

NOTES OF THE BOARD OF DIRECTORS ON Q1 2022

REGULATED INFORMATION
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Notes of the Board of Directors on Q1 2022

KEY FIGURES

For Q1 2022 we note the following key data:

- Net result of €21.8 million, or €2.18 per share
- Rental income up by €2.1 million
- Loan-to-value on the investment portfolio down by two percentage points at 53.7%
- Sale of the buildings The Crescent (Anderlecht, Belgium) and Monnet 4 (Kirchberg, Luxembourg) resulting a profit of €5 million
- The average financing cost fell from 2.07% in 2021 to 2.05% on 31 March 2022
- Developments on Cloche d'Or continue apace, with the sale of the Kockelscheuer building in January 2022 and delivery of the Darwin II building
- At the Tour&Taxis site the apartments of the first-phase of Park Lane are gradually being delivered, while events can once again take place in the Sheds, Maison de la Poste and Gare Maritime



MICHEL VAN GEYTE, CEO DE NEXTENSA

« The terrible situation in Ukraine is again creating uncertain times. In spite of this, Nextensa is sticking to its sustainable strategy and continues with the development of the second residential phase at T&T. »

Activity report

Nextensa's decision to evolve into a sustainable real estate investor and developer in these uncertain times has clearly been the right one. The high energy prices provide an additional stimulus for the development of CO₂ neutral buildings, which Nextensa has long prioritised in its sustainability strategy. Increased building costs and delays in deliveries of construction materials have led a number of developers to postpone their projects. Nonetheless, Nextensa has given the green light for the start of the second phase of the 'Park Lane' residential project at Tour&Taxis. This proves to have been the right decision in view of the sales success already seen and the current shortage of quality residential real estate.

Nextensa expresses its deep sympathy for the many victims in Ukraine and realises how serious the situation is. Various initiatives have been taken to show our solidarity with the courageous Ukrainian citizens and the misery they have to put up with every day.



Investment portfolio

GRAND DUCHY OF LUXEMBOURG

Moonar

In Luxembourg, the new Moonar office concept was launched. Moonar is an office campus near the airport with various functions and an emphasis on outside meetings and greenery. The planned renovation works will start at the end of May.



Shopping center Knauf Schmiede

The expansion of the Knauf Schmiede shopping centre will be completed towards the end of July and the shops will open on 1 August. An official opening ceremony for the twelve new shops is planned for September.



Shopping center Knauf Pommerloch

The shopping centre Knauf Pommerloch has welcomed a number of new retailers in the last few months, including Esprit, Arkades, Si j'osais and Tao Kids.

Thanks to the lifting of the last COVID restrictions, there has been a positive development in the number of visitors to Knauf shopping centres in recent months. This development is also being amplified at the moment by higher fuel prices and reduced excise duties in Luxembourg.



BELGIUM

Antwerp – Hangar 26/27

The first part of the renovation of the building is almost completed and is receiving great acclaim from the surrounding area. The façade is being entirely renewed and finished in wood and will form a spectacular background when the Tall Ships sail into Antwerp at the end of July. The Tall Ships Races is a global initiative that Nextensa is sponsoring.

In October 2022, two-star chef Bart De Pooter will open a fish restaurant called 'Vis van A' on the ground floor of the building, together with an adjacent fishmonger's and greengrocer's.



Brussels – Tour & Taxis

The Gare Maritime Food Market has proven a great success since its opening, with some 100,000 visitors in the period up to the end of March. More and more events are organised across the site, such as the bike fair 'Bike Brussels', the art fair 'Art Brussels' and, in May, the 'Brussels World Tour Padel'. These events further increase the number of visitors to the Food Market. The Maison de la Poste conference centre is also back to full capacity now that the pandemic is over, and the use of the office space is increasing so that the site is running at full speed.



AUSTRIA

The occupancy rate of the buildings in Austria remains consistently at 100% with the exception of one retail space (1,002 m²) in Vösendorf Nordring 2-10 for which a pre-agreement has been signed with Elite Event Center.



Development

GRAND DUCHY OF LUXEMBOURG

Development activities at the “La Cloche d’Or” site, a new urban district on the southern borders of Luxembourg City, continue apace.

