

NOTES OF THE BOARD OF DIRECTORS ON Q1 2023

REGULATORY INFORMATION
Brussels, 15 May 2023
07.30 AM



n.

nextensa.

PLACES
YOU PREFER

Notes of the Board of Directors on Q1 2023

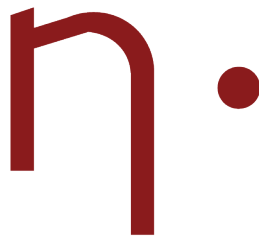
HIGHLIGHTS

- **Result:** net result was €9.8 M or €0.98 per share.
- **Strong investment portfolio:** rental income increased by € 0.4 M in the first quarter of 2023 compared to the first quarter of 2022, despite the sales of several buildings in 2022. In particular, rental income in Belgium increased significantly and primarily due to the resumption of events at the Tour & Taxis site. The like-for-like rental growth of +10% (+ €1.7 M) is also realized by the indexation that is being felt in Belgium, Luxembourg and Austria. This increase is expected to continue during 2023, with the signing of several new leases in Belgium and Luxembourg.
- **Active financial management:** the rising interest rates are largely tempered by the hedging strategy (hedge ratio of 70% at 31/03/2023) and by the continued implementation of the strategy to reduce the debt position through well-targeted sales. By reducing the debt ratio, rising interest rates have less negative impact on results.
- **Successful portfolio rotation with nice capital gains:** The Treesquare building located on the de Meeûssquare in the European district of Brussels was sold in early Q2 to the German KGAL Investment Management for a net price of €43.7 million, representing a capital gain of €2M and a yield of 4.23%. This gain will be recognized in Q2 2023.
- **Innovative developments:** The operating result of the development projects amounts to €5.6 M, being €1.1 M higher compared to Q1 2022. Nearly half of the second phase of Park Lane, comprising 346 apartments, has been reserved or sold. Nextensa has also announced its intention to start the Lake Side project, the final phase of the urban transformation on the Tour & Taxis site, from 2025. Nextensa submitted the permit at the end of Q1 for the development of some 140,000 square meters, with a largely residential program. The new district will be completely free of fossil fuels while also striving to minimize its ecological footprint through a well-founded choice of building materials.
- **Nextensa share:** The accounting net asset value was €84.9 per share at the end of Q1 while the share price has fluctuated between €40 and €50 per share in recent weeks.

Featuring Nextensa

Nextensa is a leading Belgian real estate investor and developer. We uncover opportunities and turn them into valuable growth for all stakeholders. We combine recurrent rental income from real estate investments with the added value potential of development activities in which authenticity and sustainability have the highest priorities. From a progressive view of sustainability, we are building a new understanding of what a city has to offer its residents.

Our multidisciplinary team consists of passionate real estate professionals with the expertise to manage the full cycle of a real estate project. From acquisition through sustainable development to final property management. With that cycle in mind, we outline a strategy that focuses on developing properties that optimise our sustainable investment portfolio. At the same time, we are committed to regular divestments to generate added value within our portfolio. Thanks to leases and residential sales, we are consolidating our recurring income stream. Always from a well-considered ESG vision that we consistently apply in all our core activities.



1.

ACTIVITY REPORT
Q1 2023

BUILDING THE FUTURE AND RESHAPING CITIES

Tour & Taxis: the textbook example of a 15-minute neighbourhood. Combining historic buildings and new developments, the site is a true “place you prefer,” a pioneering place where it is good to live, work, shop and enjoy.

- Nextensa has announced its intention to start work on the **Lake Side project**, the final phase of the urban transformation on the Tour & Taxis site, starting in 2025. Nextensa submitted the permit for this at the end of Q1. Specifically, it involves the development of some 140,000 square meters, with a largely residential program, good for about 800 new homes, as well as 37,000 square meters of offices, 2,800 square meters of retail and 3,800 square meters of public facilities. The plans fit into the Tour & Taxis Special Regional Planning Study (Bijzondere Bestemmingsplan or BBP), which was approved in 2017. Nextensa is partnering with Belgian and international teams of architects for this project.

If everything goes according to plan, the works could start in early 2025, ensuring the continuity of the development of Tour & Taxis. Until the end of 2024, Nextensa will complete the Park Lane residential development, which includes some 800 residential units, with the second phase currently under construction.

