



GENERAL MEETING OF SHAREHOLDERS OF NSI N.V.

WEBSITE: WWW.NSI.NL

to be held on Friday, 21 April 2023 at 2.00 pm
at HNK The Hague, Oude Middenweg 17,
2491 AC The Hague

AGENDA

1.	Chairman opens the meeting	
2.	Report of the Management Board on the 2022 financial year	
3.	Report of the Supervisory Board on the 2022 financial year	
3a.	Discussion of the remuneration report for the 2022 financial year and advisory vote	VOTE
4.	Adoption of the financial statements for the 2022 financial year	VOTE
5.	Dividend policy of NSI	
6.	Declaration of the final dividend for 2022	VOTE
7.	Discharge of the members of the Management Board for the policy pursued in the 2022 financial year	VOTE
8.	Discharge of the members of the Supervisory Board for the supervision exercised during the 2022 financial year	VOTE
9.	Review of the Remuneration Policy for the Management Board	
10.	Authorisations	
10a.	Proposal to authorise the Management Board to issue ordinary shares up to a maximum of 10% of the outstanding number of shares, subject to the approval of the Supervisory Board	VOTE
10b.	Proposal to authorise the Management Board to issue up to an additional 10% of ordinary shares (i.e. 20% in aggregate for 10a and 10b), subject to the approval of the Supervisory Board and only to be used for acquisitions of real estate	VOTE
10c.	Proposal to authorise the Management Board to limit or exclude pre-emptive rights upon the issuance of ordinary shares issued under 10a, subject to the approval of the Supervisory Board	VOTE
10d.	Proposal to authorise the Management Board to limit or exclude pre-emptive rights upon the issuance of ordinary shares issued under 10b, subject to the approval of the Supervisory Board and only to be used for acquisitions of real estate	VOTE
10e.	Proposal to authorise the Management Board to buy back ordinary shares in the company's own capital, subject to the approval of the Supervisory Board	VOTE
11.	Outlook for 2023	
12.	Any other business	
13.	Closing	

The language in which the General Meeting of Shareholders will be conducted is Dutch.

The agenda items above are explained in further detail in the Explanatory Notes.

EXPLANATORY NOTES

to the agenda of the General Meeting of Shareholders of NSI N.V. on Friday, 21 April 2023

2. REPORT OF THE MANAGEMENT BOARD ON THE 2022 FINANCIAL YEAR

The Management Board will give a presentation on the developments in 2022, which are also described in the 2022 annual report.

3. REPORT OF THE SUPERVISORY BOARD ON THE 2022 FINANCIAL YEAR

The Supervisory Board will report on the main aspects of its supervisory activities during 2022, as also described in the 2022 annual report.

3a. DISCUSSION OF THE REMUNERATION REPORT FOR THE 2022 FINANCIAL YEAR AND ADVISORY VOTE

The remuneration report for the 2022 financial year will be discussed in the General Meeting of Shareholders to obtain an advisory vote. Reference is made to the remuneration report that is published on the company's website and the information in the 2022 financial statements on pages 116-117 of the 2022 annual report.

4. ADOPTION OF THE FINANCIAL STATEMENTS FOR THE 2022 FINANCIAL YEAR

The General Meeting of Shareholders will be invited to adopt the financial statements of NSI N.V. for the 2022 financial year. Prior to the motion being put to the vote, the shareholders will be given the opportunity to put questions to the Management Board and Supervisory Board regarding the annual report, the financial statements and agenda items 2 and 3, and to the external auditor concerning its opinion on the financial statements and its audit operations.

5. DIVIDEND POLICY OF NSI

In accordance with best practice provision 4.1.3 iii of the Dutch Corporate Governance Code, the policy of NSI with regard to additions to the reserves and on dividends shall be dealt with and explained as a separate item on the agenda at the General Meeting of Shareholders. The current dividend policy - as adopted by the General Meeting of Shareholders of 2014 - is to pay out in cash at least 75% of the direct result (and as of 2017 of the comparable EPRA EPS).

For practical reasons, the dividend is distributed twice a year: an interim dividend after the publication of the half year interim results and a final dividend after approval of the dividend by the General Meeting of Shareholders.

NSI will offer shareholders the option of receiving the final dividend in cash, in stock or a combination of both, subject to the General Meeting of Shareholders agreeing to this by adopting the proposed final dividend for 2022.

