



HALF YEAR RESULTS

H1 2024

- **On the front foot: In a strong position to explore profitable growth**
- **Repayment of Berlin Hyp loan; all financing now fully unsecured**
- **EPRA vacancy rate at 4.9% at H1 2024, down 0.3% since year-end**
- **H1 EPRA EPS of € 0.91, underpinned by 3.0% gross like-for-like rental growth**
- **Interim dividend maintained at € 0.75 per share**

INDEX

NSI HIGHLIGHTS	3
CEO COMMENTS	4
INCOME, COSTS AND RESULT	5
REAL ESTATE PORTFOLIO	6
BALANCE SHEET, NAV AND FINANCING	9
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION	10
MANAGEMENT BOARD STATEMENT	22
REVIEW REPORT	23
EPRA KEY PERFORMANCE MEASURES	24
GLOSSARY	27

FINANCIAL CALENDAR

Publication trading update Q3 2024	16 October 2024
Publication preliminary results FY 2024	28 January 2025
Publication annual report 2024	6 March 2025
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Ex-dividend date	19 July 2024
Record date	22 July 2024
Payment date	12 August 2024

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NSI HIGHLIGHTS

KEY FINANCIAL METRICS¹

REVENUES AND EARNINGS

	H1 2024	H1 2023	Change
Net rental income	27,599	27,983	-1.4%
Net rental income - like-for-like	27,425	27,552	-0.5%
Direct investment result	18,159	20,434	-11.1%
Indirect investment result	-15,146	-118,049	-87.2%
Total investment result	3,013	-97,615	-103.1%
EPRA earnings per share	0.91	1.02	-10.5%
Weighted average number of ordinary shares outstanding	19,946,256	20,079,904	-0.7%
EPRA cost ratio (excl. direct vacancy costs)	28.8%	27.2%	1.5 pp

BALANCE SHEET

	30 June 2024	31 December 2023	Change
Investment property	995,603	1,028,801	-3.2%
Net debt	-331,501	-344,443	-3.8%
Other assets / liabilities	22,173	25,524	-13.1%
Equity	686,276	709,882	-3.3%
EPRA NTA per share	35.13	35.30	-0.5%
Number of ordinary shares outstanding	19,552,297	20,155,221	-3.0%
Net LTV	32.9%	33.0%	-0.2 pp

KEY ESG METRICS (NON-FINANCIAL)

	30 June 2024	31 December 2023	Change
CRREM building energy intensity (kWh/sqm/year)	128 ²	130	n/a
EPC-label (percentage portfolio with label A or better)	95.8%	95.3%	0.0 pp
GRESB score	94 ³	94	n/a

KEY PORTFOLIO METRICS

	30 June 2024				31 December 2023	Change
	Amsterdam	Other G4	Other NL	TOTAL	31 December 2023	
Number of properties	21	14	10	45	46	-2.2%
Market value (€ m) ⁴	552	305	151	1,008	1,043	-3.3%
Lettable area (sqm k)	162	126	65	352	351	0.5%
Annualised contractual rent (€ m) ⁵	40	25	12	77	77	-0.2%
ERV (€ m)	44	26	13	83	84	0.0%
EPRA net initial yield	5.3%	5.3%	5.3%	5.3%	5.3%	0.0 pp
Gross initial yield	7.7%	8.3%	8.2%	8.0%	7.9%	0.1 pp
EPRA vacancy	5.0%	6.2%	2.2%	4.9%	5.2%	-0.2 pp
Wault	4.0	4.0	3.5	3.9	3.7	6.2%

1 These half year results are unaudited.

2 Based on 65% data coverage.

3 GRESB score is available only at year-end; 2024 figures represent year-end 2023 figures.

4 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).

5 Before free rent and other lease incentives.

CEO COMMENTS

In the first half of 2024, NSI's operational strength continued to support all relevant metrics. Meanwhile, our balance sheet is robust, reflecting prudent financial management throughout the downcycle, providing us with ample flexibility to navigate the currently still rather uncertain market dynamics.

Strong operational performance

We are very pleased that we managed the vacancy rate down to below 5%, reporting an H1 EPRA vacancy rate of 4.9%. The remaining vacancy in the portfolio is now limited to some floors in some of our buildings, i.e. we are at frictional levels now. The continued high occupancy underpins our 3.0% like-for-like gross rental growth in H1.

We continue to see a clear shift in demand, one that is noticeable in many office markets in Europe. Customers are increasingly discerning and prefer to take less space in better locations, with better amenities, services and sustainability credentials, to attract and retain talent (at net the same total occupational cost, or less). The strength of our operating performance proves that our portfolio is very much able to accommodate this shift in demand.

A clear strategy to drive performance

Whilst the core of our activities is offices, we are already active in other segments for some time, such as our life sciences cluster in Leiden. Further diversification is being assessed as we are reviewing highest-and-best use alternatives for some of our existing offices, with residential as a likely alternative.

Differentiation in offices at this time is about the attractiveness of assets in terms of location, flexibility, services and sustainability. Flexibility, services and sustainability will become hygiene factors at some point. Location will remain the ultimate differentiator, hence our focus on Amsterdam. Having said that, for now there is plenty of opportunity for asset owners to differentiate on all factors.

We have our own in-house flex operator (HNK), as blueprint and incubator for new services for the wider NSI portfolio, and we continue to lead the market investing in sustainability. Longer term, the aim is to roll out our capabilities over a larger pool of assets, to further improve cost efficiency and drive differential returns for shareholders.

As such, our strategy can be summarised as:

- **Amsterdam**, only selectively elsewhere
- **Sector fluid**, so beyond the core of offices
- **Customer first**, with focus on flexibility and services
- **Sustainability**, where we aim to continue to lead
- **Growth**, to maximise use/efficiency of our platform

We are confident we have the capabilities in place to execute this strategy successfully.

Fully unsecured financing

At the start of July, we paid down our entire Berlin Hyp secured financing, due 2027, at the cost of an early termination fee. The move is accretive after costs and, more importantly, enables us to consider new custom financing solutions, for example in pursuing JV opportunities for assets or developments.

The portfolio is now entirely financed on an unsecured basis, at an average rate of 3.1%, with the first refinancing due Jan-2026.

Capital values bottoming out

Capital values across our portfolio were down by a modest 1.7% in H1. Across the board it appears capital values are bottoming out, in our case at a level ca. 25% below valuations in H1 2022.

We see in the market that much hope is being placed on a further decline in interest rates to bring about the next up-cycle. This view may well be premature, given continued inflationary pressures. In any case, it is also much too narrow a base to drive a prolonged up-cycle for capital values, for which a much broader recovery is needed.

Whilst we are optimistic about the economic outlook, there are too many structural issues in the wider market that still need to play out for office values to stage a broad recovery. Continued capital dislocation, lingering uncertainty over tenant demand, the operationalisation of the asset class and sustainability costs are key factors to impact office values in the years ahead.

Outlook 2024 - On the front foot

As we move into the second half of the year, our outlook remains positive. The record low vacancy rate, strong balance sheet (32.9% LTV) and potentially stabilising capital values, provide a solid base to consider pursuing accretive opportunities.

Even in what is now a slow market, we are looking at multiple opportunities, both for acquisitions and disposals, but we are patient and will only act upon the right deal. In addition, the team continues to work to further our development pipeline. We will always assess if buying is cheaper than building, in terms of risk-adjusted forward IRRs.

H1 interim EPRA EPS is € 0.91. We now forecast a post-tax EPRA EPS of € 1.90-2.00 for the full year 2024. This fully includes the positive contribution from the share buyback programme and assumes a circa 3-5% tax rate for the year.

Per 30 June a total of 602,924 shares have been repurchased, at an average price of € 18.78 per share for a total consideration of € 11.3 mln. The buyback will end 30 September at the latest.

We maintain the H1 interim dividend at € 0.75 per share.

Bernd Stahli

INCOME, COSTS AND RESULT

Introduction

EPRA earnings in H1 2024 amount to € 18.2m compared to € 20.4m in H1 2023 (-11%), which is the result of higher financing costs due to the renewal of swaps in late H1 2023, higher operating costs as well as the introduction of corporate income tax in H2 2023. EPRA EPS is € 0.91, 11% lower than in the same period last year.

EPRA NTA is down 0.5% or € 0.17 per share compared to the end of 2023, primarily due to the slightly negative revaluation of the portfolio in H1 2024, most of which was compensated for by the positive impact of the share buyback.

