

Annual report 2023

Bouwinvest
Dutch Institutional
Residential Fund N.V.



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The Fund at a glance

Real Value for Life

Real Value for Life – that’s what drives us. Our real estate investment management contributes to sustainable, liveable, accessible urban environments and to improving pension benefits.

But we can’t do that alone. Together with our partners we are helping to give shape to the city of the future. In this way, Bouwinvest invests in what society needs and we create a stable return for our shareholders.

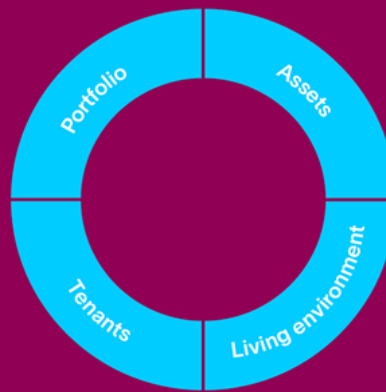
The Fund’s strategy

- | | | |
|---|--|--|
|  <p>Quality
High-quality (sub)urban living</p> |  <p>Affordability
Affordable homes</p> |  <p>Sustainability
Sustainable and responsible investments</p> |
|---|--|--|

The Fund’s key strategic objectives

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • Lifecycle-proof and high-quality apartments and family homes • Holland Metropole Alliance + Zwolle/Arnhem/Nijmegen | <ul style="list-style-type: none"> • Mid-rental segment • Moderate rent increase | <ul style="list-style-type: none"> • Future-proof and sustainable portfolio • Reducing environmental impact • Liveable, attainable and inclusive places • Healthy, safe and responsible operations |
|---|--|--|

The Fund’s strategic actions



The Fund’s financial, social and environmental return 2023

Total return

-6.3%

Average occupancy rate

98.8%

NAV IFRS

€6,914 MILLION

Acquisitions

€0 MILLION

Investments

€123 MILLION

Divestments

€169 MILLION

Funding

€92 MILLION

GRESB 5-star

★★★★★

Paris Proof

end of **2045**

Tenant satisfaction

SCORE **7.2**

Stakeholder engagement

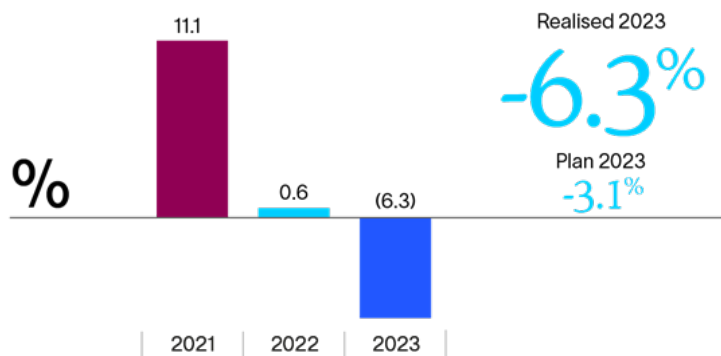
ACTIVE ENGAGEMENT WITH OUR COMMUNITY

Stable long-term pension benefits with limited environmental impact

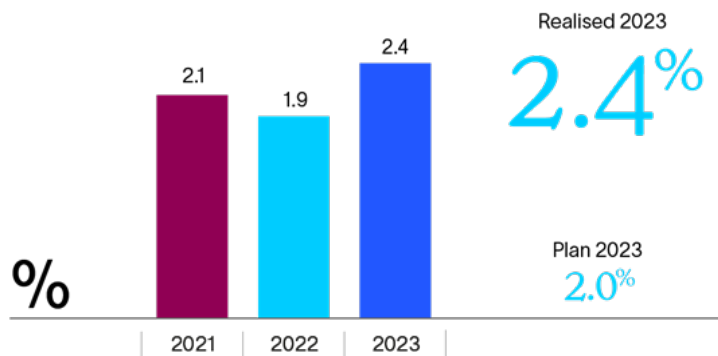
Healthy, safe and affordable places where people want to live – now and in the future