- Sales of the second phase of the **Park Lane project**, consisting of 346 apartments, continue to run smoothly. By the end of Q1, more than 150 apartments had already been reserved or sold.
- For the **retail spaces in Gare Maritime**, new leases were signed in early 2023 with the fitness center Fyzix (720 sqm), AXL Green (275 sqm), Silence Mobility (127 sqm) and ACM Insurance (254 sqm). They will launch their operations during 2023. This will again bring higher occupancy to the site.
- This higher occupancy is visible not only in retail and office rentals, but also in events. Where covid still played in Q1 2022, this effect is completely gone in Q1 2023, resulting in higher footfall of the Food Market and higher occupancies of Maison de la Poste, the center aisle of the Gare Maritime and the parkings. In recent months, **major events** such as Sculptura, the Affordable Art Fair, the Foire du Livre and the Kids Spring Wonderland took place.
- Part of the **Sheds**, the site’s event hall, was also given a permanent fill with the signing of lease agreements with the Bullpadel padel club (2,380 sqm), with exhibition organizer Tempora (2,700 sqm) and with the indoor carting Battle Kart (1,780 sqm). The Tour & Taxis Padel Club and Tempora’s new exhibit already opened in Q1. Battle Kart opened in april 2023.
- Another 6,500 sqm of available office space will be added to the site in early 2024 with the completion of the **Hôtel des Douanes**. The building that originally served as the administrative center for customs matters of the Tour & Taxis site is currently being prepared for use again. The commercialization of this building is in full swing.

Cloche d'Or: the further development of an urban district in Luxembourg City in joint venture with Luxembourg developer Promobe

• **Office buildings:**

In March, a 9-year lease was signed with a triple AAA tenant for the White House building and a part of the Emerald building. This future tenant will occupy the entire White House building and the ground and second floor of the building next door, Emerald, for a total area of 8,300 sqm. A BREEAM Excellent certification is envisaged for both buildings.

Emerald (total 7,000 sqm) was already pre-leased for 43% to law firm Stibbe. This new lease agreement increases the occupancy rate of the Emerald building to 70% and leaves only two floors available for lease. Construction work is going according to plan and completion is expected in late summer 2023.

White House (total 7,000 sqm) will be completed in the last quarter of 2023.

- Currently, there is also strong interest from a number of prospective tenants who would like to move into a project yet to be developed on the remaining land of the Ilôt E at Cloche d'Or. Some new office buildings are currently under study, as only about 2,100 sqm are currently available for letting on the entire site.

• **Residential developments:**

Subproject Ilôt D-Nord was quasi fully completed during Q1 2023 and the first residents have now moved into this brand new project. Currently, there are still 12 apartments for sale out of the 194.

In parallel, construction work continues on the Ilôt D5-D10 subproject, where 56 apartments have now also been reserved or sold out of a total of 185.

However, sales of apartments on the Cloche d'Or site, and in Luxembourg in general, are experiencing a noticeable slowdown and this despite the fact that the demand for quality apartments exceeds the supply on several occasions. This delay is due to the tightening of lending conditions by Luxembourg banks, higher interest rates and the government's lack of clarity on tax guidelines.

The building permit for the development of a hotel on the site was also obtained during the first quarter of 2023. This hotel of approximately 4,500 sqm with 150 rooms will be operated by B&B HOTELS on the basis of the lease agreement already signed in 2022. The actual construction work is expected to start in the summer of 2023, so that delivery can take place during 2025.



The pipeline of developments in Belgium and Luxembourg is as follows:

PROJECT DEVELOPMENT

| | IN CONSTRUCTION | | PERMITS ACQUIRED | | IN STUDY | |
|--------------------|--------------------------|---------------------------|------------------|---------------------------|--------------------------|--------------------------|
| Residential | | | | | | |
| | 36 520 m ² | 29 287 m ² | N/A | 32 401 m ² | 93 000 m ² | 12 000 m ² |
| Offices | | | | | | |
| | N/A m ² | 14 000 m ² | N/A | 4 479 m ² | 37 500 m ² | 79 566 m ² |
| TOTAL | | 167 020 m ² | | 171 733 m ² | | |



@Lake side - project, Brussels

UNLOCKING THE HIDDEN VALUES AND STRENGTHENING THE BALANCE SHEET

The focus within Nextensa in 2023 remains on bringing forward some of the latent capital gains within its portfolio and strengthening its balance sheet

- The **Treesquare building** located on the de Meeûssquare in the European district of Brussels was sold in early Q2 to the German KGAL Investment Management for a net price of €43.7 million, representing a capital gain of €2M and a yield of 4.23%.