Rental income

Gross rental income was up slightly compared to H1 2023 at € 36.2m (+2%), mainly due to lower vacancy during the first half year of 2024. On a like-for-like basis gross rents increased by 3.0%, also due to lower vacancy.

Non-recoverable service costs are € 0.1m higher than in the same period last year. Operating costs are € 0.9m higher in H1 2024 compared to the same period last year due to maintenance (+ € 0.4m) and letting costs (+ € 0.3m) and municipal taxes (+ 0.2m).

Net rental income amounts to € 27.6m, down € 0.4m (-1.4%) versus H1 2023. The NRI margin is 76.3%, down 2.4 bps versus H1 2023.

Net rental income decreased by 0.5% on a like-for-like basis, the result of a decrease in net rental income in Other G4 (specifically Rotterdam) due to increased vacancy related to the renovation of HNK Rotterdam Scheepvaartkwartier, and partly offset by increased net rental income in Amsterdam (+ 1.2%).

Administrative costs

Administrative costs are stable at 4.0m.

Net financing result

The net financing result is down by € 1.4m compared to the same period last year, caused by higher interest costs (- € 1.4m) reflecting higher interest rates on variable loans and lower income on swaps due to closing new, higher fixed rate, swaps at the end of H1 2023.

Indirect result

The investment portfolio incurred a negative H1 revaluation of € 17.2m (-1.7%) compared to the end of December 2023.

A positive mark-to-market on the value of interest rate swaps (€ 1.1m) and a positive effect on corporate income tax (€ 0.8m) add to a total indirect result for the first half of 2024 of - €15.1m.

Post-closing events and contingencies

The € 55m Berlin Hyp loan was fully repaid on July 5th, with the security on the underlying assets released on July 9th.

Income segment split

	H1 2024					H1 2023
	Amsterdam	Other G4	Other Netherlands	Corporate	TOTAL	
Gross rental income	18,301	12,125	5,731		36,157	35,521
Service costs not recharged	-417	-558	-32		-1,007	-866
Operating costs	-3,446	-2,888	-1,217		-7,551	-6,672
Net rental income	14,438	8,678	4,483		27,599	27,983
Administrative costs				-4,002	-4,002	-4,000
Earnings before interest and taxes	14,438	8,678	4,483	-4,002	23,597	23,983
Net financing result				-4,957	-4,957	-3,547
Direct investment result before tax	14,438	8,678	4,483	-8,959	18,641	20,435
Corporate income tax				-481	-481	-1
Direct investment result / EPRA earnings	14,438	8,678	4,483	-9,440	18,159	20,434

REAL ESTATE PORTFOLIO

In January 2024 the disposal of Laanderpoort was concluded for a total of € 24m. There were no acquisitions in H1 2024.

Portfolio breakdown - 30 June 2024

	# Assets	Market value (€ m)	Market value (%)
Amsterdam	21	552	55%
Other G4	14	305	30%
Other Netherlands	10	152	15%
TOTAL	45	1,008	100%

Vacancy

The EPRA vacancy as per end June 2024 is 4.9%, down from 5.2% at the end of 2023. On a like-for-like basis the increase was 0.4%, mainly due to tenant departures in Rotterdam related to the renovations of HNK Rotterdam Scheepvaartkwartier.

EPRA vacancy

	Dec. 2023	L-f-I	Other	Jun. 2024
Amsterdam	5.8%	-0.7%		5.0%
Other G4	6.0%	2.3%	-2.0%	6.2%
Other Netherlands	1.5%	0.6%		2.2%
TOTAL	5.2%	0.4%	-0.6%	4.9%

Rents

On a like-for-like basis, gross rents are up by 3.0% in H1 2024. Split by segment, Amsterdam is up by 4.3%, Other G4 is up by 1.5% and Other Netherlands 1.8%. The increase versus the first half of 2023 can be explained in part by indexation and in part by lower vacancy in the past half year.

Net rents decreased by 0.5% on a like-for-like basis in H1 2024, mainly the result of a decrease in net rental income in Other G4 due to increased vacancy and higher operating costs related to the renovation and opening of HNK Rotterdam Scheepvaartkwartier, and partly offset by increased net rental income in Amsterdam (+ 1.2%) and Other Netherlands (+ 2.2%).

Like-for-like growth net rental income

	H1 2024	H1 2023	L-f-I
Amsterdam	14.6	14.4	1.2%
Other G4	8.3	8.7	-4.5%
Other Netherlands	4.5	4.4	2.2%
TOTAL	27.4	27.6	-0.5%

Reversionary potential / ERV bridge

In H1 2024 ERVs were up by 0.9% on a like-for-like basis. The highest increases in ERV were recorded in Rotterdam (+ 2.9%), Amsterdam (+ 1.0%) and Leiden (+ 1.0%).

Like-for-like growth ERV

	Jun. 2024	Dec. 2023	L-f-I
Amsterdam	44	44	1.0%
Other G4	25	24	1.1%
Other NL	13	13	0.5%
TOTAL	82	81	0.9%

As per June 2024 the investment portfolio is 2.5% reversionary, slightly up from 2.4% at year-end 2023.

Reversionary potential

	Jun. 2024	Dec. 2023
Amsterdam	5.4%	5.2%
Other G4	-2.7%	-3.0%
Other NL	3.9%	4.1%
TOTAL	2.5%	2.4%

Annual expirations and reversionary potential

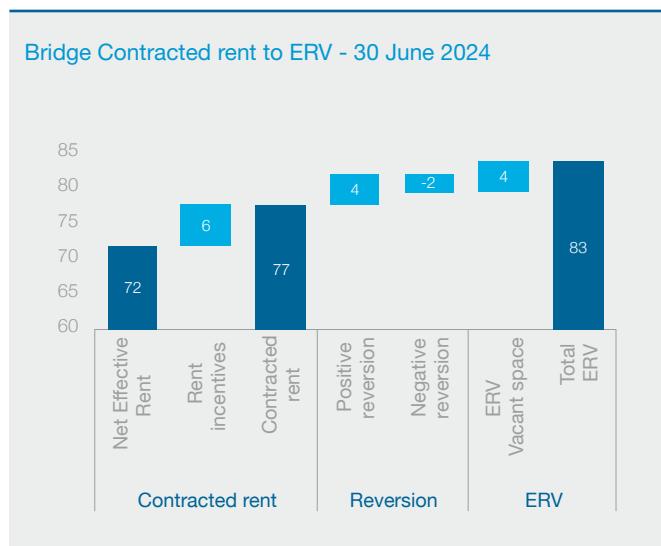


The reversion for lease contracts still due for renewal in 2024 is 1.1% negative, which is fully attributable to a negative reversion of one or two leases in Rotterdam.

At the start of 2024 € 12.2m of rental income was set to expire during the year. Contracts representing an annualised rental income of € 4.0m are still set to expire in H2 2024. This includes € 2.3m in flexible lease contracts with maturities of one to three months, which typically are just rolled over.

The WAULT of the portfolio is 3.9 years.

During H1 2024, contracts, including renewals, on average were signed at ERV. The total tenant retention rate for H1 2024 was 73.9%.



Portfolio yields

The EPRA net initial yield is stable in the first half of 2024. The gross initial yield is up 10 bps to 8.0%. This reflects both yield expansion and the impact of higher rents. The lack of liquidity in the investment market in combination with higher swap rates over the period has resulted in appraisers applying higher yield requirements.

Portfolio yields

	EPRA net initial yield		Gross initial yield		Reversionary yield	
	Jun.	Dec.	Jun.	Dec.	Jun.	Dec.
	2024	2023	2024	2023	2024	2023
Amsterdam	5.3%	5.2%	7.7%	7.4%	8.5%	8.3%
Other G4	5.3%	5.7%	8.3%	8.6%	8.6%	8.9%
Other NL	5.3%	5.0%	8.2%	8.1%	8.8%	8.6%
TOTAL	5.3%	5.3%	8.0%	7.9%	8.6%	8.5%

Valuations

The total portfolio valuation is down by 1.7% in H1 2024.

The largest fall in capital values was incurred in Amsterdam (- € 17m; -2.8%). In Other G4 and Other Netherlands the change in capital values amounted to respectively 0.5% and -1.7%.

