. Amsterdamsche Mij. tot Exploitatie van Etagewoningen, overgedragen.

Bij deze gelegenheid werd in de vestibule het door den beeldhouwer Van de Noordaa gemaakte plaquette met de beeltenis van den president-commissaris, den heer Allert de Lange, onthuld en aangeboden.

Het gebouw, dat van de fundeering tot de kap tien verdiepingen omhult, is geheel in verticalen zin gedacht. Afgezien van de besparingen in bouwkosten, welke hiervan het gevolg zouden zijn, verwacht men in de practijk hierdoor een dagelijksche besparing van tijd.

De oplossing van het verkeersvraagstuk heeft men gezocht in het aanbrengen van een paternosterlift en een zelf bestuurbare personenlift, waardoor het mogelijk is de 500 personen, welke in de toekomst in het gebouw zullen werken, in korten tijd aan en af te voeren.

DIEFSTALLEN.

Ontvreemd werden:

Uit een kerk in de Tichelstraat een damestaschje; voor den ingang van het R. A. I.-gebouw een portemonnaie; van een steiger aan de De Ruyterkade een vat [illegible]; uit een huis in de 2e Oosterparkstraat een zilveren horloge met gouden ketting; uit een perceel in de Douwes Dekkerstraat een colbertcostuum en een gouden ring; uit een huis aan de Keizersgracht een gouden horloge, een tasch waarin f 42.50 en een verzilverde poederdoos.

BESTRIJDING HANDEL IN VROUWEN.

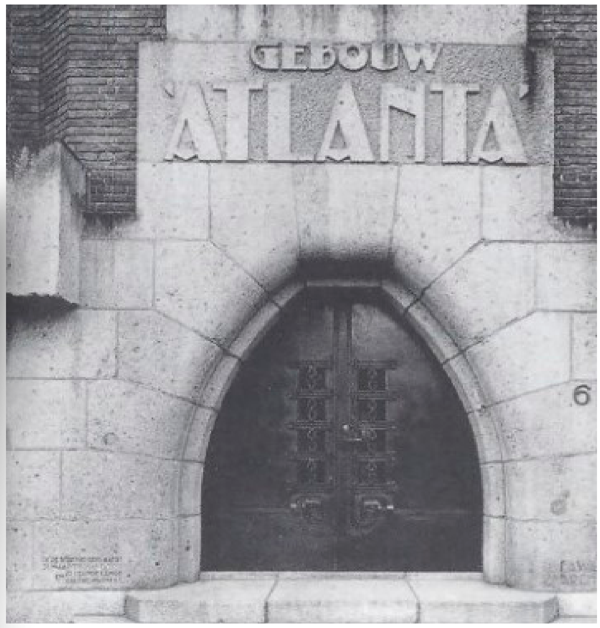
Het Nationaal Comité tot bestrijding van den Handel in Vrouwen en Kinderen houdt een algemeene vergadering op Maandag 22 April, des namiddags twee uur in „Parkzicht".

HAVENVERKEER.

In de afgeloopen week kwamen uit zee onze haven binnen 2 zeil-, 4 motor- en 58 stoomschepen, 2 zeesleepbooten alsmede 1 oorlogsbodem (samen 66 schepen) tegen 5 motor- en 61 stoomschepen (tezamen 66 schepen) in de week tevoren.

Naar zee vertrokken deze week 6 motor- en 64 stoomschepen alsmede 1 zeesleepboot (samen 71

Main entrance Atlanta in 1932 - unknown photographer via Photo archive F.A. Warners, Amsterdam



Ready for the future of work

The Warners family, having owned the asset since 1929, ultimately sold the building in 1986 and following several subsequent transfers in a relatively short period of time, the building, like many Dutch real estate assets at the time, ended up in Swedish hands in the early 1990's. Eventually the building was transferred to Stena Realty in 1996, at a price of €6.8m. NSI is the 6th owner of the building.

Allert Warners, the original architect's son, in 1955 designed and added an extra floor on top. In 1975 the original 'arched' entrance was renovated into a glass construction. When Tommy Hilfiger vacated the building, the previous owner started a major renovation, adding new elevators and focussing on improving the sustainability of the building. The rear façade has been insulated, window frames were replaced and a heat pump was installed, improving the energy label from F to A. In 2018, the building was classified as a municipal monument by the city of Amsterdam.

