

REAL ESTATE



Contribution to the AvH consolidated net result

(€ million)	2023	2022	2021
Nextensa	15.6	42.5	38.6
Anima	-	2.8	4.1
Total	15.6	45.3	42.7

Inflation and rising interest rates created a challenging environment throughout 2023 for the Real Estate sector in general. Thanks to higher rental income and smooth sales of apartments at Tour & Taxis, Nextensa has been able to deliver decent, but lower results. The divestments of Residalya (2019) and Anima (2022) and the merger of Extensa and Leasinvest in 2021 have allowed AvH to reduce significantly its real estate exposure compared to a couple of years ago.



Nextensa > Tour & Taxis - Gare Maritime
- Park Lane 1

Nextensa > Tour & Taxis - Sheds

Nextensa > Tour & Taxis - Park Lane

Nextensa > Tour & Taxis - Hôtel des Douanes

Nextensa

Nextensa is a mixed real estate investor and developer.

62%

Shareholding percentage AvH

CEO: Michel Van Geyte

Management team: Peter De Durpel • Tim Rens • Olivier Vuylsteke



NEXTENSA

Nextensa is a listed, mixed real estate investor and developer.

As an investor, Nextensa is active in the Grand Duchy of Luxembourg (43%), Belgium (42%) and Austria (15%). Nextensa's total investment portfolio was valued at 1.3 billion euros on December 31, 2023.

As a developer, Nextensa primarily designs large-scale urban developments. At Tour & Taxis (development of more than 350,000 m²) in Brussels, Nextensa is building a mixed real estate portfolio consisting of a redevelopment of iconic buildings and new construction. At Cloche d'Or in Luxembourg, it is working in partnership on a major urban expansion of more than 400,000 m² consisting of offices, retail and housing.

Financial overview 2023

Nextensa realised a net result of 24.5 million euros in 2023, in comparison to the net result of 71.3 million euros in 2022. The reason of this lower result is twofold. In a first instance, there has been limited activity on the institutional real estate market in 2023, which resulted in a lower number of divestments. While in 2022 Nextensa was able to realize profits on sales of the Monnet and Titanium buildings of 28.3 million euros, in 2023 Nextensa only sold the Treesquare-building in the Brussels Leopold district generating a profit of 2.1 million euros. On the other hand, the revaluation of financial instruments played an important role. In 2023, the financial assets and liabilities were revaluated with a negative amount of 7.3 million euros, while in 2022 these instruments were positively revaluated with an amount of 15.6 million euros.

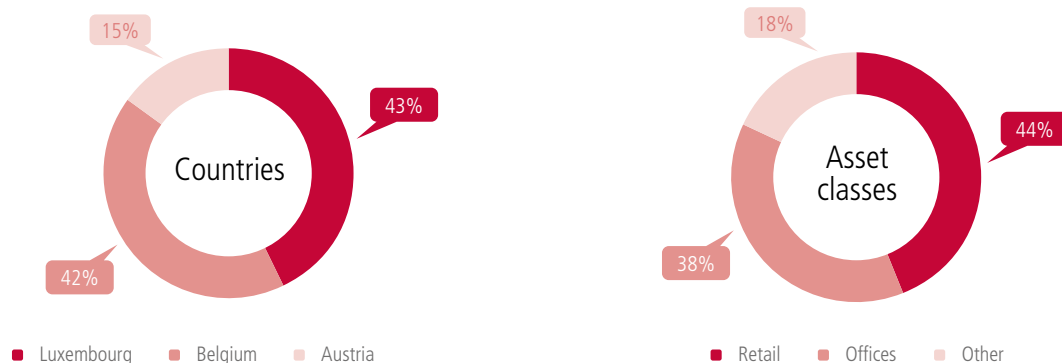
The operating results of the real estate portfolio proved to be resilient. The net rental income from the investment properties was 3.1 million euros higher compared to 2022, despite the sale of several properties (70.5 million euros in 2023 vs 67.4 million euros in 2022). The indexation and the increased occupancy resulted in a like-for-like rental growth of 12% compared to 2022. In addition, property costs decreased with 0.9 million euros. Only a minor decrease (0.9%) in the value of the investment properties of 11.2 million euros was recorded.

The operating result of the development projects decreased from 22.2 million euros in 2022 to 18.1 million euros in 2023. This result consisted mainly of the development activities on Cloche d'Or and Tour & Taxis (Park Lane phase II). A higher development result was recognised in Belgium thanks to

AFTER THE EXCEPTIONAL RESULT OF 2022, NEXTENSA WAS STILL ABLE TO DELIVER A DECENT RESULT IN 2023 IN DIFFICULT MARKET CONDITIONS.

Michel Van Geyte
CEO

Real estate portfolio (% based on fair value)



the successful sales of the apartments at Tour & Taxis (4.4 million euros in 2023 vs 2.4 million euros in 2022).