Revaluation

	Market value (€ m)	Revaluation			%
		Positive	Negative	TOTAL	
Amsterdam	552	3	-19	-17	-2.8%
Other G4	305	4	-3	1	0.5%
Other NL	152	5	-7	-3	-1.7%
TOTAL	1,008	11	-29	-18	-1.7%

Capital expenditure

Capex in H1 2024 is € 7.0m, of which € 3.6m is defensive. Offensive capex is € 3.3m, of which € 1.3m in development projects and € 2.0m in operational assets.

Capital expenditure

	Offensive	Defensive	TOTAL
Amsterdam	2.3	1.8	4.1
Other G4	1.0	1.5	2.5
Other NL	0.1	0.3	0.4
TOTAL	3.4	3.6	7.0

Amsterdam

Key metrics Amsterdam

	Jun. 2024	Dec. 2023	Change
Number of properties	21	22	-4.5%
Market value (€ m)	552	588	-6.1%
Lettable area (sqm k)	162	161	0.5%
Ann. contract rent (€ m)	40	39	1.2%
ERV (€ m)	44	44	1.0%
EPRA net initial yield	5.3%	5.2%	0.1 pp
Gross initial yield	7.7%	7.4%	0.3 pp
EPRA vacancy	5.0%	5.8%	-0.7 pp
WAULT	4.0	4.1	-1.8%

The Amsterdam vacancy decreased from 5.8% as per year-end 2023 to 5.0% at the end of H1 2024, mostly as a result new leases signed in Centerpoint I.

The tenant retention rate during H1 2024 was 61.9%.

Amsterdam: Annual expirations and reversionary potential



Other G4

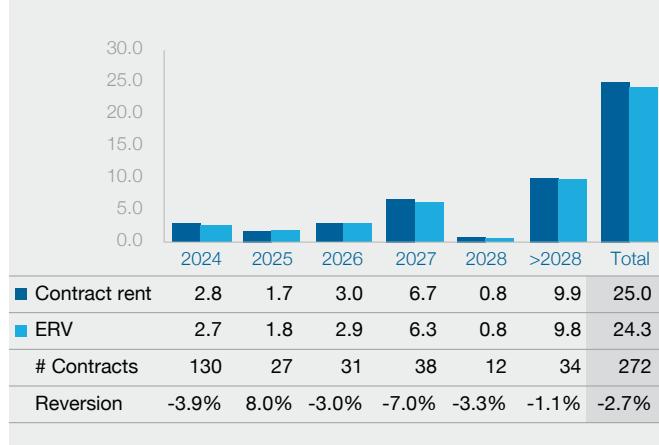
Key metrics Other G4

	Jun. 2024	Dec. 2023	Change
Number of properties	14	14	
Market value (€ m)	305	301	1.3%
Lettable area (sqm k)	126	125	0.8%
Ann. contract rent (€ m)	25	26	-2.5%
ERV (€ m)	26	27	-1.9%
EPRA net initial yield	5.3%	5.7%	-0.4 pp
Gross initial yield	8.3%	8.6%	-0.3 pp
EPRA vacancy	6.2%	6.0%	0.3 pp
WAULT	4.0	3.5	14.9%

The EPRA vacancy rate for Other G4 is 5.3%, down from 5.7% at year-end 2023. The majority of the vacancy in Other G4 is concentrated in HNK Rotterdam Scheepvaartkwartier due to the recently finished repositioning.

The retention rate for H1 2024 amounts to 56.1%.

Other G4: Annual expirations and reversionary potential



Other Netherlands

Key metrics Other Netherlands

	Jun. 2024	Dec. 2023	Change
Number of properties	10	10	
Market value (€ m)	152	154	-1.5%
Lettable area (sqm k)	65	65	-0.2%
Ann. contract rent (€ m)	12	12	0.1%
ERV (€ m)	13	13	0.5%
EPRA net initial yield	5.3%	5.0%	0.3 pp
Gross initial yield	8.2%	8.1%	0.1 pp
EPRA vacancy	2.2%	1.5%	0.6 pp
WAULT	3.5	2.9	20.6%

The vacancy rate is 2.2%, slightly up from 1.5% at year-end 2023. The vacancy in our Life Science assets in Leiden remains 0%.

The retention rate for H1 2024 in this segment is 92.6%.

Other NL: Annual expirations and reversionary potential



Development and major renovations

Laanderpoort was sold to ING in January 2024 slightly above book value, for € 24m, which is the price for the existing Laanderpoort buildings, along with the plans, permits and agreements for its redevelopment. ING has since started the demolition of the asset.

Vitrum has been leased on a flexible basis to generate rental income, for the duration of the legal process. This legal process, to obtain all the necessary permits and approvals for the planned redevelopment, continues to be pursued.

The redevelopment of Alexanderpoort is set to start in Q4 2024. On completion (Q3 2025) the new HNK Rotterdam Alexander will be a new thriving focus point in this upcoming submarket of Rotterdam. The asset was transferred to IPUC in H1 2024. This redevelopment will turn Alexanderpoort from what was a rather dated building to a modern, sustainable, flexible building with services and amenities to fully cater to changing customer demand – in line with the recent upgrades of HNK elsewhere.

We continue to work on plans and the feasibility of Well House, looking at multiple ways to fund and de-risk the project.

In H1 2024 we have re-started detailed studies and planning to redevelop some of existing Amsterdam offices into residential. There are multiple opportunities for this in, both in Amsterdam and in Eindhoven.

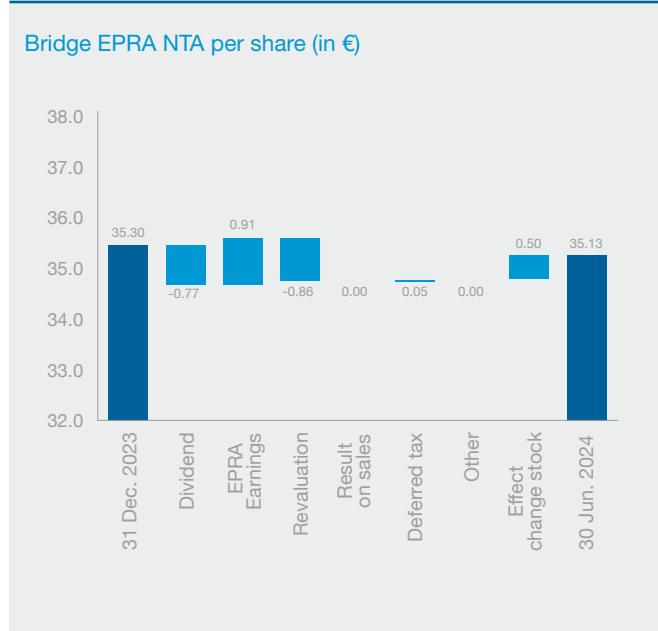
Movement investment property under construction 2024

	TOTAL
Balance 1 January 2024	59.2
Capital expenditure (Investments)	1.3
Capitalised interest	0.9
Revaluation	-2.6
Transfer from / to operation	12.1
Disposals	-23.9
Balance 30 June 2024	47.0
Market value 30 June 2024	47.0

BALANCE SHEET, NTA AND FINANCING

Net tangible assets

EPRA NTA as of H1 2024 is € 687m, down 3.5% compared to the end of 2023 (€ 711m), largely as a result of a slight negative revaluation of the investment portfolio. Due to a reduction in the number of shares following the share buyback, EPRA NTA per share only decreased by 0.5% from € 35.30 at the end of 2023 to € 35.13 as of H1 2024.



Funding

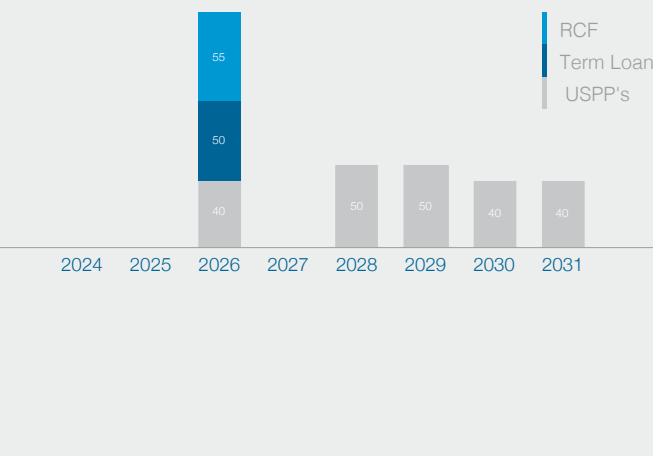
Due to significantly reduced capital needs following the disposal of Laanderpoort in early H1 2024 and the preference for more flexibility for future funding, the €55m secured loan with BerlinHyp has been fully repaid on 5 July by way of drawing on the revolving credit facility. All remaining financing is now on an unsecured basis.