On top of this, WeWork has completely redesigned the office space and renovated the installations for enhanced tenant convenience. As such, the historic building has been made future-proof and ready for the new generation of office users. The all-in cost of the recent renovation, including WeWork's additional efforts to improve the quality of the building was circa €12m.

WeWork office space - photo credit: WeWork

Atlanta building in 1950 - photographer: ing. J. van Dijk via Amsterdamse Stadsarchief

We would like to thank Ons Amsterdam, Bonas, Classic Car Auctions, Delpher, Research Centre Het Nieuwe Instituut, municipality Amsterdam, Amstelodamum and Stadsarchief Amsterdam.

CEO COMMENTS

We have started 2021 with renewed energy and are very much looking forward to the end of the global coronavirus pandemic, which appears to be nearing as the vaccine roll-out accelerates globally.

€79.8m acquisition in Amsterdam/Rotterdam

Mid-march we acquired in an off-market transaction three assets, two of which in Amsterdam and one in Rotterdam for €79.8m. The attractive 5.8% gross yield reflects the complexity of the transaction, the speed and deal certainty we were able to offer the seller.

The key asset in the transaction is the 6,500 sqm iconic Atlanta building on Stadhouderskade in the centre of Amsterdam. The building was fully refurbished recently, at a cost of circa €12m, and is now fully let to flex-office operator Wework on a new 15-year lease.

At Hogehilweg 6 in Amsterdam Zuid-Oost we acquired a small, fully let, office with an interesting future development angle, given that there is lots of residential development activity happening in the surrounding area.

The Rotterdam acquisition, 6,200 sqm of offices at Westblaak 155-189, is 88% let, with one floor vacant. In comparison to our recent disposals in Rotterdam this asset is much better located and offers better space.

Disposal of non-core assets continues apace

During the quarter we sold three smaller assets, a fringe office/industrial asset in Rotterdam, a small office for possible conversion to residential use in The Hague and a very small asset in Hoofddorp. We also agreed to dispose of our two remaining assets in Dordrecht and Delft, with transfer foreseen in Q2. The disposals are on average at a 3,0% premium to the December 2020 book value.

The steady flow of disposals of our remaining non-core assets provides additional capacity for further potential acquisitions. As per the end of March we still have 13 non-core assets to dispose of with a combined book value of €108m, including the two assets with transfer foreseen in Q2 and our two remaining retail assets.

These non-core assets generate, at present, €6.9m in annual net rent. Whilst these assets may appear to offer an attractive yield, we believe the long term total return prospects of NSI are best served if this capital is redeployed into assets with more attractive growth prospects, even if the ingoing yields on these new acquisitions assets are lower.

Assets with a story

Following several years of highly active asset rotation our portfolio has significantly improved in terms of location and quality. The portfolio is now 55% located in Amsterdam and the G5 makes up to 89% of assets, including a number of truly iconic assets.

Whilst this has been evident to us as a team, we are cognisant we can (and should) raise awareness of this transition by stepping up our wider efforts to showcase our portfolio to all relevant stakeholders.

In this report we highlight the Atlanta building in Amsterdam, our latest acquisition. We will highlight some of our other buildings in the coming quarters and look to pursue a wider marketing effort of our endeavours.

Operational business on track

Rent collection for Q1 is 97.8%. It is 99.7% for offices, 99.3% for HNK and 78.7% for other/retail. In the retail segment we are liaising with our tenants and will look to find a solution with respect to rent outstanding once their stores are back open and we can judge the full extent of the damage to their business and to their prospects.

The vacancy rate for the portfolio increased to 7.8%, up from 7.0% at the end of 2020. The 7.8% vacancy includes 1.7% of strategic vacancy related to HNK Amsterdam Southeast, Leiden and Rotterdam Alexander.

Project milestones

With potentially three development projects breaking ground next year, the team is fully engaged. The zoning process and the final design for the Vivaldi III development are on schedule for a start Q2 next year. The actual decision to start next year will depend on having all relevant stakeholders on board, our balance sheet capacity, the outlook for the economy and prospects for office demand at the time.

The preliminary design phases for both Laanderpoort and Vitrum are set to be completed in Q2 2021. The expected building start date for the Laanderpoort project has moved back a quarter to Q3 2022.

Heerlen/Loon court case

The initial court ruling in H2 2020 for Loon shopping centre in Heerlen in favour of NSI was overturned on appeal in Q1. On external counsel advice on the merits of our legal case we will now lodge an appeal in cassation at the Supreme Court. The dispute is over an insurance claim of circa €12m related to the rebuilding of the shopping centre in 2012. We never accrued this claim in our accounts, prudently, so there is no financial impact as a result of this latest ruling.