The Fund's contribution to Real Value for Life

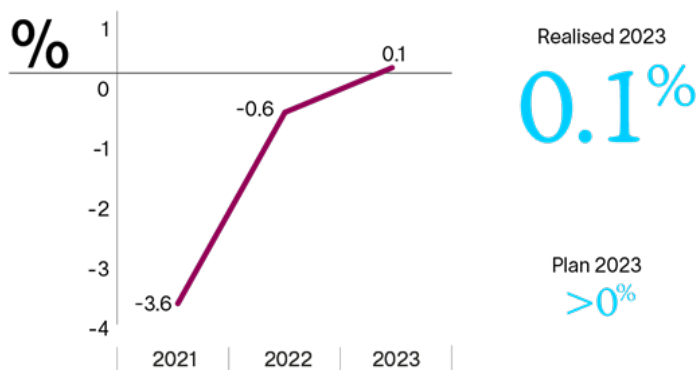
Fund return



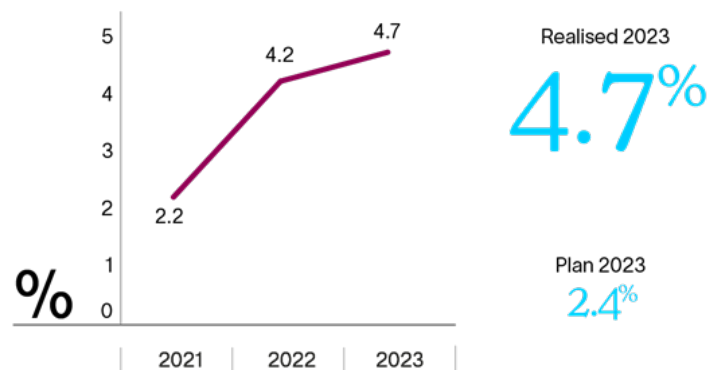
Fund income return



Relative performance MSCI



Like-for-like rental income



Acquisitions (x € MILLION)

Realised 2023

€ 0

Plan 2023

€ 80

Investments (x € MILLION)

Realised 2023

€ 123

Plan 2023

€ 210

Occupancy rate

Realised 2023

98.8%

Plan 2023

98.3%

Divestments (x € MILLION)

Realised 2023

€ 169

Plan 2023

€ 206

Core regions

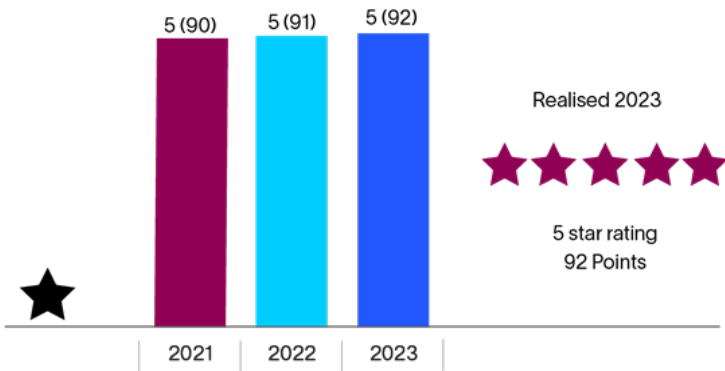
Realised 2023

99.6%

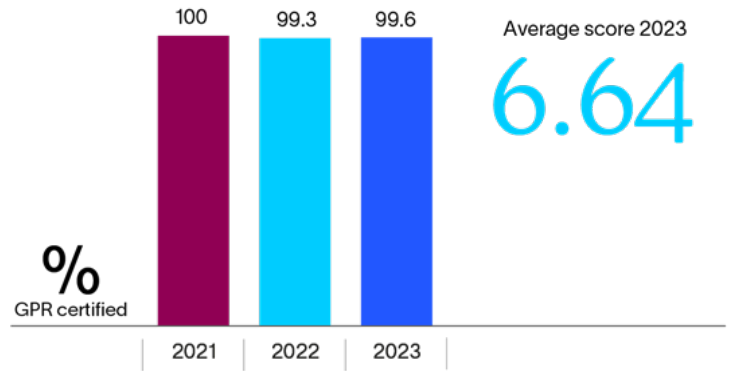
Plan 2023

>80%

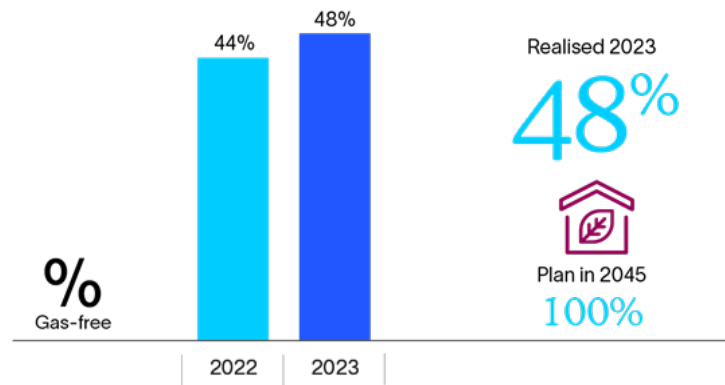
GRESB star rating (score)