The net financial debt increased from 721.5 million euros at year-end 2022 to 786.8 million euros at year-end 2023. Hence, the financial debt ratio increased from 42.6% to 44.8%. The average finance cost increased slightly from 2.18% to 2.67%. Although interest rates increased significantly during 2023, Nextensa's successful hedging policy ensures that this increase has only a minimal impact on the average finance cost. At the end of 2023 a headroom of 88 million euros existed on the existing credit lines.

The shareholders' equity amounted to 834 million euros.

Operational overview 2023

Real estate developments

Tour & Taxis: the textbook example of a '5-minute' neighbourhood

• Offices and retail

The occupancy rate of the offices and the retail spaces at the Tour & Taxis site continues to rise. For the retail spaces at Gare Maritime, new leases were signed in 2023 for a total of 4,045 m² which brings the occupancy rate to 72% at the end of 2023. New leases for offices were furthermore signed for the Depot des Colis building, part of the Gare Maritime, for a total of 582 m². This brings the occupancy rate of the offices at Tour & Taxis to 92%. The higher occupancy is not only visible in terms of retail and office rentals, but also in terms of events on site, both in the Sheds and Gare Maritime, and

in the conference centre Maison de la Poste. Part of the Sheds, the site's event hall totalling 28,000 m², was given a permanent occupation with the signing of lease agreements with the Tour & Taxis padel club (2,380 m²), with exhibition organiser Tempora (2,700 m²) and with the indoor karting Battle Kart (1,780 m²). Discussions are also ongoing for an additional permanent occupation of 1,650 m². Approx. 9,500 m² of the Sheds will remain available for temporary events.

In the course of 2024, an additional 6,500 m² of office space will be added to the site with the completion of the Hôtel des Douanes. The commercialisation of this building is ongoing.

Nextensa NV

(€ 1,000)	2023	2022	2021
Rental income	70,522	67,400	65,174 ⁽¹⁾
Operational result developments	18,136	22,243	15,373 ⁽¹⁾
Net result (group share)	24,492	71,310	53,244 ⁽¹⁾
Shareholders' equity (group share)	834,048	838,798	779,970
Real estate portfolio (fair value)	1,298,074	1,278,716	1,407,919
Rental yield	5.74%	5.30%	5.20%
Netto financial position	-786,820	-721,493	-853,333
Financial debt ratio	44.8%	42.6%	48.6%
Personnel	47	45	48

⁽¹⁾ 2021: 12 months Leasinvest Real Estate, 6 months Extensa



Nextensa > Tour & Taxis - Hôtel des Douanes



Nextensa > Tour & Taxis - Gare Maritime

• Residential

Nextensa submitted the permit application for the Lake Side project, the final phase of urban development on the Tour & Taxis site, at the end of Q1 2023. It involves the development of 140,000 m², with a largely residential programme, representing around 800 new homes, as well as 37,000 m² of offices, 2,800 m² of shops and 3,800 m² of public facilities. The new district will be completely free of fossil fuels, while also aiming for a lower ecological footprint through a well-founded choice of building materials. If everything goes according to plan, the works could start mid-2025, ensuring the continuity of the development activities at Tour & Taxis. Until mid-2025, Nextensa will complete the Park Lane residential area, which comprises some 800 residential units, with the second phase currently under construction. Sales of the second phase of the Park Lane project, comprising 346 apartments, continue to run smoothly. At the end of 2023, the Imperial building was sold to Quares Residential Investment, bringing the number of apartments sold or reserved to 64%. The site is on track to start the first deliveries by the end of 2024.

Cloche d'Or: a new urban district in Luxembourg City (in joint venture with the Luxembourg developer Promobe)

• Offices

At the end of October 2023, the Darwin II office building (approx. 5,000 m²) was sold to the Luxembourg state following the exercise of their purchase option. The building was taken into use by the Ministry of Health during 2022.

Two other office buildings are also delivered. Emerald has a floor area of 7,000 m² and is 100% let to Stibbe, Intertrust and a third party with whom a LOI has been signed for the lease of the last two floors. White House (7,000 m²) is 100% leased to Intertrust.

Two other office buildings are in a planning phase: Lofthouse (5,000 m²) and Stairs (8,500 m²). Discussions are ongoing with potential tenants.

• Residential

The residential developments on Cloche d'Or consist of several subprojects. During 2023, all the apartments of the D-Nord project (194 apartments) were delivered. 96% of the apartments of this project are sold or reserved. The first phase of the D5-D10 project (117 apartments on a total of 185) is under construction. 77% of these apartments are sold or reserved. The B&B HOTELS project (4,500 m² and 150 rooms) is also under construction, with delivery expected in 2025.

Real estate investments

• Belgium

In August 2023, Nextensa acquired the leasehold rights of the office building located at 24 Rue Montoyer in Brussels. The building is located in the Leopold district, one of the most sought-after office locations in Brussels, just a few metres from the Monteco building. It is currently leased to several European associations. Nextensa plans to develop here a carbon-neutral wooden office building of approx. 2,800 m², called TreeMont. The permit application was submitted at the end of September and has in the mean-

time been declared complete. Through the use of energy-efficient systems, preservation and reuse of part of the existing structure combined with a new wooden structure, the building aims to achieve a 'BREEAM excellent' certification upon completion of the works and to be aligned with the criteria of the EU taxonomy.