Outlook for 2021

The coronavirus pandemic is still having an impact on business. Whilst we may not have much retail exposure left, we genuinely see the pain in the wider retail industry as a result of forced store closures in Q1.

In the office sector we see prospective tenants still delaying decisions and expect the pent up demand to materialise once the economy and social life opens up again - notwithstanding the ongoing debate on the merits of WFH. As such, we remain optimistic about the business and its prospects.

EPRA EPS for Q1 2021 is €0.47 per share, down from €0.54 per share in Q1 2020. The €0.07 fall includes €0.03 in higher maintenance costs, mostly related to activities initiated in 2020, such as works related to new leases or lease extensions signed. The remainder relates to higher property taxes and higher funding costs as a result of a lower level of capitalised interest during the quarter.

We are still comfortable with a forecast for EPRA EPS of €2.25 to €2.35 per share for 2021, underpinned by an almost flat like-for-like NRI for 2021. Having said that, an extended period of economic inactivity related to ongoing coronavirus concerns could still adversely impact this forecast. And, as the team continues to pursue potential acquisitions and disposals, the timing and size of any such deals may also still impact our EPS forecast.

We have initiated a pilot at our Motion Building in Amsterdam Sloterdijk to create a new state-of-the-art office, offering a service level and wider variety of working, meeting and collaboration spaces, incorporating the latest changes in tenant requirements post coronavirus and WFH. This new offering should be up and running by Q1 2022.

In Q1 we completed and internally presented our Paris-proof roadmap. The ambition is for NSI to become CO2 neutral in 2035. We will start to communicate on the main elements of this plan in the period ahead.

Bernd Stahli

INCOME, COSTS AND RESULT

Introduction

EPRA EPS for the first quarter is € 0.47. The EPRA EPS is 13.6% lower compared to last year (€ 0.54). The decrease is largely driven by higher operating costs and higher net financing costs.

Rental income

Gross rental income is up 0.4% compared to the same period last year, due to letting of Bentinck huis and acquisitions in 2020 and 2021. On a like-for-like basis gross rental income is down 0.7%, driven by a 2.1% like-for-like decrease for the HNK segment. The fall in HNK rents is due to a higher vacancy in this segment, mainly because of the renovation of one of the three buildings of HNK Amsterdam Southeast. The ING agreement to pay half rent for Laanderpoort ahead of the development of this asset has also negatively impacted GRI.

Net rental income is down 7.1% year to date, due to higher operating costs. The NRI margin is down by 5.5 percentage points to 68.3%, On a like-for-like basis net rent is down by 7.6%. Like-for-like net rental income is down in all segments, this is due to higher operating costs driven by higher municipal taxes and higher maintenance costs.

Service costs

Non-recoverable service charges for the first quarter are up by 12% compared to the same period last year. This is because of higher vacancy in the HNK portfolio (€ 0.1m) and positive one-off effects on HNK service charge reconciliations in Q1 2020.

Operating costs

Operating costs during the quarter are 22% (€ 1.0m) higher compared to the same period last year. This is mainly due to higher municipal taxes (€ 0.5m), of which € 0.3m is related to higher property taxes, which under IFRS are charged in the quarter these are incurred (traditionally Q1). Operating costs were furthermore negatively impacted by a higher level of maintenance costs (€ 0.2m) and higher property management costs (€ 0.1m) compared to Q1 2020.

Administrative costs

Administrative expenses are 6.6% (€ 0.1m) lower compared to the first quarter of 2020. This is mainly due to capitalised staff costs related to our development projects (€ 0.1m).

Net financing costs

Financing costs are up by 17% (€ 0.3m) compared to last year. This is due to a higher amount of debt outstanding during the quarter (€ 0.1m) and due to a lower level of capitalised interest relating to development projects (€ 0.1m).

Post-closing events and contingencies

The disposal of two assets in Dordrecht and Delft was agreed in Q1. The actual transfer of these assets is foreseen late April, early May.