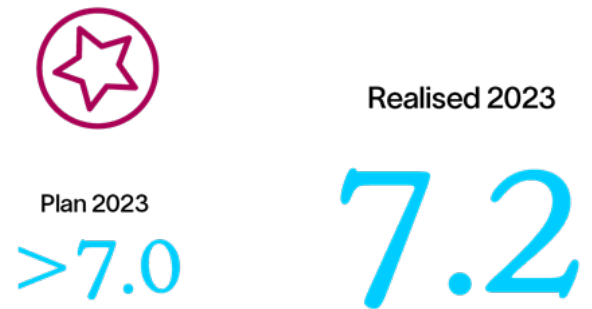
GPR building label



% Gas-free assets



Tenant satisfaction (score)



NAV (x € MILLION)



Dividend paid per share



Issued capital (x € MILLION)



Key performance over five years

All amounts in € thousands, unless otherwise stated

	2023	2022	2021	2020	2019
Statement of financial position					
Total assets	7,072,702	7,770,061	7,838,349	7,080,958	6,699,661
Total shareholders' equity	6,913,937	7,612,690	7,681,103	6,931,287	6,529,288
Total debt from credit institutions	-	-	-	-	-
Performance per share					
Dividends (in €)	116.54	100.91	102.56	110.50	97.29
Net earnings (in €)	(326.89)	25.29	532.49	314.40	489.06
Net asset value IFRS (in €, at year-end)	4,784.13	5,226.26	5,301.91	4,875.16	4,671.54
Net asset value INREV (in €, at year-end)	4,792.36	5,236.61	5,311.69	4,879.63	4,675.53
Result					
Net result	(476,739)	37,144	766,056	442,538	671,208
Total Global Expense Ratio after tax (TGER)	0.50%	0.51%	0.53%	0.52%	0.53%
Real Estate Expense Ratio (REER)	1.16%	0.99%	0.89%	0.92%	0.99%
Distributable result	174,459	149,502	147,007	157,361	135,413
Pay-out ratio	100%	100%	100%	100%	100%
Fund return					
Income return	2.4%	1.9%	2.1%	2.4%	2.3%
Capital growth	(8.5)%	(1.3)%	8.9%	4.4%	9.1%
Total Fund return	(6.3)%	0.6%	11.1%	6.8%	11.5%
Portfolio figures					
Investment property	6,918,751	7,340,522	7,098,313	6,369,668	6,209,139
Investment property under construction	96,001	373,173	639,153	453,085	388,303
Gross initial yield	4.4%	3.9%	3.7%	3.9%	3.9%
Total number of residential units	19,059	18,820	18,134	17,760	18,227
Average monthly rent per unit (in €)	1,269	1,203	1,160	1,130	1,104
Financial occupancy rate (average)	98.8%	98.4%	97.8%	98.4%	97.9%
Sustainability (A, B or C label)	100.0%	100.0%	100.0%	100.0%	100.0%
Property performance (all properties)					
Income return	2.9%	2.4%	2.7%	2.8%	2.8%
Capital growth	(8.6)%	(1.4)%	8.9%	4.4%	9.3%
Total property return	(5.8)%	1.0%	11.8%	7.3%	12.4%
MSCI (Netherlands Property Index) residential real estate (all properties)					
Income return	3.1%	2.6%	2.9%	2.9%	3.2%
Capital growth	(8.8)%	(1.0)%	12.2%	5.3%	10.1%
Total return MSCI (NPI)	(5.9)%	1.6%	15.4%	8.3%	13.6%

Message from the CIO

Dutch Investments

Last year was another difficult year for real estate markets and the Dutch economy, due to continued geo-political, social, economic and financial turbulence, plus increased environmental concerns. On top of the continued war between Russia and Ukraine, October saw a tragic escalation of the Israeli-Gaza conflict. The Ukraine war continued to push up inflation in the early part of the year, driven by high energy costs. Inflation did decline quite rapidly in the latter part of the year, taking annual inflation to around 3% for the full year. At the same time, central banks fought inflation by raising interest rates to the highest levels in 20 years. This all had a major impact on the Dutch real estate market, resulting in a sharp decline in real estate valuations driven by higher borrowing costs, reduced investor confidence and appetite and increasing economic uncertainty. The year 2023 will go down as the hottest and at the same time the wettest year since records began, once again confirming that climate change is part of our day-to-day lives and that everyone, including the real estate sector, needs to take urgent action.