Net debt

	Jun. 2024	Dec. 2023	Change
Debt outstanding	325.0	335.0	-10.0
Amortisation costs	-1.2	-1.4	0.2
Book value of debt	323.8	333.6	-9.8
Cash and cash equivalents	-19.4	-0.2	-19.2
Debts to credit institutions	27.0	11.0	16.0
Net debt	331.5	344.4	-12.9

Net debt is down by € 12.9m compared to the end of December 2023. This is primarily due to disposals totalling € 24m, and was partly offset by the share buyback. As of H1 2024 NSI has circa € 300m of committed undrawn credit facilities at its disposal, of which € 55m has been used to repay the BerlinHyp loan in early July 2024. The average loan maturity is 4.1 years (December 2023: 4.5 years), with no loans maturing until the start of 2026. This ensures sufficient flexibility for the business.

Maturity profile (per 5 July 2024)



As of H1 2024 83.1% of debt drawn is unsecured (after repayment in July 2024: 100%). The average cost of debt is stable at 3.1% (3.2% per the end of 2023).

Leverage and hedging

The LTV is 32.9% as of H1 2024, stable compared to December 2023 (33.0%), due to slight negative revaluations of assets in 2024 but offset by lower net debt.

The ICR stands at 4.8x as of H1 2024, compared to 5.5x at the end of December 2023, and remains firmly above the 2.0x covenant.

Covenants

Covenant	Dec. '20	Dec. '21	Dec. '22	Dec. '23	Jun. '24
LTV	≤ 60.0%	29.2%	28.2%	28.7%	33.0%
ICR	≥ 2.0x	7.2x	6.5x	6.3x	5.5x

NSI is using swaps to hedge interest rate risk on variable rate loans. After the repayment of the BerlinHyp loan, the swap agreed in July 2023 will stay in place and be used for the € 55m drawn on the variable rate revolving credit facility.

At the end of H1 2024, the volume hedge ratio is 84.6% (target range 70-100%). The weighted average maturity for the derivatives and fixed rate loans is 4.4 years as of H1 2024. The maturity hedge ratio is 107.3% (target range 70-120%).

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(x € 1,000)

	Note	H1 2024	H1 2023
Gross rental income	2	36,157	35,521
Service costs recharged to tenants		6,708	6,784
Service costs		-7,714	-7,650
Service costs not recharged	2	-1,007	-866
Operating costs	2, 3	-7,551	-6,672
Net rental income		27,599	27,983
Revaluation of investment property	4	-17,157	-116,794
Net result on sale of investment property	5	120	-88
Net result from investments		10,563	-88,899
Administrative costs	6	-4,002	-4,000
Other income and costs		-70	-4
Financing income		27	9
Financing costs		-4,983	-3,556
Movement in market value of financial derivatives		1,114	-1,163
Net financing result		-3,843	-4,710
Result before tax		2,648	-97,614
Corporate income tax		365	-1
Total result for the year		3,013	-97,615
Other comprehensive income / expense			
Total comprehensive income / expense for the year		3,013	-97,615
Total comprehensive income / expense attributable to:			
Shareholders		3,013	-97,615
Total comprehensive income / expense for the year		3,013	-97,615
Data per average outstanding share:			
Diluted as well as non-diluted result after tax		0.15	-4.86

The notes form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(x € 1,000)

	Note	30 June 2024	31 December 2023
Assets			
Investment property	7	995,603	1,028,801
Intangible fixed assets		28	32
Tangible fixed assets		3,813	3,835
Financial fixed assets		0	0
Deferred tax assets		39,610	38,654
Other non-current assets		11,112	12,069
Non-current assets		1,050,166	1,083,389
Debtors and other receivables	8	3,147	3,963
Deferred tax assets		70	70
Cash and cash equivalents		19,363	202
Current assets		22,580	4,235
Total assets		1,072,747	1,087,625
Shareholders' equity			
Issued share capital	9	71,952	74,171
Share premium reserve	9	905,964	915,068
Other reserves	9	-294,654	-136,988
Total result for the year		3,013	-142,370
Shareholders' equity		686,276	709,882
Liabilities			
Interest bearing loans	10	323,843	333,632
Derivative financial instruments	12	494	1,608
Deferred tax liabilities		112	2
Other non-current liabilities		4,777	4,533
Non-current liabilities		329,226	339,775
Debts to credit institutions		27,020	11,012
Creditors and other payables	11	30,224	26,956
Current liabilities		57,245	37,968
Total liabilities		386,471	377,743
Total shareholders' equity and liabilities		1,072,747	1,087,625

The notes form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(x € 1,000)

	Notes	H1 2024	H1 2023
Result from operations after tax		3,013	-97,615
Adjusted for:			
Revaluation of investment property	4	17,157	116,794
Net result on sale of investment property	5	-120	88
Net financing result		3,843	4,710
Corporate income taxes		-365	1
Depreciation and amortisation	6	312	317
		20,826	121,911
Movements in working capital:			
Debtors and other receivables		2,020	-1,237
Creditors and other payables		2,228	7,317
		4,248	6,079
Cash flow from operations		28,087	30,375
Financing income received		27	9
Financing costs paid		-5,258	-5,088
Tax paid		-144	-57
Cash flow from operating activities		22,712	25,238
Purchases of investment property and subsequent expenditure	7	-6,990	-8,484
Proceeds from sale of investment property	7	24,057	23,116
Investments in tangible fixed assets		-7	
Cash flow from investment activities		14,632	14,632
Issuance / repurchase of shares		-11,323	
Dividend paid to the company's shareholders		-15,296	-19,639
Proceeds from interest bearing loans	10		10,000
Transaction costs interest bearing loans paid			-108
Repayment of interest bearing loans	10	-10,000	-28,200
Cash flow from financing activities		-36,619	-37,947
Net cash flow		3,153	1,923
Cash and cash equivalents and debts to credit institutions - balance as per 1 January		-10,810	-13,840
Cash and cash equivalents and debts to credit institutions - balance as per 30 June		-7,658	-11,918

The notes form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(x € 1,000)

H1 2024

	Issued share capital	Share premium reserve	Other reserves	Result for the year	Shareholders' equity
Balance as per 1 January 2024	74,171	915,068	-136,988	-142,370	709,882
Total result for the year				3,013	3,013
Total comprehensive income / expense for the year				3,013	3,013
Profit appropriation - 2023			-142,370	142,370	
Distribution final dividend - 2023			-15,296		-15,296
Issuance / repurchase of shares	-2,219	-9,104			-11,323
Contributions from and to shareholders	-2,219	-9,104	-157,666	142,370	-26,619
Balance as per 30 June 2024	71,952	905,964	-294,654	3,013	686,276

H1 2023

	Issued share capital	Share premium reserve	Other reserves	Result for the year	Shareholders' equity
Balance as per 1 January 2023	73,800	915,447	-70,868	-31,370	887,008
Total result for the year				-97,615	-97,615
Total comprehensive income / expense for the year				-97,615	-97,615
Profit appropriation - 2022			-31,370	31,370	
Distribution final dividend - 2022	372	-378	-19,633		-19,639
Contributions from and to shareholders	372	-378	-51,003	31,370	-19,639
Balance as per 30 June 2023	74,171	915,069	-121,871	-97,615	769,754

The notes form an integral part of the condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

REPORTING ENTITY

NSI N.V. (registration number Chamber of Commerce: 36040044; hereinafter 'NSI', or the 'company'), with its principal place of business in Hoogoorddreef 62, 1101 BE Amsterdam, the Netherlands and its registered office in Amsterdam, the Netherlands is a real estate company, primarily focussing on offices.

These condensed consolidated financial statements are presented for the company and its subsidiaries (together referred to as the 'Group').

The company is licensed pursuant to the Dutch Financial Supervision Act (Wet op het financiële toezicht). NSI N.V. is listed on Euronext Amsterdam.

BASIS OF PREPARATION

Statement of compliance

The interim financial information has been prepared in accordance with IAS34 Interim Financial Reporting. This does not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understand the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2023.

The interim financial information was authorised for issue by the Company's Management and Supervisory Board on 16 July 2024. The interim financial information was reviewed by the independent auditor and is unaudited.