Treesquare is a AAA building that, since its reconstruction in 2018, meets the highest quality standards in terms of sustainability and technology. The building has already been in the group's investment portfolio since 2004.

The sale of Treesquare fits within the strategy of realizing exceptional capital gains within the portfolio through targeted divestments. In this way, Nextensa wants to be able to respond proactively to interesting development opportunities that present themselves on the real estate market.

This sale will again lead to a further decrease in the debt ratio. This decline will be visible in the half-year results to be published in August.

- The **Moonar site**, located near Luxembourg airport, is currently undergoing a thorough redevelopment in order to create higher rental values on these buildings. The office park consists of 5 buildings, of which the first building - "Building D" - has already been completely renovated. The redevelopment of the entire site will be completed in Q1 2024.

Of the lettable 22,000 sqm, 5,000 sqm are currently still available. Several existing and new tenants have already decided to return to the renovated offices at prices ranging between €32 and €34 per sqm per month.



LUXEMBOURG IS KEY

The main part of Nextensa's business consists of investment, rental and development activities in Luxembourg

- The new catering concept, the Grand Café, was opened in the **Knauf Schmiede** shopping center.
- Montimmo was renamed "**Hygge**" inspired by the Danish concept that represents the intention to create a quality of comfort and cosiness that generates a sense of well-being. The office building located at 35 Monterey Avenue and built in 2009, returns to the market with a new identity after a short period of renovation and upgrades. The building consists of a total area of 1,600 m² spread over six floors and of 15 underground parking spaces.

Thanks to the improvements, a BREEAM Very Good In-Use certificate will be achieved for this building.

Three floors have already been leased (total approx. 625 sqm). Discussions are ongoing for the lease of the remaining floors



TOWARDS A MORE SUSTAINABLE FUTURE

Nextensa's sustainability mission is to create "places you prefer" by (re)developing climate-adaptive buildings, creating sustainable communities and investing in human capital.

- At the **Tour & Taxis site**, the main entrance was closed to motorized transport in order to make the site even safer and car-free. All cars are now required to go underground to park on the edge of the site. At the same time, **36 additional charging points** were installed in the Esplanade parking to further support the conversion to electrified mobility.
- The ponds constructed in the autumn were officially inaugurated and the greenery fully planted so that by summer, this area will be a new biodiverse and pleasant living space for all local residents and visitors. On the covered quay next to the ponds, the recently installed **solar panels** (576 panels accounting for 236 kWp) were taken into use.
- The permit was applied for the final phase of the urban formation on the Tour & Taxis site: the **"Lake Side" project**. Specifically, it involves the development of some 140,000 square meters, with a largely residential program, good for about 800 new homes. What immediately stands out about the new plans is the amount of greenery. One of the most important features Lake Side focuses on is sustainability. Both nature and people and society are taken into consideration. The new district will be completely free of fossil fuels, while striving for a minimal ecological footprint through a well-founded choice of building materials. For this purpose, use will be made of the **Madaster** platform in which a materials database will be created. In social terms, this new district will be a perfect mix of housing and workplaces for a broad target group. Lake Side will thus become one of the most sustainable neighbourhoods in Brussels, at least on such a large scale.

AUSTRIA

The Austrian investment portfolio includes 5 retail parks, whose occupancy rate remains consistently at 100%.

- The final phase of the renovation of **retail park Vösendorf 16** is currently ongoing. The first phase has been completed and re-occupied by shoe retailer Pitarello. Later this year, both Half Price and Tschibo/Eduscho will move into the second renovated section, which will be fully leased.
- During 2023, Conrad will vacate the **Vösendorf 2-10 retail park**, but a new lease has since been signed with toy retailer Smyths Toys, which will keep the occupancy rate constant at 100%.
- At the **Gewerbepark Stadlau**, the existing tenant Winner (Intersport) has extended its contract for five years.
- At the **Frun Park in Asten**, supermarket chain Eurospar and Intersport have renewed their contract for five years.



@Gare Maritime, Brussels

2.