This voluntary choice allows shareholders to decide what best fits their needs whilst offering NSI the opportunity of keeping liquidity within the company. This liquidity can subsequently be used for investment purposes, cash management or to pay off loans.

6. DECLARATION OF THE FINAL DIVIDEND FOR 2022

In line with the current dividend policy (a pay out in cash of at least 75% of the EPRA EPS, see also agenda item 5 above), NSI is proposing a final dividend of €1.12 per share. This brings the total dividend for 2022 to €2.16 per share, of which €1.04 has already been distributed as interim dividend.

The distribution will be payable either wholly in cash or in new ordinary shares out of the share premium reserve, at the option of the shareholder.

Dividend in cash will be subject to a deduction of 15% Dutch dividend withholding tax. The stock dividend is paid out of the tax-exempt share premium reserve and is thus free from withholding tax in the Netherlands. Where shareholders have opted to receive their dividend in shares, the corresponding cash value of €1.12 per share will be deducted from the profit attributable to shareholders and added to the reserves.

The maximum percentage of the total dividend amount that is available for stock dividend will be determined in accordance with the requirements of the FBI-regime. If shareholders overall opt to receive an aggregate distribution in shares which exceeds this maximum percentage, those who have opted for distribution in the form of shares will be assigned the stock dividend on a pro rata basis, with the remainder being distributed in cash subject to deduction of the aforementioned 15% Dutch dividend withholding tax.

The shares will be listed ex dividend on 25 April 2023.

The dividend record date will be 26 April 2023.

The period for choosing between a stock dividend and a cash dividend will commence on 27 April and end on 11 May 2023 (3.00 p.m. CET). Subject to adoption, the proposed final dividend will be paid on 16 May 2023.

The proposed final dividend amounts to €22.5m. The final dividend is charged to the profit reserves.

7. DISCHARGE OF THE MEMBERS OF THE MANAGEMENT BOARD FOR THE PERFORMANCE OF THEIR MANAGEMENT DUTIES IN THE 2022 FINANCIAL YEAR

The General Meeting of Shareholders is invited to discharge the members of the Management Board (In 2022 being Bernd Stahli (CEO) and Alianne de Jong (CFO) from liability in respect of the performance of their duties during the 2022 financial year, to the extent that such performance is apparent from the financial statements or from information otherwise provided to the General Meeting of Shareholders prior to the adoption of the resolution.

8. DISCHARGE OF THE MEMBERS OF THE SUPERVISORY BOARD FOR THE SUPERVISION EXERCISED DURING THE 2022 FINANCIAL YEAR

The General Meeting of Shareholders is invited to discharge the members of the Supervisory Board from liability in respect of the performance of their supervisory duties during the 2022 financial year, to the extent that such performance is apparent from the financial statements or from information otherwise provided to the General Meeting of Shareholders prior to the adoption of the resolution.

9. REVIEW OF THE REMUNERATION POLICY FOR THE MANAGEMENT BOARD

Following the implementation of the EU SRD-2 Directive into Dutch law, companies are required to submit their remuneration policy for a binding vote at least every four years. The current Policy was proposed to and adopted by the General Meeting of Shareholders of 24 April 2020. This means the Policy is in any case set for a renewal of the binding vote in the 2024 AGM.

In the Agenda of the AGM of 15 April 2022 the Supervisory Board has announced its intention to conduct a review of the Policy. The Supervisory Board has reported on its preliminary findings in the 2022 Remuneration Report. At this stage no proposal for an amendment of the Policy is submitted to the General Meeting of Shareholders.

10. AUTHORISATIONS

The Extraordinary General Meeting of Shareholders of 11 December 2014 discussed the policy with regard to the agenda items set out below. In accordance with that policy and with best practice provision 4.1.4 of the Dutch Corporate Governance Code the items below are placed on the agenda and explained in the Explanatory Notes to the agenda every year. The scope of each of the authorisations as requested under this agenda item 10 is consistent with the market practice at the majority of Dutch listed companies.

10a. PROPOSAL TO AUTHORISE THE MANAGEMENT BOARD TO ISSUE ORDINARY SHARES UP TO A MAXIMUM OF 10% OF THE OUTSTANDING NUMBER OF SHARES, SUBJECT TO THE APPROVAL OF THE SUPERVISORY BOARD

The Management Board and Supervisory Board propose that the Management Board be designated as the body authorised to issue ordinary shares, including the granting of rights to acquire ordinary shares (after having obtained approval from the Supervisory Board).

