To: Glass, Lewis & Co.
255 California Street, Suite 1100 San Francisco, CA 94111

Re: NSI 2021 Annual General Meeting Report Feedback Statement

To Whom It May Concern,

In connection with the Glass Lewis 2021 Proxy Paper issued for NSI N.V on March 30, 2021 we provide the following Report Feedback Statement with respect to your recommendation to vote AGAINST the Company's proposal for authorization to suppress pre-emptive rights regarding the issuance of shares. While we respect Glass Lewis's process, we believe the supplemental information outlined below provides important context necessary for the Company's shareholders to make their decision with respect to the authorisation to suppress the preemptive rights of current shareholders regarding the issuance of shares for the 2021 Annual Meeting on April 21, 2021.

- The Management Board currently does not have a specific intention to issue new shares but continues to see interesting acquisition opportunities and would like to be able to issue shares on short notice to finance or refinance acquisitions. The Management Board acknowledges that pre-emptive rights are an important shareholder right that should only be waived to a limited degree. As a consequence the proposal to issue a further 10% (20% on aggregate) of the outstanding number of shares under the exclusion of the pre-emptive rights is qualified to the specific circumstances, mostly acquisitions.

- In several recent transactions the Management Board has experienced first-hand that NSI, by being able to act quickly and by working with short timelines, is identified as preferred bidder, even where NSI was not necessarily offering the highest price. This flexibility is valuable as it has helped drive returns for shareholders. By way of example, NSI was recently able to secure a portfolio deal at a very attractive price (€79.8m, 5.8% for mostly inner city locations) in an off-market transaction thanks to said flexibility.

- Deal certainty is a powerful incentive in NSI's line of business where good quality portfolios are few and far between, and investors active in the market are part of a small group. Being able to provide deal certainty also allows the company to be front-footed when the next opportunity comes along.

- Whereas in the past new acquisitions could be funded out of non-core disposals, with the restructuring of NSI now largely completed and with most non-core assets already having been disposed of, Management believes equity issuance could in certain circumstances be more accretive to shareholders to acquire assets than having to sell existing core assets. All the more given NSI's recent €79.8m acquisition which brings the LTV to 33%, closer to the company's internal 35-40% target range (a range which ensures a continued robust balance sheet in Management's view)

- For a large company, issuing 10% of share capital might typically prove sufficient to finance most acquisitions. For a small one, like NSI, active in a very capital intensive business, it can be too restrictive. Based on NSI's market capitalization the issuance of an additional 10% of the currently outstanding number of shares would amount to proceeds of approximately €60 million.

- Moreover, part of the first 10% of additional stock that can be issued each year is used for stock dividend purposes, in which we recognise shareholder rights by treating all existing equally and fairly. Net of stock dividend, at current market capitalisation, this would result in roughly €40m that NSI could effectively issue. In order to respect the internal LTV target, this would finance an acquisition of say, some €60m. Looking at NSI's latest acquisition, of €79.8m for three assets, and the company's strategy to increase our individual asset size, being allowed to only issue 10% of share capital would severely limit NSI's acquisition capabilities to maybe one acquisition a year.

- Historically, NSI has seen a steady flow of interesting acquisition opportunities. That said, while being able to issue 20% of share capital in the past, present management have always acted in the shareholders best interests. It should be noted that acquisitions for the sake of growing the business is not part of NSI's strategy. Management are however cognizant of the limitations of size in the listed real estate space and believe, the current size is suboptimal: liquidity is an issue while the debt side (cost and diversification) would benefit from larger scale. By pursuing the right acquisition opportunities, Management are confident they can drive superior shareholder returns thanks to the benefits of a more optimal size.

- As it stands, NSI currently has a development project pipeline of circa €250m, to be disbursed over the next three years. Given the current portfolio size of €1.3bn, this will use most of the company's balance sheet capacity already.

Should Glass Lewis or any of our shareholders have any additional questions, please feel free to reach out to us.

Bernd Stahli
CEO