

# BALANCE SHEET, NTA AND FINANCING

“Green financing is a logical step that places the importance of sustainability even more at the heart of how we operate.”

Alianne de Jong  
CFO



## NET TANGIBLE ASSETS

EPRA NTA per 31 December 2021 is € 950m, up 10.8% compared to 31 December 2020 (€ 857m), largely as a result of a positive revaluation of the investment portfolio. Due to a small rise in the number of shares following the issuance of the stock dividend, EPRA NTA per share increased by 8.5% from € 44.44 at year-end 2020 to € 48.23 at year-end 2021.

## FUNDING

In June 2021 NSI issued € 50m of 8-year unsecured notes with a fixed coupon of 1.4%, reflecting the confidence in NSI's long-term strategy and prospects by our financial investors.

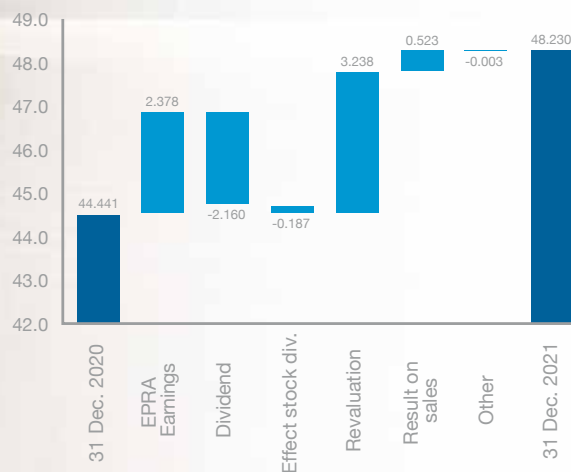
At the end of the year NSI amended and extended its € 300m Revolving Credit Facility (“RCF”). The RCF's maturity is set for a new 5 year term, in effect extending it from its original maturity date in 2024 to now December 2026, including two extension options of one year. Consistent with NSI's strategy to integrate sustainability into all aspects of its business and operations, the amended facility is now ‘Green’ and includes a sustainability-linked interest margin mechanism.

## NET DEBT

	Dec. 2021	Dec. 2020	Change
Debt outstanding	391.4	367.1	24.3
Amortisation costs	-1.6	-1.1	-0.5
<b>Book value of debt</b>	<b>389.8</b>	<b>366.0</b>	<b>23.8</b>
Cash and cash equivalents	-7.7	-0.2	-7.6
Debts to credit institutions	0.0	0.4	-0.4
<b>Net debt</b>	<b>382.1</b>	<b>366.2</b>	<b>15.9</b>

Net debt is up by € 15.9m compared to 31 December 2020. This is primarily due to the acquisitions totalling € 100.8m (excluding transaction costs), dividend distribution and capital expenditures, and is partially offset by disposals (€ 103.9m) and retained earnings.

## BRIDGE EPRA NTA PER SHARE (IN €)



At the end of 2021 NSI has circa € 283m of cash and committed undrawn credit facilities at its disposal. The average loan maturity is 4.9 years (December 2020: 5.2 years) with no loans maturing until 2023. This ensures sufficient flexibility and capacity to fund the development pipeline and selective further acquisitions.

At year-end 83% of debt drawn is unsecured (89% of available debt). The average cost of debt is slightly higher at 2.2% (was 2.1% per the end of 2020) due to higher swap costs and a lower level of utilisation of the – relatively lower margin - RCF.

### LEVERAGE AND HEDGING

The LTV is 28.2% at 31 December 2021, 1.0 percentage point lower compared to 31 December 2020 (29.2%), driven by the positive revaluation of assets in 2021.

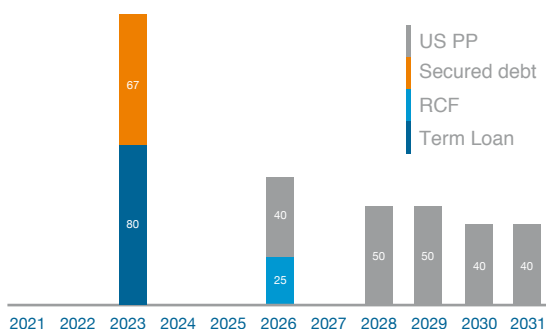
The ICR stands at 6.8x at 31 December 2021, compared to 7.2x at 31 December 2020. This is the result of higher interest costs due to the timing of acquisitions at the start of the year and dispositions skewed towards the end of 2021. The ICR remains firmly above the 2.0x covenant.

#### Covenants

	Covenant	Dec. 17	Dec. 18	Dec. 19	Dec. 20	Dec. 21
LTV	≤ 60.0%	36.9%	36.9%	27.4%	29.2%	28.2%
ICR	≥ 2.0x	4.7x	5.5x	6.8x	7.2x	6.8x

NSI is using swaps to hedge interest rate risk on variable rate loans. Due to the lower utilisation of the RCF, the volume hedge ratio at the end of 2021 increased to 94% (target range: 70-100%). The weighted average maturity of both the derivatives and the fixed rate debt is 4.9 years at the end of December 2021. The maturity hedge ratio is 100% (target range 70-120%).

#### MATURITY PROFILE



## GREEN FINANCING

**We are convinced that the pursuit of sustainability in all of our activities and initiatives is critical to the long term viability of NSI as a business.**

This is also reflected by the inclusion of a sustainability linked mechanism in its revolving credit agreement (RCF), which was extended in 2021. The interest margin will be a function of our performance on a number of sustainability indicators: (1) percentage of assets labelled BREEAM “Very good” or better, (2) percentage of buildings with EPC A energy label, (3) sustainable investments as a percentage of capex, and (4) the company’s GRESB rating. NSI reports its performance on all these indicators in our ESG chapter on page 52.

This green financing is a logical step that places the importance of sustainability even more at the heart of how we operate, as we are convinced that the financial performance and long-term viability of assets are increasingly correlated with their sustainability credentials.