This authorisation is limited to a maximum of 10% of the outstanding number of shares on the date of issue. This authorisation is limited to a period of 18 months, which period can be extended at a meeting of shareholders at the request of the Management Board and Supervisory Board.

10b. PROPOSAL TO AUTHORISE THE MANAGEMENT BOARD TO ISSUE UP TO AN ADDITIONAL 10% OF ORDINARY SHARES (I.E. 20% IN AGGREGATE FOR 10A AND 10B), SUBJECT TO THE APPROVAL OF THE SUPERVISORY BOARD AND ONLY TO BE USED FOR ACQUISITIONS OF REAL ESTATE

The Management Board and Supervisory Board propose that the Management Board be designated as the body authorised to issue ordinary shares, including the granting of rights to acquire ordinary shares (after having obtained approval from the Supervisory Board).

This authorisation is limited to a maximum of 10% of the outstanding number of shares on the date of issue, in excess of the 10% referred to under 10a. This authorisation shall be used by the Management Board only to finance the acquisition of property assets or property portfolios.

This authorisation is limited to a period of 18 months, which period can be extended at a meeting of shareholders at the request of the Management Board and Supervisory Board.

The Management Board and Supervisory Board acknowledge that pre-emptive rights are an important shareholder right that should only be waived to a limited degree. As a consequence, the proposals under 10b and 10d to issue a further 10% (20% on aggregate) of the outstanding number of shares under the exclusion of the pre-emptive rights are qualified to the acquisition of property assets and property portfolios only.

Management Board and Supervisory Board further acknowledge that in relation to the proposals under 10b and 10d several proxy voting guidelines by institutional shareholder service providers either recommend to vote for a maximum of 10% only for any purpose (*ISS Continental Europe Proxy Voting Guidelines, published December 13, 2022 page 19 and Eumedion Corporate Governance Manual, 2022 Edition page 49*) or generally recommend to vote against any authority to issue shares without preemptive rights in excess of 10% of the issued share capital but to consider any requests for a higher authorization on a case by case basis taking into account the rationale provided by the Company. (*Glass Lewis 2023 Policy Guidelines Netherlands, page 24*)

Since our AGM of 2020 we have tabled the authorisation for the additional 10% as a separate agenda item. Since then we have seen the support for this proposal drop from 73,8% in our 2020 AGM, to 66% in our 2021 AGM and finally to 51,1% in the 2022 AGM. The current share price level probably only exacerbates concerns shareholders may already have about dilution and profit accretion. Based on these developments it seems unlikely that in our 2023 AGM a majority will vote in favour of proposal 10b.

However we see it as our duty of care to create as many opportunities for value creation as possible for the company both from a business point view as from a legal point of view. This authorisation is such an opportunity. As such we wish to continue to seek the dialogue with our shareholders about this proposal and put it up for vote. We invite our shareholders to hear the case we have to make.

We have six main reasons to ask for an additional authorization of 10%:

- 'Not subject to finance', is once again a key feature in transactions
- Liquidity is an asset in the current real estate transaction market
- Issuance of shares can be more accretive in financing new acquisitions
- Due to small market cap a 10% issue would only allow for two acquisitions
- More capital and more assets allow for economy of scale benefits
- We have a track record of prudence but want to be able to strike quickly

Below we elaborate on this rationale.

'NOT SUBJECT TO FINANCE', IS ONCE AGAIN A KEY FEATURE IN TRANSACTIONS

In previous years interest rates were limited and there was plenty of capital available for almost all real estate investors. Over the past 12 months there has been a material shift in interest rates, which has resulted in a significant reduction of liquidity in the real estate transaction market. As a result 'subject to finance' once again has become a key feature in transactions.

NSI's ability to offer 'deal certainty' and being able to bid 'not subject to finance' are powerful factors in an environment where there are fewer buyers and the risk of deal failure is high, due to high interest rates and overall limited availability of financing.

In the past NSI has been identified as preferred bidder - even where NSI was not necessarily offering the highest price - by being able to act quickly and work with short timelines.

This flexibility is valuable as it has helped drive returns for shareholders.