Income segment split 2021

	Q1 2021							
	Offices		HNK		Other	Corporate	TOTAL	TOTAL Q1 2020
	A'dam	Other NL	A'dam	Other NL				
Gross rental income	7,376	5,920	1,116	3,251	1,694		19,356	19,283
Service costs not recharged	-33	-82	-49	-175	-35		-374	-335
Operating costs	-1,196	-2,209	-380	-1,152	-822		-5,758	-4,713
Net rental income	**6,147**	**3,629**	**687**	**1,924**	**837**		**13,224**	**14,235**
Administrative costs						-1,874	-1,874	-2,006
Earnings before interest and taxes	**6,147**	**3,629**	**687**	**1,924**	**837**	**-1,874**	**11,350**	**12,229**
Net financing result						-2,331	-2,331	-1,989
Direct investment result before tax	**6,147**	**3,629**	**687**	**1,924**	**837**	**-4,205**	**9,019**	**10,239**
Corporate income tax						-1	-1	-1
Direct investment result / EPRA earnings	**6,147**	**3,629**	**687**	**1,924**	**837**	**-4,206**	**9,018**	**10,238**

REAL ESTATE PORTFOLIO

In Q1 NSI acquired a portfolio of three assets and sold three assets. The portfolio acquired included assets in Amsterdam city centre, Amsterdam Southeast and Rotterdam, for a combined price of € 79.8m. Total disposal proceeds in 21Q1 were € 15m (excluding costs).

The disposals are assets in Hoofddorp, The Hague and Rotterdam, which left the balance sheet in Q1 and on average were sold marginally ahead of the December 2020 book value. Following these transactions, 55% of NSI's portfolio is now located in Amsterdam.

Portfolio breakdown - 31 March 2021

	# Assets	Market value (€ m)	Market value (%)
Offices	43	1,005	75%
HNK	13	250	19%
Other	4	77	6%
TOTAL	**60**	**1,332**	**100%**

Vacancy

The EPRA vacancy at the end of the quarter is 7.8%, vs 7.0% at the end of 2020. Most of the increase in vacancy comes from HNK and one asset in particular: HNK Southeast. One of three buildings of this HNK has been strategically vacated in its entirety ahead of a refurbishment.

EPRA vacancy

	Dec. 2020	L-f-l	Other	Mar. 2021
Offices	4.2%	0.6%	-0.1%	4.6%
HNK	14.9%	2.7%		17.6%
Other	6.9%	-0.3%		6.6%
TOTAL	**7.0%**	**1.1%**	**-0.3%**	**7.8%**

Rents

Gross rents are down 0.7% on a like-for-like basis for the quarter. Split by segment, Offices are down 0.3%, HNK 2.1% and Other up 0.4%.

Net rents decreased by 7.6% on a like-for-like basis, with Offices down 7.2%, and HNK and 'Other' down by 8% and 10.8% respectively. While optically a large drop, this figure should not be extrapolated to the full year as the main reason for the decline was a high level of maintenance costs, which just happened to be incurred in Q1, as well as municipal taxes which were 15% higher than last year. Although against the challenging pandemic backdrop the focus will be squarely on tenant retention, we expect like-for-like net rents to be flat for the full year 2021.

Like-for-like growth net rental income

	YTD 2021	YTD 2020	L-f-l
Offices	9.2	9.9	-7.2%
HNK	2.7	2.9	-8.0%
Other	0.8	1.0	-10.8%
TOTAL	12.7	13.7	-7.6%

Offices

The office vacancy increased to 4.6%. The largest contributing factor was the departure of a tenant in Rotterdam Alexander, where we expect to start a refurbishment in the period ahead.

Key office metrics - breakdown by segment

	Mar. 2021			
	A'dam	Other NL	TOTAL	Dec. 2020
Number of properties	18	25	43	43
Market value (€ m)	630	375	1,005	931
Market value asset (€ m)	35	15	23	22
Ann. contract rent (€ m)	34	25	60	58
Average rent / sqm	232	185	210	206
Reversionary potential	12.8%	-0.9%	7.0%	4.8%
Lettable area (sqm k)	153	149	302	296
Market rent (€ m)	40	27	67	63
EPRA vacancy	3.2%	6.8%	4.6%	4.2%
EPRA net initial yield	4.1%	4.6%	4.3%	4.4%
Reversionary yield	6.4%	7.2%	6.7%	6.8%
Wault	4.5	4.4	4.5	4.1

HNK

The EPRA vacancy rate for HNK is up by 270 bps to 17.6% this quarter. This is mainly the result of HNK Amsterdam Southeast being partially vacated ahead of a major refurbishment, which is expected to complete in December this year. The strategic vacancy is 3.1% as a result, so adjusted for this, the real HNK vacancy is 14.5%. HNK Houthavens also saw a vacancy increase, mostly as a result of the current pandemic impacting the prospects of smaller start-up businesses. Overall, the tenant retention rate during the quarter was strong at 76%.