CONSOLIDATED RESULTS

| Key figures investment portfolio | 31.03.2023 | 31.12.2022 |
|--|-------------------|-------------------|
| Fair value investment portfolio (€ 1.000) | 1.293.006 | 1.278.716 |
| Fair value investment properties, incl. participation Retail Estates (€ 1.000) | 1.380.987 | 1.362.499 |
| Rental yield based on fair value | 5,38% | 5,30% |

| Key figures balance sheet | 31.03.2023 | 31.12.2022 |
|--|-------------------|-------------------|
| Net asset value group share (€ 1.000) | 849.213 | 838.798 |
| Net asset value group share per share | 84,90 | 83,86 |
| Financial debt ratio (financial debts/total assets) | 43,28% | 42,56% |
| Net financial position | 750.537 | 721.516 |
| Average duration credit lines (years) - investment portfolio | 2,63 | 2,85 |
| Average funding cost - investment portfolio | 2,45% | 2,18% |
| Average duration hedges (years) | 3,19 | 3,52 |
| Hedge ratio - investment portfolio | 70% | 74% |

| Key figures income statement | 31.03.2023 | 31.03.2022 |
|---|-------------------|-------------------|
| Rental income (€ 1.000) | 17.544 | 17.165 |
| Income from development projects (€ 1.000) | 5.553 | 4.466 |
| Net result group share (€ 1.000) | 9.777 | 21.789 |
| Net result group share per share (number of shares at closing date) | 0,98 | 2,18 |

Operating result of real estate investments

The rental income in the first quarter of 2023 was €0.4 M higher than in the first quarter of 2022, despite the sales of several buildings in 2022. In particular, rental income in Belgium increased significantly and primarily due to the resumption of events at the Tour & Taxis site. This brings additional rental income directly, but there are also positive side effects, such as higher occupancy of the underground parkings.

Moreover, the rent indexation has a positive effect on the rents collected.

Both effects produced like-for-like rental growth of 10%.

In addition, property costs decreased by € 0.7 M compared to Q1 2023. Consequently, an operating result from the real estate investments of € 14.5 M was realized, which is € 4.1 M less than in the first quarter of last year. This can be explained by the (one-time) gain on the sale of the Monnet building in Q1 of 2022 (€ 5.3 M). It should be noted that in early April the Treesquare building (Brussels, Quartier Léopold) was sold with a realized gain of approximately € 2 M, but this gain will only be recognized in Q2 of 2023.

Operational result of development projects

In the developments segment, some of the margin on the second phase of Park Lane was recognized for the first time. Construction work has progressed well and sales also continue to be solid. Almost half of the 346 apartments have now been reserved, but only the number of pasted deeds is relevant for margin recognition. At the end of Q1 2023, more than 20% of the deeds had already been passed.

In Luxembourg, on the "Cloche d'Or" site, construction works continue to progress steadily. In the office segment, the signing of a lease for the entire White House building (7,000 sqm) meant that the expected margin on this sub-project is also gradually being recognized from now on. The continued leasing of the Emerald building (from 43 to 70%) also allows part of the margin to be recognized.

In the residential segment, some sales within the D-Nord subproject made a positive contribution. Meanwhile, the building is fully completed and only the last 12 apartments are still for sale. As for the D5-D10 subproject, both construction works and apartment sales are continuing steadily, also contributing positively to the development segment.

As a result, the operating result from development projects is €5.6 M, being €1.1 M higher compared to Q1 2022.

Financial results and management of financial resources

The financial result (excluding revaluations) amounts to € -5.1 M compared to € -3.5 M in Q1 2022. The average financing cost increased from 2.18% over 2022 to 2.45% after Q1 2023. The rising interest rates are largely mitigated by the hedging strategy (hedge ratio of 70% at 31/03/2023) while continuing to implement the strategy to reduce the debt position. On 31 March 2023, the financial debt ratio was still 43.3%, but taking into account the sale of the Treesquare building at the beginning of April 2023, it would have been 41.3%. The lower debt position will also ensure that financing costs remain under control.

The revaluation results of the financial assets and liabilities were limited to € 0.4 M (€ 12.5 M after Q1 2022), as the positive revaluation of the stake in Retail Estates was largely balanced by a write-down on the derivatives portfolio.

The net result (group share) thus comes to € 9.8 M or € 0.98 per share. The net asset value (group share) rises to € 849 M or € 84.9 per share.



@Hangar 26/27, Antwerp

3.