La Cloche d’Or - Offices

In January the Kockelscheuer building, with a surface area of approximately 4,200 m², was delivered and sold. Then at the end of March the Darwin II building of approximately 4,700 m² was delivered. The tenant is the Luxembourg State, which also has a three-year purchase option that runs as of 1 April 2022.

The construction work on the Darwin I building (approximately 5,000 m²) is progressing well and is on schedule for delivery by the end of September 2022. More than 90% of this building has been pre-let, with an option taken out by a potential tenant for the remaining area. A buyer has already been identified for this building, and closing of the sale is expected to take place shortly after delivery at the end of September of this year.

In the course of Q2 2022, the works will start on the first building on Ilôt E, namely “The Emerald”, a building of approximately 7,000 m² which is already pre-let for more than 40%. Furthermore a potential tenant has also expressed interest in taking a substantial part of the second building on Ilôt E, the “White House”, also approximately 7,000 m². If this leads to the signing of a lease, the works on this project will also be started up quickly.

La Cloche d’Or - Residential

Meanwhile all the apartments on Ilôt D-South have been delivered and sold (115 appartements). Only 11 retail units on the ground floor remain unsold. Interest has been expressed in them by both liberal professions and restaurant and catering operators.

In parallel with this, construction activities continue on the 194 apartments on Ilôt D-North. This part of the project has already been largely sold, with only 18 apartments remaining. Delivery is expected to take place in mid-2023. The last part of the Ilôt D project, D5-D10, consists of 185 apartments and 18 ground floor retail units. Of these, 72 have already been reserved, so construction work will start before the construction sector’s summer holidays. Delivery is expected to take place in 2024.

To date, the development activities in joint venture with Promobe have been concentrated on the Cloche d’Or site in Luxembourg. On 29 April however, within the framework of the joint venture, a plot of land was acquired in Niederanven, next to Luxembourg Airport, where a mixed development of around 35,000 m² is possible. The permit process will be started soon so that, depending on the demand for offices, retail and residential property, this site can be gradually developed.

BELGIUM

In March, Nextensa gave the green light for the start of the construction of the parking for phase 2 of the Park Lane project. In this second phase, 346 apartments will be developed, spread over 11 buildings, designed by AWG Architecten, noAarchitecten and Sergison Bates Architects. The pre-sale of these flats was successfully launched in mid-March. So far around 70 apartments of this project have already been reserved.



Sustainability

The tagline 'Places you Prefer' reflects the mission of Nextensa: excel as a 'next generation' real estate investor and developer in sustainable urban development with a positive social impact by creating places where people like to live, work, shop, relax, etc.

At the beginning of April Nextensa's Belgian team itself moved to one of the 'places it prefers', the Gare Maritime. With this move, Nextensa not only brings colleagues closer together, but also takes a big step towards CO₂ neutrality. In this award-winning wooden building fossil-free heating and cooling are provided by geothermal energy, while the large array of solar panels on the roof produces enough energy for primary consumption. The layout of the new offices is completely in line with a circular approach: circular partitions, re-usable wooden profiles for the partitions, renewable and recycled materials for the furniture, all combine to make for a warm, homely and pleasant working environment.

Other projects announced in the sustainability report for 2021 are also being further deployed on a daily basis:

In Luxembourg an application for a grant was approved in April, allowing Nextensa to install photovoltaic equipment on buildings in the Knauf Pommerloch and Knauf Schmiede shopping centres (333kWp and 854kWp respectively). A start will soon be made on construction of these installations. Both shopping centres will thus soon make use of green energy from renewable sources.

In 2021, all Belgian assets were equipped with a digital monitoring system that traces and measures all energy flows: electricity, natural gas, fuel oil, direct heating and cooling and water. This system was also installed in the Knauf shopping centres in the first few months of 2022. Its installation in the Luxembourg offices is fully under way and installation in the Austrian buildings is currently being prepared.