The deep recession feared at the end of 2022 turned out to be a mild one, thanks to a surprising surge in consumer spending, although GDP growth was flat or negative for most of the year. Despite this, unemployment has remained remarkably low over the past year. In fact, there are growing shortages of workers in several sectors, which is hampering growth. And while wages have increased quite sharply, they have not been able to keep pace with inflation.

On a more positive note, environmental concerns and higher energy costs are increasing the demand for sustainable (climate-proof) and energy-efficient homes, the kind of homes that make up the vast majority of the Residential Fund's portfolio. We have always taken the long-term view, including with regard to the sustainability of our rental homes, and this and our renewed focus on affordable homes will help us to weather the current storms.

Investment market

The sharp rise in interest rates had a major negative impact on the residential real estate investment market. This market was also hit hard by the prospect of additional rental regulation, increase of transfer tax, rising construction costs, looming power grid congestion, prolonged building permit procedures and a lack of dedicated public sector resources. As a result, many (international) investors withdrew from the market.

The collapse of the Dutch government created even more uncertainty around new mid-rental sector regulations. In November, the Council of State advised the government to take a closer look at the risk that the new regulations could lead to a sharp decline in the number of rental homes. In response, the government postponed the enactment of the new regulations until July 2024.

In late 2023, the government published the bill prohibiting the fiscal investment institutions (FIIs) from investing in directly held real estate, which will come into force on 1 January 2025. In response the Residential Fund is now planning to convert into a fund for mutual account (FMA - Dutch FGR) effective 1 January 2025.

One worrying development we are monitoring very closely is a Dutch court's annulment of the rent increase clause in our rental contracts. This is something that affects the entire residential investment sector and thus the Residential Fund also.

Given the high levels of uncertainty in the market, residential real estate saw quite marked write-downs last year and yields fell to historically low levels.

Despite all of this, the rental market continued to perform strongly last year, largely due to continued high demand and very limited new supply.

The Fund's strategy

The Fund's fundamental strategy was unchanged in 2023. The Fund delivered a solid performance. The tenant satisfaction score on building aspects and its surroundings increased slightly compared to the previous year. Despite the fact that we made no new acquisitions, the Fund was able to add 943 homes to the portfolio from the existing development pipeline, with 314 of these in the mid-rental segment. The Fund also managed to sell nine assets to meet redemption requests of a number of investors. Nevertheless, due to the negative capital growth, the Fund ended with a total return of minus 6.3% for the whole year.

On the sustainability front, the Fund retained its five-star GRESB rating, while once again improving its score. The Fund also reviewed its ESG performance framework, and made preparations to refine its asset-level sustainability plans based on the CRREM performance.

All that remains is for me to thank our clients for their continued trust in us and our strategy. And of course I would like to thank our team for their hard work, professionalism and collaboration over the past year. It is thanks to their hard work that we emerged in relatively good shape after another challenging year.

Allard van Spaandonk

CIO Dutch Investments

Report of the Management Board

Market environment

Key macro developments 2023

The key events and developments for the Dutch economy can be summarised as follows:

- Dutch economic growth stagnated at 0.0%. High interest rates and inflation pushed consumer spending growth into negative territory and driving the overall economy into a technical recession that ended in Q4 2023. Due to the low unemployment rate the economy did not witness the negative effects of a traditional recession and remained relatively stable. In addition, the tight labour markets also enabled high average wage growth figures which were not seen since the 1970s. This restored the purchasing power of consumers substantially but did not keep up with inflation.
- Inflation rates peaked in Q4 2022 before starting to decline in 2023. Energy costs were substantially lower than in 2022, but prices of food, fashion and footwear were the major drivers of overall inflation in 2023. By the end of the year inflation rates settled at 1.2% and returned to below historically average levels.
- In an attempt to temper inflation, central banks continued to increase policy interest rates in 2023. The ECB increased the deposit interest rate by 200 basis points to 4.0%. As a result, interest rates on 10-year government bonds increased as well and were highly volatile over the year. In November and December, these rates dropped significantly by nearly 100 basis points to 2.3% on expectations that central banks will decrease policy rates in 2024 as inflation rates have returned to pre-Covid levels in Q4 2023.
- Together with declining interest rates at the end of the year, consumer confidence recovered from the all-time low levels. On the contrary, producer confidence is deteriorating over the year. Concerns about orders and business activity have a dampening effect on confidence.
- Unemployment rates remained relatively stable at around 3.5% during 2023, thereby reflecting the tight situation on the labour market. Unemployment seemed to remain unaffected by the rising number of bankruptcies, almost doubling from the year before as governmental financial support from the Covid-period ended. The tight labour market enabled a substantial increase in the average wage level by nearly 7% in Q4 2023. However, this increase is not sufficient to offset high inflation from the past years.