OUTLOOK

OUTLOOK

In the real estate investments segment, Nextensa continues its strategy of debt reduction - with crystallization of unexpressed capital gains. The sale of Treesquare in early April 2023 fits into this strategy and proves that high-quality assets can still be sold at good values (realized capital gain of €2 M will be recognized in Q2 2023).

In addition, activity on the Tour & Taxis site continues to increase, both in terms of rentals (especially retail in Gare Maritime) and events, which in turn generates additional income for the underground parking on the site.

On the development front, Park Lane Phase II apartment sales are running very smoothly. Almost half of the 346 apartments have now been reserved or sold, further accentuating the appeal of the Tour & Taxis site.

The developments at Cloche d'Or continue steadily, although uncertainty in the financial markets and rising interest rates are slowing the pace of apartment sales. Caution is also being exercised in estimating exit yields on offices under development.

Nextensa is not immune to the standstill currently prevailing in the real estate market due to the sudden interest rate increases. However, it is convinced that in the long run, its strategy, with a focus on sustainable building in prime locations, is the right one and will deliver further capital gains.



4.

GENERAL SHAREHOLDERS' MEETING
15 May 2023

Nextensa's ordinary general shareholders' meeting takes place at 4 p.m. today.

Shareholders are proposed, among other things, to approve a dividend per share entitled to dividends of gross €2.60 and net, free of withholding tax of 30%, €1.82.

Following this approval, the dividend will be paid as from 22 May 2023 against the presentation of coupon No. 28. The ex-date is 18 May 2023 and the record date is 19 May 2023.

Shareholders will also be asked to approve the (re)appointment of a number of directors. If these proposed resolutions are approved, the board of directors of Nextensa NV will consist of:

| | Date end of mandate |
|---|---------------------|
| Piet Dejonghe Chairman, non-executive director | 18/05/2026 |
| Midhan BV, permanently represented by Michel Van Geyte Managing director | 18/05/2026 |
| An Herremans Non-executive director | 18/05/2026 |
| Hilde Delabie Non-executive director | 18/05/2026 |
| Dirk Adriaenssen Non-executive director Independent director | 18/05/2026 |
| Lupus AM BV, permanently represented by Jo De Wolf Non-executive director Independent director | 17/05/2027 |
| Stellar BV, permanently represented by Arne Hermans Non-executive director Independent director | 17/05/2027 |
| SoHo BV, permanently represented by Sigrid Hermans Non-executive director Independent director | 17/05/2027 |



The minutes of the ordinary general meeting will be made available soon after the meeting on <https://nextensa.eu/en/investor-relations/general-meetings/>

Nextensa bids farewell to Colette Dierick and Marcia De Wachter as directors after this ordinary general shareholders' meeting and wishes to sincerely thank them for their years of assistance.

FINANCIAL CALENDAR

| | |
|------------|--|
| 15/05/2023 | Interim statement Q1 2023 (31/03/2023) |
| 15/05/2023 | Annual meeting of shareholders |
| 22/05/2023 | Dividend payment |
| 17/08/2023 | Half-year financial report 2023 |
| 20/11/2023 | Interim statement Q3 2023 (30/09/2023) |
| 14/02/2024 | Annual results 2023 (31/12/2023) |
| 29/03/2024 | Annual financial report 2023 |





ABOUT NEXTENSA

Nextensa NV is a mixed-use real estate investor and developer. The company's investment portfolio is divided between the Grand Duchy of Luxembourg (41%), Belgium (44%) and Austria (15%); its total value as of 31/03/2023 was approximately € 1.29 billion.

As a developer, Nextensa is primarily active in shaping large urban developments. At Tour & Taxis (development of over 350,000 sqm) in Brussels, Nextensa is building a mixed real estate portfolio consisting of a revaluation of iconic buildings and new constructions. In Luxembourg (Cloche d'Or), it is working in partnership on a major urban extension of more than 400,000 sqm consisting of offices, retail and residential buildings.

The company is listed on Euronext Brussels and has a market capitalization of €519.1 million (value 31/12/2022).

FOR MORE INFORMATION

Michel Van Geyte | Chief Executive Officer
Gare Maritime, Picardstraat 11, B505, 1000 Brussels
+32 2 882 10 08 | investor.relations@nextensa.eu
www.nextensa.eu



nextensa.

PLACES
YOU PREFER