Key consolidated figures

Key figures	31/03/2022	31/12/2021	31/03/2021
Fair value investment portfolio (€ 1,000)	1,337,518	1,407,919	1,125,287
Fair value investment properties incl. participation in Retail Estates (€ 1,000)	1,437,381	1,504,404	1,205,150
Investment value investment properties (€ 1,000)	1,366,858	1,439,107	1,149,668
Rental yield based on fair value	5.28%	5.20%	5.65%
Rental yield based on investment value	5.16%	5.08%	5.53%
Occupation ratio	89.42%	89.09%	92.05%
Net asset value group share (€ 1,000)	806,137	779,970	498,842
Net asset value group share per share (number of shares at closing date)	80.6	78.0	84.2
Total assets (€ 1,000)	1,865,594	1,895,961	1,225,420
Consolidated financial debts	858,954	913,555	643,200
Financial debt ratio (financial debts / total assets)	46.28%	48.56%	54.56%
Loan-to-value (investment portfolio)	53.68%	55.64%	53.37%
Average debts duration (years) - investment portfolio	2.73	2.98	3.12
Average financial cost investment portfolio	2.05%	2.07%	2.23%
Average duration derivative instruments (years)	4.29	3.98	4.74
Operating result investment portfolio (excl. revaluation and realised capital gains)	13,463	48,848	12,018
Rental income (€ 1,000)	17,165	65,174	14,964
Operational result of development projects	4,466	15,373	-
Net result group share (€ 1,000)	21,788	53,244	7,749
Net result group share per share (number of shares at closing date)	2.18	5.32	7.749
Global result group share (€ 1,000)	28,853	65,531	11,630
Global result group share per share (number of shares at closing date)	2.18	6.56	1.31

Results regarding real estate investments

The investment properties decreased by €70 million compared to 31 December 2021, mainly due to the sale of the buildings The Crescent (Anderlecht, Belgium) and Monnet 4 (Kirchberg, Luxembourg). The sale of these two buildings resulted in a realised capital gain of €5.3 million. At the same time the “Monteco” project (Brussels, European District) is no longer considered as a, investment property, but as a development project.

Rental income is significantly higher than in the same quarter of last year: up by €2.1 million at €17.2 million. This is due on the one hand to the addition of the heritage buildings at the Tour&Taxis site, but on the other hand we also see like-for-like rental growth of 4.2%, which is the combined effect of the absence of COVID rental reductions in Q1 2022 and of the rental indexations. The occupancy rate continues to fluctuate around the 89% mark.

Results regarding development projects

In the first quarter of 2022 development projects contributed €4.5 million. At the Tour&Taxis site, the first phase is being delivered, with only about ten flats still for sale. At the Cloche d’Or site in Luxembourg the Kockelscheuer building was sold in January 2022 and the Darwin II building was delivered at the end of March. The Darwin II building has been leased to the Luxembourg State, which also has a three-year purchase option starting on 1 April 2022. As for the residential segment, construction work continued on the 194 apartments of D-North, of which just 18 remain unsold. Delivery is expected to take place in 2023.

Financial results and management of financial resources

The sale of a number of buildings from the real estate portfolio led to a further reduction of Nextensa's debt position, as a result of which the loan-to-value ratio fell from 55.6% to 53.7%. This opportunity was also used to repay some effective hedging instruments early. The increase in interest rates in the past few months made this considerably cheaper than in the past.

Partly as a result of this the average cost of financing decreased further, from 2.07% in 2021 to 2.05% in the first quarter of 2022. In addition to this, there is also a substantial cash position, such that the dividend payment at the end of May 2022 and the redemption of the Extensa Group private bond at the end of June 2022 can take place without taking on additional debt.

The declining trend in the financial debt ratio (financial debt divided by balance sheet total) from 48.6% at 31 December 2021 to 46.3% at 31 March 2022 is expected to continue for the rest of 2022.

The rising interest rate curve has also led to a positive revaluation of the derivatives portfolio at 31 March 2022. The hedging ratio continues to fluctuate just under 70%, while the derivatives portfolio has an average remaining maturity of more than four years, so that Nextensa is substantially protected against rising interest rates.

Net result for Q1 2022 amounted to €21.8 million, or €2.18 per share. The net asset value attributable to the group rose to €806.1 million or €80.6 per share.

Significant events since 31 March 2022 and outlook

On 29 April 2022 a plot of land was acquired, together with joint venture partner Promobe, in Niederanven (Luxembourg Airport district) on which a mixed development of approximately 35,000 m² is possible. The process of applying for permits is being started but construction work will only start in function of the commercialisation of the site.