Unless stated otherwise, all amounts in the interim financial information are in thousands of euros, the euro being the company's functional currency, and are rounded off to the nearest thousand. There could be minor rounding differences in the figures presented.

Assumptions and estimation uncertainties

The preparation of the financial statements requires that the Management Board forms opinions, estimates and assumptions

that affect the application of accounting principles and reported figures for assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023. The most significant assumption relates to the unobservable information used in the valuation of the investment property. Other judgements are made relating to the claims for shopping center 't Loon, the feasibility of the three investment properties under construction and timing of capitalisation of interest for the development projects, determination of ground lease terms and principle versus agent considerations for services provided to tenants.

Valuation principles

The condensed consolidated interim financial statements have been prepared on the basis of historical cost except for investment property, investment property under construction and derivative financial instruments, which are subsequently measured at fair value.

The accounting principles applied to the valuation of assets and liabilities and the determination of results in financial statements are based on the assumption of continuity (going concern) of the company.

At the end of H1 2024 NSI had a negative working capital position. However, this does not impact the assumption of continuity as NSI still has a remaining committed undrawn credit facility amply exceeding this negative working capital. Therefore, these financial statements are drawn up based on a going concern.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for 2023.

1. SEGMENT INFORMATION

H1 2024

	Amsterdam	Other G4	Other NL	Corporate	TOTAL
Gross rental income	18,301	12,125	5,731		36,157
Service costs not recharged	-417	-558	-32		-1,007
Operating costs	-3,446	-2,888	-1,217		-7,551
Net rental income	14,438	8,678	4,483		27,599
Revaluation of investment property	-16,313	1,622	-2,465		-17,157
Net result on sale of investment property	56		64		120
Net result from investment	-1,819	10,300	2,082		10,563
Administrative costs				-4,002	-4,002
Other income and costs				-70	-70
Net financing result				-3,843	-3,843
Result before tax	-1,819	10,300	2,082	-7,915	2,648
Corporate income tax				365	365
Total result for the year	-1,819	10,300	2,082	-7,550	3,013
Other comprehensive income / expense					
Total comprehensive income / expense for the year	-1,819	10,300	2,082	-7,550	3,013

H1 2023

	Amsterdam	Other G4	Other NL	Corporate	TOTAL
Gross rental income	17,832	11,919	5,770		35,521
Service costs not recharged	-618	-236	-12		-866
Operating costs	-3,005	-2,398	-1,269		-6,672
Net rental income	14,208	9,286	4,489		27,983
Revaluation of investment property	-93,267	-16,258	-7,268		-116,794
Net result on sale of investment property		-1	-87		-88
Net result from investment	-79,059	-6,974	-2,867		-88,899
Administrative costs				-4,000	-4,000
Other income and costs				-4	-4
Net financing result				-4,710	-4,710
Result before tax	-79,059	-6,974	-2,867	-8,715	-97,614
Corporate income tax				-1	-1
Total result for the year	-79,059	-6,974	-2,867	-8,716	-97,615
Other comprehensive income / expense					
Total comprehensive income / expense for the year	-79,059	-6,974	-2,867	-8,716	-97,615

2. NET RENTAL INCOME

	Gross rental income		Service costs not recharged		Operating costs		Net rental income	
	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023
Amsterdam	18,301	17,832	-417	-618	-3,446	-3,005	14,438	14,208
Other G4	12,125	11,919	-558	-236	-2,888	-2,398	8,678	9,286
Other Netherlands	5,731	5,770	-32	-12	-1,217	-1,269	4,483	4,489
Net rental income	36,157	35,521	-1,007	-866	-7,551	-6,672	27,599	27,983

3. OPERATING COSTS

	H1 2024	H1 2023
Leasehold		0
Municipal taxes	-3,014	-2,853
Insurance premiums	-307	-325
Maintenance costs	-1,401	-1,039
Property management costs	-2,144	-2,003
Letting costs	-605	-328
Contribution to owner association	-51	-44
Doubtful debt costs	-11	48
Other operating costs	-19	-129
Operating costs	-7,551	-6,672

Property management costs include administrative costs charged to operations for an amount of € 1.6m (H1 2023: € 1.4m).

Letting costs include an amount of € 0.2m (H1 2023: € 0.2m) for straight-lined letting investments and commissions.

An amount of € 0.0m (H1 2023: € 0.2m) relates to operating costs of fully vacant properties.

4. REVALUATION OF INVESTMENT PROPERTY

	H1 2024			H1 2023		
	Positive	Negative	Total	Positive	Negative	Total
Investment property in operation	11,276	-26,758	-15,482	2,342	-87,364	-85,022
Investment property under construction		-2,597	-2,597		-32,191	-32,191
Revaluation - market value	11,276	-29,355	-18,079	2,342	-119,555	-117,213
Movement in right of use leasehold			-34			-30
Movement in lease incentives			956			449
Revaluation of investment property			-17,157			-116,794

5. NET RESULT ON SALE OF INVESTMENT PROPERTY

	H1 2024	H1 2023
Proceeds on sale of investment property	24,064	23,150
Transaction costs on sale of investment property	-6	-34
Sale of investment property	24,057	23,116
Book value at the time of sale (excl. right of use leasehold)	-23,937	-23,204
Net result on sale of investment property	120	-88

During H1 2024 1 object (Laanderpoort, Amsterdam; H1 2023: 2 objects) was sold.

The net result on sale of investment property includes an amount of € 0.0m (H1 2023: € 0.0m) related to prior years' sales.

Transaction costs on sale include the costs of real estate agents and legal fees.

6. ADMINISTRATIVE COSTS

	H1 2024	H1 2023
Salaries and wages	-2,998	-2,984
Social security	-447	-412
Pensions	-209	-210
Depreciation right of use tangible fixed assets	-138	-148
Other staff costs	-523	-519
Staff costs	-4,316	-4,273
Compensation supervisory board	-103	-126
Depreciation and amortisation	-174	-169
Other office costs	-653	-667
Office costs	-828	-836
Audit, consultancy and valuation costs	-605	-371
Other administrative costs	-426	-518
Administrative costs	-6,277	-6,124
Allocated administrative costs	2,275	2,124
Administrative costs	-4,002	-4,000

Administrative costs directly related to the operation of the investment property portfolio are recharged to the operating costs.

Directly attributable costs related to development project are capitalised as part of the respective project (€ 0.1m, H1 2023: € 0.4m).

Furthermore, part of the reception staff of HNK are included in the payroll of NSI. These costs (€ 0.6m, H1 2023: € 0.4m) are part of service costs and as such are allocated to the respective properties.

The total of these costs is reported as "Allocated administrative costs".

7. INVESTMENT PROPERTY

Investment property consists of investment property in operation and investment property under construction:

	30 June 2024	31 December 2023
Investment property in operation	948,582	969,591
Investment property under construction	47,021	59,210
Investment property	995,603	1,028,801

Investment property in operation and investment property under construction are recognised at fair value. The fair value is determined on the basis of level 3 of the fair value hierarchy.

At 30 June 2024 100% (31 December 2023: 100%) of investment property were externally appraised by external appraisers. In both 2024 and 2023 the appraisers are JLL, Colliers and Cushman & Wakefield. The fair value is based on the market value (including buyer's costs, i.e. adjusted for purchase costs such as transfer tax). That means the estimated price on the date of valuation at which a property can be traded between a seller and a purchaser willing to enter into an objective, arm's length transaction preceded by sound negotiations between both well-informed parties.

The valuations are determined on the basis of a capitalisation method, on the basis of a gross initial yield and the therefrom derived net initial yield calculation, whereby the net market rent prices are capitalised, and is subsequently validated by the discounted cash flow calculation method, based on the present value of the future cash flows for the next ten years including an exit value at the end of the tenth year. The respective outcomes of both methods are compared. The returns applied are specified for the type of investment property, location, maintenance condition and letting potential of each property, and are based on comparable transactions, along with market-specific and property-specific knowledge.

The fair value is the outcome of the (theoretical) rent divided by the net initial yield (expressed as a percentage) of the investment property. The yields applied are specific to the type of property, location, maintenance condition and letting potential of each asset. The yields are determined based on comparable transactions, as well as on market and asset-specific knowledge.

Assumptions are made for each property, tenant and vacant unit based on the likelihood of letting (and reletting), the expected duration of vacancy (in months), incentives, capital expenditure and operating costs.