LIQUIDITY IS AN ASSET IN THE CURRENT REAL ESTATE TRANSACTION MARKET

Currently there is limited liquidity in the real estate transaction market. Listed real estate companies are able to create new liquidity by issuing shares. This liquidity is not limited to shareholders, but can also be made available to potential sellers of assets. Perhaps not at the price potential sellers may want, as we would definitely have to look at the cost of capital implied in our share price if and when we were to raise equity to finance acquisitions, but we would at least be able to offer liquidity.

ISSUANCE OF SHARES CAN BE MORE ACCRETIVE IN FINANCING NEW ACQUISITIONS

Whereas in the past acquisitions have been funded by non-core disposals, almost all non-core assets have now been sold. Management believes equity issuance could in certain circumstances be more accretive to shareholders to acquire assets than having to sell existing assets or to slow down development activities, especially as 'asset trading' becomes less interesting with transfer taxes of 10.4%.

The decision to issue shares would be assessed against share price in relation to NAV and the accretion of the potential acquisition at hand to ensure optimal value creation.

DUE TO SMALL MARKET CAP A 10% ISSUE WOULD ONLY ALLOW FOR TWO ACQUISITIONS

For a large company, issuing 10% of share capital might typically prove sufficient to finance most acquisitions in any given year. For a small one, like NSI, active in a very capital-intensive business, with an attractive development pipeline it is too restrictive. As it stands, NSI currently has a development project pipeline of circa €320-340m, to be disbursed over the next three years, which will use up part of the existing balance sheet capacity given the 28% LTV.

Based on NSI's market capitalization at 31 December 2022 of €466,261,103 the issuance of 10% of the currently outstanding number of shares would amount to proceeds of approximately €46 million. This would equate to perhaps two asset acquisitions. It would be a pity if more attractive acquisition opportunities were to come along that management could not acquire these to drive value for its shareholders.

ECONOMY OF SCALE

The Management Board is cognizant of the limitations of size in the listed real estate space and believes the current platform could manage a larger portfolio and liquidity in the shares could be improved while the options on the debt side (in terms of cost and diversification) would also benefit from larger scale. By pursuing the right acquisition opportunities, the Management Board is confident it can drive superior shareholder returns thanks to the benefits of a more optimal size.

TRACK RECORD OF PRUDENCY

Management is not 'trigger happy' to use its authorizations. The current management board has asked and obtained approval from its shareholders to issue a further 10% (20% on aggregate) for each of the past 6 years now and has always acted in the shareholders best interests and has not used the authorization once. It should be noted that acquisitions for the sake of growing the business are not part of NSI's strategy. 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 acquisitions.

10c. PROPOSAL TO AUTHORISE THE MANAGEMENT BOARD TO LIMIT OR EXCLUDE PRE-EMPTIVE RIGHTS UPON THE ISSUANCE OF ORDINARY SHARES ISSUED UNDER 10A, SUBJECT TO THE APPROVAL OF THE SUPERVISORY BOARD

The Management Board and Supervisory Board propose that the Management Board be designated as the body authorised to limit or exclude the pre-emptive rights that take effect upon the issue of ordinary shares or granting of rights to acquire ordinary shares (after having obtained approval to do so from the Supervisory Board).

This authorisation is limited to a maximum of 10% of the outstanding number of shares on the date of issue.

This authorisation is limited to a period of 18 months, which period can be extended at a meeting of shareholders at the request of the Management Board and Supervisory Board.

10d. PROPOSAL TO AUTHORISE THE MANAGEMENT BOARD TO LIMIT OR EXCLUDE PRE-EMPTIVE RIGHTS UPON THE ISSUANCE OF ORDINARY SHARES ISSUED UNDER 10B, SUBJECT TO THE APPROVAL OF THE SUPERVISORY BOARD AND ONLY TO BE USED FOR ACQUISITIONS OF REAL ESTATE

The Management Board and Supervisory Board propose that the Management Board be designated as the body authorised to limit or exclude the pre-emptive rights that take effect upon the issue of ordinary shares or granting of rights to acquire ordinary shares (after having obtained approval to do so from the Supervisory Board).

This authorisation to limit or exclude the pre-emptive rights is limited to a maximum of 10% of the outstanding number of shares on the date of issue, and in excess of the 10% referred to under 10a. This authorisation shall be used by the Management Board only in case of issuances of ordinary shares for the acquisition of property assets or property portfolios.