As for the real estate investment portfolio, we see that the rental income is on track again. There is no longer any impact from the COVID pandemic, and the gradual easing of restrictive measures has also meant that events can once again take place as before, which will have a positive effect on income at the Tour&Taxis site. In parallel, several negotiations with potential tenants are taking place, for both offices and retail, with a view to increasing the occupancy rate.

The launch of the second phase of the residential development at the Tour & Taxis site, Park Lane, consisting of 346 apartments, has also been a great success. In less than a month more than 70 reservations were made. At the Cloche d'Or site, developments are also moving ahead at full speed on both the offices and the residential fronts. Construction of the almost entirely pre-let "Darwin I" project is on schedule for delivery at the end of Q3 2022, while the next two office projects, each of 7,000 m², are expected to start during Q2 2022. Construction of the "D-North" apartments is also on schedule for delivery in mid-2023. Construction of the next residential phase, D5-D10, which has already been reserved for approximately 35%, is expected to start this summer.

All these elements should result in a significantly higher net result for the financial year 2022 compared to 2021.

Dividend for financial year 2021

At today's ordinary general meeting of shareholders it will be proposed to distribute a dividend to the shares entitled to dividends of €2.50 per share gross and €1.75 net after 30% withholding tax.

Since Nextensa holds treasury shares as a result of the ongoing share buy-back programme, the total amount of the dividend payment depends on the number of treasury shares held on 18 May 2022 at the close of trading (i.e. just before the share goes ex-dividend). The ordinary general meeting is requested to authorise the Board of Directors to enter the final amount of the total dividend distribution (and the resulting other changes in the allocation of the results) in the statutory annual accounts.

The minutes of the ordinary general meeting and the final version of the statutory annual accounts will be available on 19 May 2022 on <https://nextensa.eu/en/investor-relations/general-meetings/>

Dividends will be paid out on presentation of coupon no. 27 as of 23 May 2022 at the financial institutions Delen Private Bank (main paying agent), ING Bank, Belfius Bank, BNP Paribas Fortis Bank and Bank Degroof. The Ex-date is 19 May 2022 and the Record date is 20 May 2022.

General meeting of shareholders of 16 May

Nextensa's AGM takes place today at 16h00.

The shareholders are asked to approve, among other things, the (re)appointment of a number of directors. If these proposed resolutions are approved, Nextensa NV's Board of Directors will consist of:

	Term ends
Piet Dejonghe Chairman, non-executive director	18 May 2026
Midhan BV, permanently represented by Michel Van Geyte Managing Director	18 May 2026
Dirk Adriaenssen Non-executive director, independent	18 May 2026
Brain@Trust BV, permanently represented by Marcia De Wachter Non-executive director, independent	15 May 2023
Colette Dierick Non-executive director, independent	15 May 2023
SoHo BV, permanently represented by Sigrid Hermans Non-executive director, independent	15 May 2023
An Herremans Non-executive director	18 May 2026
Hilde Delabie Non-executive director	18 May 2026

The minutes of the ordinary general meeting will be available on 19 May 2022 on <https://nextensa.eu/en/investor-relations/general-meetings/>.

After this ordinary general meeting, Nextensa bids farewell to a number of directors who have assisted the company for many years and wishes to express its sincere thanks to Jan Suykens, Jean-Louis Appelmans and Eric Van Dyck.

For more information:

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About Nextensa:

Depuis Since 19 July 2021 Nextensa NV (formerly Leasinvest Real Estate) has been a mixed real estate investor and developer. The company's investment portfolio is spread over the Grand Duchy of Luxembourg (46%), Belgium (41%) and Austria (13%); its total value at 31 March 2022 was approximately €1.34 billion. Nextensa is one of the biggest real estate investors in Luxembourg. The development portfolio is spread over the Tour&Taxis (B) and Cloche d'Or (L) sites, where mixed developments (residential and offices) are ongoing and where new partial projects will be launched in the coming years. At the same time, there is also a development pipeline in Belgium and Luxembourg of more than 300,000 m² in office and residential real estate. The company is listed on Euronext Brussels and has a market capitalisation of € 667.1 million (at 13 May 2022).