Investment property in operation

The movement in investment property in operation per segment was as follows:

H1 2024

	Amsterdam	Other G4	Other Netherlands	TOTAL
Balance as per 1 January 2024	520,474	296,245	152,873	969,591
Investments	2,836	2,373	433	5,642
Revaluation	-14,008	1,897	-2,465	-14,576
Transfer from / to inv. property under construction	-1,810	-10,264		-12,074
Balance as per 30 June 2024	507,491	290,250	150,841	948,582
Right of use leasehold as per 30 June 2024	-594		-15	-609
Lease incentives as per 30 June 2024	5,973	4,210	769	10,951
Market value as per 30 June 2024	512,870	294,460	151,595	958,925

H1 2023

	Amsterdam	Other G4	Other Netherlands	TOTAL
Balance as per 1 January 2023	665,530	333,706	200,917	1,200,153
Investments	5,100	2,059	302	7,462
Revaluation	-61,076	-16,258	-7,268	-84,603
Transfer from / to inv. property under construction	-25,850	3,060		-22,790
Disposals			-22,806	-22,806
Balance as per 30 June 2023	583,705	322,567	171,145	1,077,416
Right of use leasehold as per 30 June 2023	-653		-44	-697
Lease incentives as per 30 June 2023	6,709	4,973	1,129	12,812
Market value as per 30 June 2023	589,761	327,540	172,230	1,089,531

Collateral

On 30 June 2024, properties with a market value of € 163.1m (31 December 2023: € 172.4m) were mortgaged as security for loans drawn (up to € 55.0m; 31 December 2023: up to € 55.0m), combined with pledges on net rental income and maximum LTV requirements.

Sensitivities to yield fluctuations

The value of investment property implies an average gross initial yield of 8.0% (31 December 2022: 7.9%). Valuations can be affected by the general macro-economic and market environment, but also by local factors. For this reason NSI has performed a sensitivity analysis. If, on 30 June 2024, the yields applied for the valuation of investment property had been 50 basis points lower than the yields currently applied, the value of investment property would increase by 6.5% (31 December 2023: 6.4%). In that case NSI's equity would be € 65m (31 December 2023: € 66m) higher due to a higher positive result. The loan-to-value would then decrease from 32.9% (31 December 2023: 33.0%) to 30.9% (31 December 2023: 31.1%).

If, on 30 June 2024, the yields applied for the valuation of investment property had been 50 basis points higher than those currently applied, the value of investment property would decrease by 5.7% (31 December 2023: 5.6%). In that case NSI's equity would be € 57m (31 December 2023: € 58m) lower due to a lower result for the year. The loan-to-value would then increase from 33.0% to 34.9%.

Investment property under construction

The movement in investment property un construction per segment was as follows:

H1 2024

	Amsterdam	Other G4	Other Netherlands	TOTAL
Balance as per 1 January 2024	59,210			59,210
Investments	1,235	100		1,335
Capitalised interest	919			919
Revaluation	-2,305	-275		-2,581
Transfer from / to inv. property in operation	1,810	10,264		12,074
Disposals	-23,937			-23,937
Balance as per 30 June 2024	36,932	10,089		47,021
Right of use leasehold as per 30 June 2024	-172			-172
Lease incentives as per 30 June 2024		161		161
Market value as per 30 June 2024	36,760	10,250		47,010

At the end of H1 2024, the balance sheet value of investment property under construction consists of the book value of Vitrum, Amsterdam and Alexanderpoort, Rotterdam. Furthermore, the development costs of Vitrum and Well House, both in Amsterdam, are included.

H1 2023

	Amsterdam	Other G4	Other Netherlands	TOTAL
Balance as per 1 January 2023	56,022	3,060		59,082
Investments	1,002			1,002
Capitalised interest	930			930
Revaluation	-32,191			-32,191
Transfer from / to inv. property in operation	25,850	-3,060		22,790
Balance as per 30 June 2023	51,613			51,613
Right of use leasehold as per 30 June 2023	-195			-195
Market value as per 30 June 2023	51,418			51,418

8. DEBTORS AND OTHER RECEIVABLES

	30 June 2024	31 December 2023
Gross debtors	1,116	1,734
Provision for doubtful debts	-248	-353
Debtors	868	1,381
Taxes	1,029	781
Prepayments	780	1,295
Other current receivables	469	506
Debtors and other receivables	3,147	3,963

The largest items under debtors and other receivables concern debtors (€ 1.1m), mainly tenants which are overdue, which are reported after deduction of a provision for expected credit losses over the term of the receivables

The provision for doubtful debts has been determined based on IFRS 9 guidelines, in line with prior year's calculations.

9. EQUITY ATTRIBUTABLE TO SHAREHOLDERS

On 31 December 2023 20,155,221 ordinary shares with a nominal value of € 3.68 were placed and fully paid up.

On 11 March 2024, NSI commenced its share buyback program for a maximum amount of € 20m and a number of shares not exceeding 10% of the issued shares. This buyback program will run until 30 September 2024.

Up to end of June 2024, NSI has purchased a total number of 602,924 shares, resulting in 19,552,297 shares issued at 30 June 2024.

10. INTEREST BEARING LOANS

The development of the interest-bearing loans the first half of 2024 and the first half of 2023 was as follows:

	H1 2024	H1 2023
Balance as per 1 January	333,632	351,640
Drawn interest bearing loans		10,000
Transaction costs paid		-108
Amortisation transaction costs	211	224
Repayment of interest bearing loans	-10,000	-28,200
Balance as per 30 June	323,843	333,556
Redemption requirement interest bearing loans		
Balance as per 30 June	323,843	333,556

The remaining maturities of the loans at 30 June 2024 were as follows:

	30 June 2024			31 December 2023		
	Fixed interest	Variable interest	Total	Fixed interest	Variable interest	Total
Up to 1 year						
From 1 to 2 years	39,963		39,963			
From 2 to 5 years	99,831	104,110	203,941	89,781	113,935	203,717
From 5 to 10 years	79,939		79,939	129,916		129,916
Total	219,733	104,110	323,843	219,697	113,935	333,632

Loans outstanding have a remaining average maturity of 4.1 years (31 December 2023: 4.5 years). The weighted average annual interest rate on the loans and interest-rate swaps at the end of June 2024 was 3.1% (31 December 2023: 3.2%). These include margin, utilisation fees and amortised costs and exclude commitment fees.

The interest coverage ratio amounted to 4.8x as at 30 June 2024 (31 December 2023: 5.5x). Based on our ICR debt covenant of 2.0x, NSI could absorb a net rental income decline of circa 60% before breaching this covenant.

11. CREDITORS AND OTHER PAYABLES

	30 June 2024	31 December 2023
Creditors	3,341	3,971
Taxes	3,987	3,074
Interest	1,006	603
Security deposits	1,553	1,770
Lease liabilities	320	325
Deferred income	9,628	7,158
Accruals	10,153	10,020
Other current payables	237	35
Creditors and other payables	30,224	26,956

12. FINANCIAL INSTRUMENTS

Recognition categories and fair values

The table on the next page summarises the book values and fair values of financial assets and liabilities, as well as their applicable level within the fair value hierarchy. The table does not provide information on the fair value of financial assets and liabilities not measured at fair value if the book value is a reasonable reflection of the fair value.

Fair value hierarchy

Fair value measurements are categorised into different levels in the fair value hierarchy depending on the input that formed the basis of the valuation techniques applied.

The different levels are defined as follows:

- Level 1: valuation based on quoted prices in active markets for identical assets or liabilities;
- Level 2: valuation of assets or liabilities based on (external) observable information;
- Level 3: valuation of assets or liabilities based wholly or partially on (external) unobservable information.

Level 2 applies to all financial instruments; a model in which fair value is determined based on directly or indirectly observable market data. In level 2 fair values for over-the-counter derivatives are calculated as the present value of the estimated future cash flows based on observable yield curves obtained by external data sources (e.g. Bloomberg) and valuation statements received from our counterparties. These quotes are regularly tested for adequacy by discounting cash flows using the market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments that take into account the credit risk of the group entity and the counterparty, when appropriate.