Information on the market outlook can be found in Bouwinvest's [Dutch Real Estate Market Outlook 2024-2026](#).

	2023	2022
GDP	0.0%	4.4%
Consumer spending	-0.2%	6.5%
Consumer price index (CPI)*	3.8%	10.0%
Interest rate government bonds, long-term*	2.8%	1.5%
Unemployment rate*	3.5%	3.5%

*Average numbers over the year

Source: Oxford Economics (11 January 2024)

Market 2023

Public policies

On 7 July, the Dutch government collapsed due to a disagreement between coalition parties over asylum policies. New national elections were held on 22 November 2023 and the process of forming a new government is currently underway. However, this is likely to take some time as at least four different parties are needed to form the new government. Until then, the caretaker government is not expected to make any major political decisions

The Dutch government increased the real estate transfer tax (RETT) from 8.0% to 10.4% as of 1 January 2023. The Dutch government decided that, as of 1 January 2025, fiscal investment institutions (FIIs) may no longer invest in directly held Dutch real estate. For this reason, the Fund will be restructured into a tax transparent fund for mutual account (FMA, FGR in Dutch), which is not subject to corporate income tax. Now that this legislation has been adopted, there is also certainty on the conditional exemption from real estate transfer tax for shareholders with a so-called substantial interest ($\geq 33\frac{1}{3}\%$). This exemption will apply to the investors of the Fund upon the restructuring that is planned for 31 December 2024.

Residential real estate policies

In December of last year, the Ministry of Housing and Spatial Planning provided more details on the Dutch Affordable Rent Act (Wet betaalbare huur). This law foresees a threshold in which rents up to approximately € 1,123 a month, calculated based on the Dutch 'WWS' points system, will fall within the regulated rental segment (current threshold is at € 879.66 a month). However, this regulation would only apply to new leases. In November 2023, the Raad van State (the independent advisory council of the government) published its advice on the implementation of the Dutch Affordable Rent Act. The council was critical of the new law and therefore advised Housing Minister Hugo de Jonge to "examine the proposal further with regards to the consequences for public housing policy as a whole" and not to submit it to the House of Representatives until several sections have been adjusted. In February 2024 an adjusted proposal, with input from both IVBN and NEPROM, has been submitted to the House of Representatives.

Due to challenging market circumstances – high interest rates, high construction costs and the nitrogen emissions crisis - it became increasingly difficult to build new homes in 2023. In order to increase new-build levels, the Dutch government has implemented the 'Start Bouwimpuls', a temporary subsidy to kick-start new-build projects that could not otherwise be realised due to the changing market conditions. In November, the government announced that 362 new-build projects, representing nearly 31,500 homes, will receive an average subsidy of € 10,000 per home.

Occupier market

In 2023, the owner-occupier market saw a turning point. Price developments for the owner-occupier market reached a low point in Q1 2023, followed by three consecutive quarter of price increases: 4.3% in Q2, 2.7% in Q3 and 2.6% in Q4. The average house price stood at € 434,000 at the end of 2023, which was 5.3% higher than in Q4 2022 (source: NVM). This was the result of the stabilisation of interest rates and significant wage increases in 2023, which led to improved affordability. Furthermore, consumers were more positive about the economic outlook and were therefore more willing to buy a new home.

In the rental market, demand still outstripped supply in 2023 and as a result current vacancy rates are low. The latest data show that average residential market rents increased by 7.3% year-on-year in Q3 2023. Furthermore, as of July 2023, landlords were allowed to increase rents in the liberalised rental sector by a maximum of 4.1%.