Managed offices retain their appeal. The EPRA vacancy of Managed Offices at HNK is down to 14.6%, from 15.3% at 31 Dec 2020. Net new take-up was up circa 124% by number of contracts (47 new contracts vs 21 same period last year) and 140% by contracted rent.

Key HNK metrics - breakdown by segment

	Mar. 2021			
	A'dam	Other NL	TOTAL	Dec. 2020
Number of properties	3	10	13	13
Market value (€ m)	90	160	250	249
Market value asset (€ m)	30	16	19	19
Ann. contract rent (€ m)	5	14	19	19
Average rent / sqm	235	181	192	190
Reversionary potential	7.7%	-6.0%	-2.4%	0.4%
Lettable area (sqm k)	27	96	124	124
Market rent (€ m)	7	16	23	23
EPRA vacancy	21.7%	15.9%	17.6%	14.9%
EPRA net initial yield	3.4%	5.2%	4.6%	4.3%
Reversionary yield	7.3%	9.9%	9.0%	9.2%
Wault	2.5	3.4	3.2	3.2

Other

The EPRA vacancy for the segment Other is down by 30bps to 6.6% in Q1. Like-for-like net rents are down 10.8% due to higher operating costs mainly doubtful debtors (due to the pandemic effect on retail) as well as higher taxes.

BALANCE SHEET, NTA AND FINANCING

Funding

Net debt is up by € 74.0m compared to the end of December 2020. This is primarily due to the acquisition of a portfolio containing three assets in mid-March and capital expenditures, and is partially offset by disposals and retained earnings.

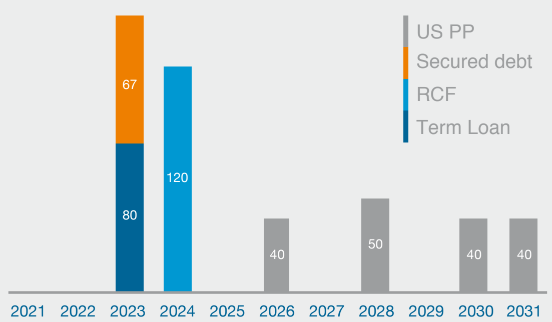
Taking into account debts to credit institutions at the end of March 2021, NSI has circa € 175m of cash and committed undrawn credit facilities at its disposal. This ensures sufficient flexibility and capacity to fund the development pipeline and selective further acquisitions.

Net debt

	Mar. 2021	Dec. 2020	Δ
Debt outstanding	436.9	367.1	69.8
Amortisation costs	-1.1	-1.1	0.1
Book value of debt	**435.9**	**366.0**	**69.9**
Cash and cash equivalents	-0.1	-0.2	0.0
Debts to credit institutions	4.4	0.4	4.0
Net debt	**440.2**	**366.2**	**74.0**

At the end of March 2021 the average loan maturity is 4.6 years (December 2020: 5.2 years) with no loans maturing until 2023. At year-end 85% of debt drawn is unsecured (89% of available debt). The average cost of debt is stable at 2.0%.

Maturity profile



Leverage and hedging

The LTV is 33.0% at the end of March 2021, up 3.8 percentage point compared to December 2020 (29.2%), driven by the increase of net debt as a result the acquisition of new assets during the period.

The ICR stands at 5.7x at the end of the first quarter of 2021 compared to 7.2x at the end of December 2020. As municipal taxes are generally charged in the first quarter, net operating income and thus the ICR tend to be lower in the first quarter of the year. The ICR remains well above the 2.0x covenant.

Covenants

	Covenant	Dec. 17	Dec. 18	Dec. 19	Dec. 20	Mar. 21
LTV	≤ 60.0%	36.9%	36.9%	27.4%	29.2%	33.0%
ICR	≥ 2.0x	4.7x	5.5x	6.8x	7.2x	5.7x

NSI is using swaps to hedge interest rate risk on variable rate loans. Funds for the acquisition of three assets were drawn on the RCF, as a result of which the volume hedge ratio at the end of March 2021 is 73% (target range: 70-100%).

The weighted average maturity of both the derivatives and the fixed rate debt is circa 5.2 years at the end of March 2021 and the subsequent maturity hedge ratio is 113% (target range 70-120%).