Note	30 June 2024			31 December 2023		
	Fair value level	Amortised cost price	Fair value	Fair value level	Amortised cost price	Fair value
Financial assets valued at amortised cost price						
Financial fixed assets	3	0		3	0	
Debtors and other receivables	8	2	1,338		2	1,887
Cash and cash equivalents		1	19,363		1	202
Financial liabilities valued at fair value through profit or loss						
Derivative financial instruments	2		494	2		1,608
Financial liabilities valued at amortised cost price						
Interest bearing loans	10	2	323,843		2	333,632
Other non-current liabilities		2	4,777		2	4,533
Debts to credit institutions		1	27,020		2	11,012
Creditors and other payables	11	2	16,610		2	16,724

On the balance sheet the derivative financial instruments had the following maturity:

	30 June 2024			31 December 2023				
	# contracts	Nominal value	Fair value assets	Fair value liabilities	# contracts	Nominal value	Fair value assets	Fair value liabilities
From 1 to 5 years	1	55,000		494	1	55,000		1,608
Total	1	55,000		494	1	55,000		1,608

NSI minimises its interest rate risk by swapping the variable interest it pays on the majority of its loans for a fixed interest rate by means of a contract with a fixed interest rate of 3.31% (31 December 2023: 3.31%) with a maturity date in 2027 (31 December 2023: 2027). The remaining maturity of the derivative is 3.0 years (31 December 2023: 3.5 years).

NSI is hedged at an interest rate of 3.3% (31 December 2023: 3.3%), excluding margin; 15.4% of the total outstanding variable interest loans are now under hedged (31 December 2023: under hedged 17.9%), 84.6% of the total volume is hedged (31 December 2023: 82.1%).

13. EVENTS AFTER BALANCE SHEET DATE

On 5 July 2024 the loan with Berlin Hyp of € 55m was fully repaid. The security on the underlying assets was released on 8 July 2024.

MANAGEMENT BOARD STATEMENT

The Management Board states that, to the best of their knowledge:

- The condensed consolidated interim financial information, which has been prepared in accordance with IAS 34 Interim Financial Reporting, gives a true and fair view of the assets, liabilities, the financial position and the results of NSI N.V. and the companies included in the consolidation as a whole;
- The condensed consolidated interim financial information provides a true and fair view on the condition as at balance sheet date and the course of business during the half year under review of NSI N.V. and the related companies of which the data has been included in the interim statements, and the expected course of business;
- The condensed consolidated interim financial information includes a true and fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

NSI considers credit risk, liquidity risk and currency risk as financial risks. In addition, market risks include changes in the economic environment and in the availability of funding in the credit markets, which may affect the letting prospects as well as the market value of the properties. Please refer to the annual report 2023 for more information on existing risks.

Amsterdam, 16 July 2024

Management Board

B.A. Stahli, CEO

E. Snijder, CFO

REVIEW REPORT

To: the Management Board of NSI N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six month period ended 30 June 2024 of NSI N.V., Amsterdam, which comprises the condensed consolidated statement of financial position as at 30 June 2024, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in shareholders' equity, the condensed consolidated statement of cash flows for the period then ended, and the selected explanatory notes. The management board is responsible for the preparation and presentation of this (condensed) interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2024 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Rotterdam, 16 July 2024

PricewaterhouseCoopers Accountants N.V.

Original version signed by A.A. Meijer MSc RA

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EPRA KEY PERFORMANCE MEASURES

Overview key performance indicators

	H1 2024		H1 2023	
	€ '000	per share (€)	€ '000	per share (€)
EPRA earnings	18,159	0.91	20,434	1.02
EPRA cost ratio (incl. direct vacancy costs)	30.6%		28.5%	
EPRA cost ratio (excl. direct vacancy costs)	28.8%		27.2%	
EPRA property related capital expenditure	6,977		8,464	

	30 June 2024		31 December 2023	
	€ '000	per share (€)	€ '000	per share (€)
EPRA NRV	791,697	40.49	819,913	40.68
EPRA NTA	686,854	35.13	711,460	35.30
EPRA NDV	710,847	36.36	733,561	36.40
EPRA LTV	34.7%		34.4%	
EPRA net initial yield (NIY)	5.3%		5.3%	
EPRA topped-up net initial yield	5.8%		5.8%	
EPRA vacancy rate	4.9%		5.2%	

EPRA earnings

	H1 2024	H1 2023
Gross rental income	36,157	35,521
Service costs not recharged	-1,007	-866
Operating costs	-7,551	-6,672
Net rental income	27,599	27,983
Administrative costs	-4,002	-4,000
Net financing result	-4,957	-3,547
Direct investment result before tax	18,641	20,435
Corporate income tax	-481	-1
Direct investment result / EPRA earnings	18,159	20,434
Direct investment result / EPRA earnings per share	0.91	1.02

EPRA cost ratio

	H1 2024	H1 2023
Administrative costs	4,002	4,000
Service costs not recharged	1,007	866
Operating costs (adjusted for municipality taxes)	6,044	5,246
Leasehold		0
EPRA costs (including direct vacancy costs)	11,053	10,112
Direct vacancy costs	-651	-436
EPRA costs (excluding direct vacancy costs)	10,402	9,676
Gross rental income	36,157	35,521
EPRA gross rental income	36,157	35,521
EPRA cost ratio (incl. direct vacancy costs)	30.6%	28.5%
EPRA cost ratio (excl. direct vacancy costs)	28.8%	27.2%

EPRA property related capital expenditure

	H1 2024	H1 2023
Acquisitions		
Development	1,194	773
Like-for-like portfolio	5,646	7,215
Other	137	476
EPRA capital expenditure	6,977	8,464

EPRA NAV

	30 June 2024			31 December 2023		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	686,276	686,276	686,276	709,882	709,882	709,882
Hybrid instruments						
Diluted NAV	686,276	686,276	686,276	709,882	709,882	709,882
Diluted NAV at fair value	686,276	686,276	686,276	709,882	709,882	709,882
Fair value of financial instruments	112	112		2	2	
Fair value of financial instruments	494	494		1,608	1,608	
Intangibles as per IFRS balance sheet		-28	-28		-32	-32
Fair value of fixed interest rate debt			24,599			23,711
Real estate transfer tax	104,815			108,422		
NAV	791,697	686,854	710,847	819,913	711,460	733,561
Fully diluted number of shares	19,552,297	19,552,297	19,552,297	20,155,221	20,155,221	20,155,221
NAV per share	40.49	35.13	36.36	40.68	35.30	36.40

EPRA LTV

	30 June 2024	31 December 2023
Borrowings from financial institutions	350,864	344,645
Foreign currency derivatives	494	1,608
Net payables	20,742	15,457
Owner occupied property (debt)	-2,450	-2,475
Cash & cash equivalents	-19,363	-202
Net debt	350,287	359,032
Owner occupied property	2,450	2,475
Investment properties at fair value	958,925	981,010
Properties under construction	47,010	59,030
Intangibles	28	32
Financial assets	0	0
Total property value	1,008,412	1,042,547
LTV	34.7%	34.4%

EPRA yield

	30 June 2024	31 December 2023
Investment property including assets held for sale	1,007,835	1,042,515
Developments	-47,010	-59,030
Property investments	960,825	983,485
Allowance for estimated purchasers' costs	120,953	112,117
Gross up completed property portfolio valuation	1,081,778	1,095,602
Annualised cash passing rental income	71,590	71,835
Annualised property outgoings	-14,339	-13,725
Annualised net rent	57,251	58,110
Notional rent expiration of rent-free periods or other lease incentives	5,764	5,661
Topped-up annualised net rent	63,014	63,771
EPRA net initial yield	5.3%	5.3%
EPRA topped-up net initial yield	5.8%	5.8%

EPRA vacancy

	30 June 2024	31 December 2023
Estimated rental value of vacant space	4,075	4,320
Estimated rental value of the whole portfolio	83,481	83,516
EPRA vacancy	4.9%	5.2%

GLOSSARY

AVERAGE RENT PER SQM

The total annual contracted rent divided by the total leased square meters.

CERTIFICATION

The percentage of assets within the portfolio that have formally obtained sustainability certification, ratings or labelling valid at the end of the reporting period.

NSI reports on the following certificates:

- BREEAM (based on sqm);
- EPC label (based on market value);
- GRESB-score (expressed as an overall score for total NSI).

COST RATIO (EPRA)

EPRA costs include all administrative costs, net service costs and operating expenses as reported under IFRS, but do not include ground rent costs. These costs are reflected including and excluding direct vacancy costs. The EPRA cost ratio is calculated as a percentage of gross rental income less ground rent costs.