Occupier key factors	2023	2022
Household growth	1.6%	1.1%
Housing shortage	4.8%	3.9%
Average selling price	€ 434,000	€ 407,000
Average rent by institutional investors (m ² /month)	€ 14.80	€ 14.70

1 Source: Oxford Economics (11 January 2024)

Investment market

The real estate investment market in the Netherlands and in most other countries came to a near standstill in the first half of 2023. The main reason for this was a rapid series of interest rate hikes by Central Banks to counter high inflation. As a result, initial yields increased and property values began to fall accordingly, leading to cautious market sentiment and a widening gap in pricing between sellers and (leveraged) buyers. In the Netherlands, additional challenges such as newly announced policies regarding restrictions on residential rental levels and tax measures for investors, also contributed to this cautious investment sentiment. Together with the increasingly gloomy economic outlook and geopolitical turmoil, this caused the total real estate investment volume to plummet to € 7.6 billion, from € 17.4 billion in the previous year. The drop was across the board, although the second half of 2023, when inflation declined, saw a recovery in volume, especially in the residential and healthcare markets.

The Dutch residential investment market saw € 2.6 billion in investments in 2023, compared with € 4.0 billion in 2022 (data JLL). The main reasons for the steep decline in investment volume are increased interest rates and uncertainty about housing market regulation. However, the (demographic) fundamentals on the Dutch residential market remain strong. International investors in particular are taking a wait-and-see approach and some investors, including Heimstaden and Capreit, are considering selling their portfolio altogether. New-build rental housing was also affected by rising interest rates and uncertainty about rental regulation. Investment volumes in this segment also dropped significantly, while the government's ambition is to add more affordable (rental) housing to the market.

The above-mentioned market circumstances also affected prime net initial yields, which increased from Q2 2022 but stabilised in the last quarter of 2023, according to JLL, and stood at 3.95% at the end of 2023.

Investment market	2023	2022
Prime net initial yields	3.95%	3.60%
Investment volumes (€ bln)	2.6	4.0

1 Source: Oxford Economics (11 January 2024)

Performance on strategy

Portfolio characteristics

	2023	2022
Total property value	€ 7,015 million	€ 7,714 million
No. of homes	19,059	18,820
No. of homes under construction	1,052	1,924
Total Fund return	-6.3%	0.6%
Fund income return	2.4%	1.9%
Occupancy rate	98.8%	98.4%
% in liberalised sector	95.0%	94.3%
% in core regions	99.6%	99.6%
GRESB rating & score	5-star (92 points)	5-star (91 points)
Average GPR building score	6.6	6.5
% Gas-free assets	48%	44%

Performance on quality

Investments and divestments

Acquisitions

As the Fund was dealing with redemption requests last year, the Fund did not sign any new acquisition agreements. As a result, the Fund did not meet its acquisition target of € 80 million for 2023.

Properties added to the portfolio in 2023

In 2023, the Fund added a total of 929 apartments and 14 family homes to its portfolio.



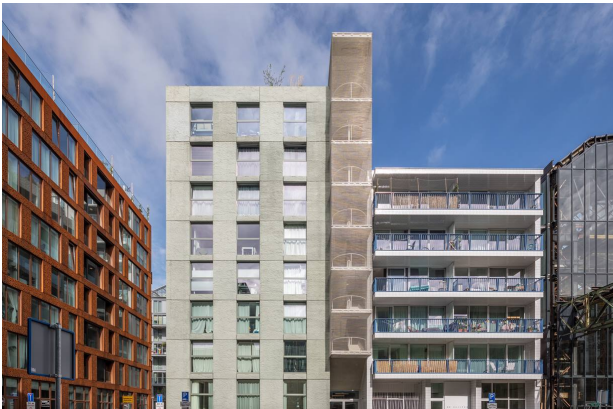
Bethelpark, Delft

- **Segment:** Apartments and family homes
- **Number of residential units:** 316
- **Rental bandwidth:** € 763 - € 1,560
- **Delivery date:** September 2023



Oostenburg (De Draaier & De Lasser), Amsterdam

- **Segment:** Apartments
- **Number of residential units:** 99
- **Rental bandwidth:** € 825 - € 2,218
- **Delivery date:** March 2023



Oostenburg (De Slijper & De Gieter), Amsterdam

- **Segment:** Apartments
- **Number of residential units:** 43
- **Rental bandwidth:** € 1,000 - € 1,838
- **Delivery date:** March 2023



Ebbinge 7, Groningen

- **Segment:** Apartments
- **Number of residential units:** 27
- **Rental bandwidth:** € 995 - € 1,275
- **Delivery date:** April 2023



Elements, Haarlem

- **Segment:** Apartments
- **Number of residential units:** 190
- **Rental bandwidth:** € 1,045 - € 2,050
- **Delivery date:** Augustus 2023



De Meester, Haarlem

- **Segment:** Apartments
- **Number of residential units:** 178
- **Rental bandwidth:** € 1,100- € 3,500
- **Delivery date:** June 2023



Diepeveen, Rotterdam

- **Segment:** Apartments
- **Number of residential units:** 90
- **Rental bandwidth:** € 965 - € 1,360
- **Delivery date:** November 2023

Divestments

In the 2023-2025 Fund Plan, the Fund included a three-year disposal estimate of € 606 million, with € 206 million of this in 2023. To continue to optimise the portfolio and in an attempt to meet the redemption requests received in 2022 and 2023, the Fund sold and delivered eight assets for an amount of € 169 million and reached an agreement for the sale of two assets (€ 44 million) which will be delivered in Q1 2024.