This authorisation is limited to a period of 18 months, which period can be extended at a meeting of shareholders at the request of the Management Board and Supervisory Board.

We refer to our explanations under item 10b. above which provide important context necessary for the Company's shareholders to make their decision with respect to the authorisation to limit or exclude pre-emptive rights upon the issuance of ordinary shares issued under 10b, subject to the approval of the Supervisory Board.

10e. PROPOSAL TO AUTHORISE THE MANAGEMENT BOARD TO BUY BACK ORDINARY SHARES IN THE COMPANY'S OWN CAPITAL, SUBJECT TO THE APPROVAL OF THE SUPERVISORY BOARD

The Management Board and Supervisory Board propose that the Management Board be designated as the body authorised to buy back the company's own shares on the stock market or otherwise, up to a maximum of 10% of the outstanding number of shares, on condition that the company may not hold more than 10% of the issued capital (after having obtained approval for this from the Supervisory Board). Ordinary shares can be acquired for a price that lies between the nominal value of a share and 10% above the average closing price of the share calculated over five trading days prior to the day of purchase.

This authorisation is limited to a period of 18 months, which period can be extended at a meeting of shareholders at the request of the Management Board and Supervisory Board.

11. OUTLOOK FOR 2023

The Management Board will highlight the outlook for the year 2023.

HOW TO REGISTER FOR THE MEETING

The full agenda for the General Meeting of Shareholders, with Explanatory notes and a copy of the 2022 annual report and financial statements and of the 2022 Remuneration Report are available at the company's offices and via www.nsi.nl.

PHYSICAL AGM

The Management Board and Supervisory Board are looking forward to an inspiring dialogue with our shareholders during our General Meeting of Shareholders. In recent years - in the light of Covid-19 and health concerns - NSI has held Hybrid (Physical & Virtual) General Meetings.

Given the considerable extra cost of hosting such a hybrid meeting and the fact that during the last AGM less than a handful of shareholders participated in the Virtual meeting NSI has decided to return to the pre-Covid practice of a strictly Physical meeting.

In addition to the option of asking questions in real time during the physical meeting, shareholders are given the opportunity to submit written questions on the agenda items in advance of the meeting by email to ir@nsi.nl no later than 2 pm (CET) on Tuesday 18 April 2023.

Questions from shareholders will be accepted only if the shareholder has duly and timely complied with the hereinafter explained registration procedure.

REGISTRATION OF MEETING RIGHTS

Persons who (1) are registered in one of the registers or sub registers mentioned below as of 24 March 2023 (the "Registration date") after the processing of all new registrations and cancelled registrations as of this date and (2) have signed up in the manner described below can participate in the meeting.

For shareholders, the administrations of the intermediaries as defined in the Securities (Bank Giro Transactions) Act (the "Intermediaries"), which show who is entitled to the particular shares as of the Registration date, are designated as registers or sub registers.

REGISTRATION AND SIGN-UP

Shareholders or their authorised representatives who wish to participate in this meeting can sign up in writing from 25 March 2023 until no later than 17.30 hours CET on 14 April 2023 with the Intermediary whose administration holds their shares or via www.abnamro.com/evoting.

No later than at 14.00 hours CET on 17 April 2023, the Intermediaries must provide ABN AMRO with an electronic statement via www.abnamro.com/intermediary stating the number of shares held by the particular holder on the Registration date and being reported for registration. ABN AMRO will send these holders an admission ticket via the Intermediary.

PROXIES/INTERNET VOTING

Shareholders who cannot or prefer not to attend the meeting in person can also grant a voting instruction to the company or to an independent third person as referred to in Dutch Corporate Governance Code best-practice provision 4.3.2, without prejudice to the provisions concerning sign-up stated above.

A voting instruction can be granted electronically via www.abnamro.com/evoting until no later than 17:30 hours on 14 April 2023. If a shareholder does not have an opportunity to grant a voting instruction electronically, a voting instruction can also be granted in writing. For this, a form is available on the company's website free of charge which must be completed and returned to ava@nl.abnamro.com no later than 17:30 hours on 14 April 2023.

NUMBER OF ISSUED SHARES AND NUMBER OF VOTING RIGHTS

As of 10 March 2023, the number of issued shares in the company is 20,054,241