DUTCH REIT (FBI-REGIME)

NSI qualifies as a Dutch Real Estate Investment Trust (fiscale beleggingsinstelling or FBI) and as such is charged a corporate income tax rate of 0% on its earnings. The tax regime stipulates certain conditions, such as a maximum ratio of 60% between debt and the book value of real estate, maximum ownership of shares by one legal entity or natural persons, and the obligation to pay out the annual profit by way of dividends within eight months after the end of the financial year.

Before 2014, activities permitted under FBI legislation were limited to portfolio investments activities only. Effective 1 January 2014, new legislation that allows FBI's to perform enterprise-type business activities within certain limits. These activities must be carried out by a taxable subsidiary and must support the operation of the FBI's real estate business.

Currently, preliminary discussions by the Dutch Government to establish a new REIT-regime are ongoing.

EARNINGS (EPRA)

EPRA earnings is a measure of operational performance and represents the net income generated from operational activities. It excludes all components not relevant to the underlying net income performance of the portfolio.

EARNINGS PER SHARE (EPRA)

Indicator for the profitability of NSI; portion of the EPRA earnings attributable to shareholders allocated to the weighted average number of ordinary shares.

ENERGY INTENSITY (CRREM)

The total energy used by renewable and non-renewable resources during a reporting period, normalised by the sum of the CRREM floor area in square meters (gross floor area minus parking garages and outer facades) for the properties in scope.

EPC-LABEL

Energy Performance Certificates (EPC) reflect the energy efficiency of a building by a rating from A (very efficient) to G (inefficient).

EUROPEAN PUBLIC REAL ESTATE ASSOCIATION (EPRA)

Association of Europe's leading property companies, investors and consultants which strives to establish best practices in accounting, reporting and corporate governance and to provide high-quality information to investors.

ESTIMATED RENTAL VALUE (ERV)

The estimated amount at which a property or space within a property, would be let under the market conditions prevailing on the date of valuation.

G4

G4 refers to the locations Amsterdam, The Hague, Rotterdam and Utrecht, being the largest cities in the Netherlands.

GRESB-SCORE

The GRESB-score is an overall measure of ESG-performance, represented as a percentage (maximum 100%). The GRESB-score gives quantitative insight into the company's ESG-performance in absolute terms, over time and against peers.

HNK

HNK stands for 'Het Nieuwe Kantoor', (which means 'The New Office'). HNK is NSI's flexible office concept and offers an inspiring environment with stylish workplaces, office spaces, meeting areas, catering facilities and various ancillary services. HNK offers different propositions, including memberships (flexible workstations), managed offices (fully equipped offices), bespoke offices and meeting rooms.

INTEREST COVERAGE RATIO (ICR)

Debt ratio and profitability ratio used to determine how easily a company can pay interest on outstanding debt. The interest coverage ratio is calculated by dividing net rental income during a given period by net financing expenses during the same period.

INVESTMENT RESULT - DIRECT

The direct result reflects the recurring income arising from core operational activities. The direct result consists of gross rental income minus operating costs, service costs not recharged to tenants, administrative costs, direct financing costs, corporate income tax on the direct result, and the direct investment result attributable to non-controlling interests.

INVESTMENT RESULT - INDIRECT

The indirect result reflects all income and expenses not arising from day-to-day operations. The indirect result consists of revaluations of property, net result on sales of investment, indirect financing costs (movement in market value of derivatives and exchange rate differences, corporate income tax on the indirect result, and the indirect investment result attributable to non-controlling interests).

INVESTMENT RESULT – TOTAL

The total result reflects all income and expenses; it is the total of the direct and the indirect investment result.

LEASE INCENTIVES

Adjustments in rent granted to a tenant or a contribution to tenants' expenses in order to secure a lease. The impact of lease incentives on net rental income is straight line over the firm duration of the lease contract under IFRS.

LIKE-FOR-LIKE RENTAL INCOME

Like-for-like growth figures aim at assessing the organic growth of NSI. In the case of like-for-like rental income the aim is to compare the rental income of all or part of the standing portfolio over a certain period with the rental income for the same portfolio over a previous period (i.e. year-on-year and/or quarter-on-quarter). In order to calculate like-for-like growth, the nominal increase in rent is adjusted for the impact of acquisitions, divestments and properties transferred to and from the development portfolio and between segments.

LOAN TO VALUE (LTV, NET)

The LTV-ratio reflects the balance sheet value of interest-bearing debts plus short-term debts to credit institutions, net of cash and cash equivalents, expressed as a percentage of the total real estate investments, including assets held for sale.

MARKET VALUE INVESTMENT PROPERTY (FAIR VALUE)

The estimated amount for which a property should change hands on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each party had acted knowledgeably, prudently, and without compulsion. The market value does not include transaction costs.

NET ASSET VALUE (NAV)

The net asset value represents the total assets minus total liabilities. At NSI this equates to the shareholders' equity (excluding non-controlling interests as stated in the balance sheet). The NAV is often expressed on a per share basis; in this calculation the number of shares outstanding at reporting date is used rather than the average number of shares is used.

NET ASSET VALUE (NAV, EPRA-DEFINITION)

The EPRA NAV metrics make adjustments to the NAV as per the IFRS financial statements to provide the most relevant information on the fair value of the assets and liabilities, under different scenarios.

- EPRA net reinstatement value (NRV): assumes that entities never sell assets and aims to represent the value required to rebuild the entity;
- EPRA net tangible assets (NTA): assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax;
- EPRA net disposal value (NDV): represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

NET MARGIN

The net margin measures operating efficiency; it indicates how effective NSI is in managing its expense base. It is calculated as net rental income as a percentage of gross rental income.

NET RESULT ON SALE OF INVESTMENT PROPERTY

The net result on sales of investment property reflects the disposal price paid by a third party for a property minus the value at which the respective property was recorded in the accounts at the moment of sale, net of sales costs made. The sales costs include costs of real estate agents and legal costs but can also include internal costs made which are directly related to transaction.

RENT - EFFECTIVE RENT

The effective rent reflects the contractual annual rent after straight-lining of rent-free periods and rental discounts.

RENT - GROSS RENTAL INCOME (GRI)

Gross rental income reflects the rental income from let properties, after taking into account the net effects of straight lining for lease incentives and key money, including turnover rent and other rental income (e.g. specialty leasing and parking income).

RENT - NET RENTAL INCOME (NRI)

Gross rental income net of (net) costs directly attributable to the operation of the property (non-recoverable service charges and operating costs). Income and costs linked to the ownership structure, such as administrative expenses, are not included.

RENT - PASSING CASH RENT / CONTRACTED RENT

The estimated annualised cash rental income as at reporting date, excluding the net effects of straight lining of lease incentives. Vacant units and units that are in a rent-free period at the reporting date are deemed to have no passing cash rent.

REVERSIONARY POTENTIAL

This ratio compares the minimum guaranteed rent and the turnover rent to the estimated rental value and as such indicates whether a unit or property is underlet or over-rented.

REVERSIONARY RATE / RESULT FROM RELETTING AND RENEWAL

The reversionary rate measures the rental gain/loss of a deal as the difference between the new rent (after the deal) and the old rent (before the deal).

STANDING PORTFOLIO

Standing portfolio is used in like-for-like calculations and concerns the real estate investments at a specific date that have been consistently in operation as part of NSI's portfolio during two comparable periods. Note that an investment property can be considered both standing and at the same time non standing, depending on the comparison periods used (e.g. year-on-year and quarter-on-quarter).

VACANCY RATE (EPRA)

Vacancy rate (EPRA): reflects the loss of rental income against ERV as a percentage of ERV of the total operational portfolio.

WEIGHTED AVERAGE UNEXPIRED LEASE TERM (WAULT)

This ratio is used as an indicator of the average length of leases in portfolios. It can be calculated over the full lease term of the contracts either up to expiration date or up to break option date.

YIELD

Yield can generally be defined as the income or profit generated by an investment expressed as a percentage of its costs or the total capital invested.

- Gross initial yield: the passing rent as a percentage of the market value of an object;
- Net initial yield: the passing rent, net of property related costs, as a percentage of the market value of an object;
- Net theoretical yield: annualised net theoretical rental income as a percentage of the real estate investments in operation;
- EPRA net initial yield: annualised net effective cash passing rent (including estimated turnover rent and other recurring rental income) net of non-recoverable property operating expenses as a percentage of the gross market value of the real estate investments in operation;
- EPRA topped-up net initial yield: EPRA net initial yield adjusted for expiring lease incentives;
- Reversionary yield: the anticipated yield to which the initial yield will rise (or fall) once the rent reaches the ERV.