• Luxembourg

In 2023, Montimmo was rebranded as Hygge. Located on Avenue Monterey 35 in Luxembourg City and built in 2009, the office building was given a new identity after a short period of renovation and upgrading. The building consists of a total area of 1,600 m² spread over 7 floors and 15 underground parking spaces. Five floors have already been let (total approx. 1,068 m²). Discussions are ongoing for the letting of the remaining floors.

The Moonar site, located near Luxembourg airport, is undergoing extensive redevelopment to make these buildings modern and future-proof. The office park consists of 5 buildings (about 21,000 m² in total), of which buildings 'D' (3,546 m²) and 'B' (3,620 m²) were delivered in 2023. The redevelopment of the remaining buildings will be completed during 2024. Already 69% of the available surface (about 21,500 m²) has been leased at a prime rent.

The permit application for the new building MonTree, the redevelopment of the office building located at 18 Avenue Monterey together with the building acquired in 2023 located at 20 Avenue Monterey in Luxembourg City, is in full preparation. Current tenant CVC will vacate the Monterey 20 building at the end of Q2 2024, after which both buildings will be redeveloped into one new CO₂-neutral office building in wood, following the example of Monteco and Treemont in Brussels.

The occupancy rate of the offices in Luxembourg is rising, partly due to new leases signed for buildings such as Hygge and High 5.

Visitor numbers at the Knauf Shopping centres increased sharply in 2023. The Knauf Shopping in Pommerloch welcomed more than 2.4 million visitors, which is an all-time high in the centre's history. The Knauf Shopping in Schmiede saw an increase in visitor numbers of 10.32% and also welcomed more than 2 million visitors. Underlying this success are Nextensa's investments, the attractiveness and quality of the retail offered and the management and animation of the centres.

• Austria

Nextensa's Austrian investment portfolio includes 5 retail parks, with an occupancy rate that remains consistently at 100%.

ESG overview 2023

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

In 2023, efforts to accomplish this mission included the following initiatives:

- EU Taxonomy: 32% of Nextensa's turnover and 20% of Nextensa's capex are aligned with the EU Taxonomy. In 2023, the decision was taken to align new developments going forward with the criteria of the



Nextensa > Hangar 26-27 (Antwerp)



Nextensa > Cloche d'Or (Luxembourg)



Nextensa > Tour & Taxis - Lake Side project (artist impression)

EU taxonomy (within the climate mitigation objective) and an action plan was drawn up to move towards a fossil-free portfolio.

- The Monteco office building won the public's prize in the Belgian edition of the Green Solutions Awards 2022-2023 in the Building category. The Green Solutions Awards are organised annually by the international trade organisation Construction 21 with the aim of applying innovation and sustainability on a large scale. In addition, the building was also nominated for the MIPIM awards 2024 in the Best Office & Business Project category.
- Renewable energy in the investment portfolio: The total number of solar panels on the roofs was increased to 26,904 (+2,311 panels in 2023), accounting for 8,898 kWp of installed capacity on the roofs of the entire investment portfolio. This installation will generate an average of 7,500 MWh of green electricity per year, the equivalent consumption of nearly 2,200 households.
- A 425-kWp (780-panel) mobile solar farm was installed at Tour & Taxis to power the worksite of Park Lane phase II, the residential neighbourhood at Tour & Taxis currently under construction, as much as possible with locally generated green electricity.
- Since May 1, 2023, apartment residents on Park Lane can enjoy locally generated electricity by joining a new energy community. The creation of the Energy Community at Tour & Taxis is a pilot project with the aim of offering the production surplus from the solar panels installed on neighbouring buildings to neighbourhood consumers at an advantageous rate.
- Additional charging infrastructure: 153 additional charging points were installed in 2023 to further accelerate the transition to electrified mobility. This brings the total in the Nextensa portfolio to 279 charging points. In Belgium, 537 MWh was charged at these charging points, which represents a reduction of 715.5 tonnes of CO₂.

Outlook 2024

In 2023, macroeconomic conditions and the geopolitical environment were challenging, resulting in a sharp rise in interest rates, tighter credit conditions, higher financing costs and a significant drop in transaction volume. Whereas 2023 was characterised by this total standstill, Nextensa thinks that in 2024 the first signs of cautious recovery will be felt. Nextensa's goal in 2024 remains to further reduce its debt ratio by selling some of its non-strategic investment properties. This sale programme is under preparation and will be carried out under the right conditions.

Nextensa will in any case in 2024 and in subsequent years be fully dedicated to making its investments and developments more sustainable by aligning all new developments with the criteria of the EU taxonomy and by moving towards a fossil-free portfolio. This will continue to be worked on in 2024.

Due to the structural imbalance between demand and qualitative supply of residential real estate and prime offices in both Belgium and Luxembourg, Nextensa is convinced that its strategy, as a developer and investor, is the right one.

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