Property	City	No. of residential units
Boschstraat Oost	Maastricht	196
Buytenwegh de Leyens I	Zoetermeer	81
Groenhovenpark	Gouda	220
Hoorse Park	Groningen	34
Map III	Amsterdam	49
Sloten V	Amsterdam	24
Stadshagen Haven	Zwolle	37
Stadshagen III	Zwolle	64

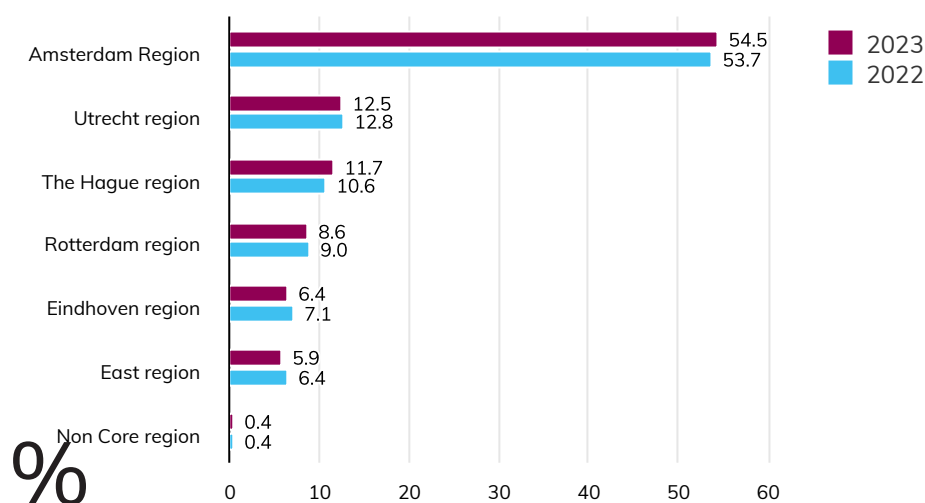
Allocation

Core regions

The Fund has a clear core region strategy, with a specific focus on the Holland Metropole - the urban and suburban regions of Amsterdam, The Hague, Rotterdam, Utrecht and Eindhoven – and to a somewhat lesser extent the cities of Zwolle, Arnhem and Nijmegen.

The plan is to have at least 80% of the total value of the portfolio concentrated in residential real estate in these core regions; in 2023, 99.6% of the portfolio value was located in these core regions, while 93.7% of the portfolio was located in the Holland Metropole conglomeration. In addition, the Fund has a guideline that a maximum of 90% can be invested in the Randstad urban conurbation. This now stands at 87.3%.

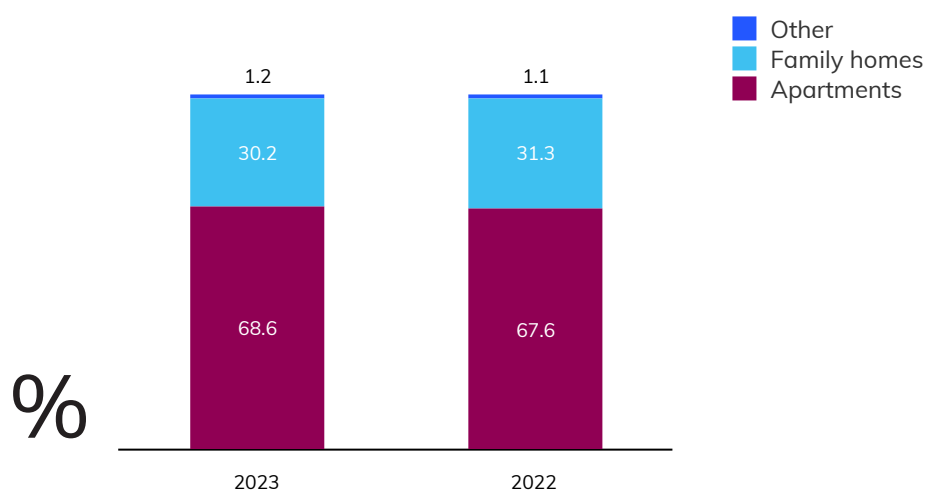
Allocation of investment property by core region based on market value and Holland Metropole conglomeration



Property type

To meet its own diversification guidelines, the Fund strives for a healthy balance of houses and apartments. In 2023, the Fund sold both apartments and houses.

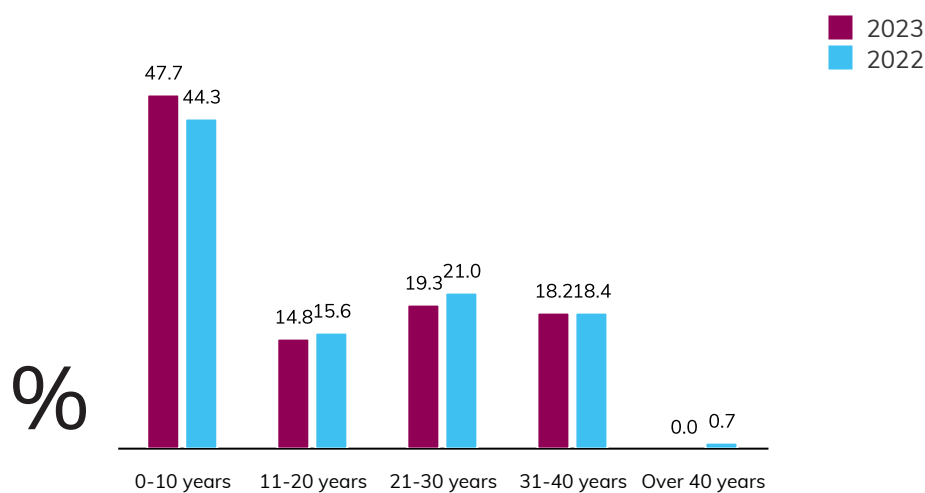
Portfolio composition by type of property based on market value



Age

Due to the addition of new properties to the portfolio and divestments in 2023, the weighted average age of the portfolio was slightly lower than at year-end 2022 (16.8 years in 2023 versus 17.3 years in 2022). This is based on the assumption that renovation of an asset does not constitute grounds for adjusting the age of the dwellings.

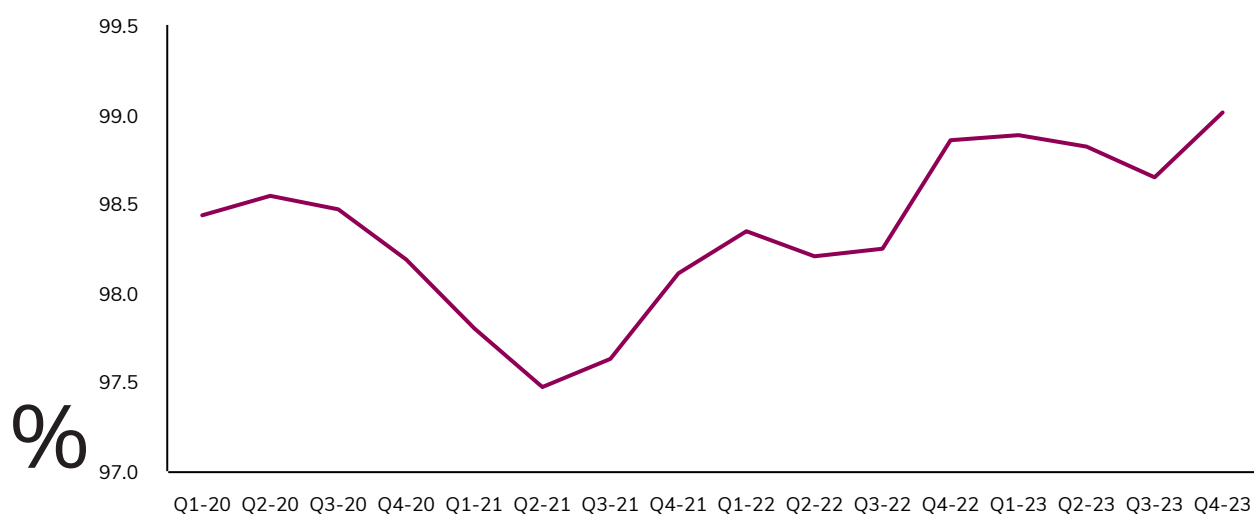
Allocation of investment property by age as a percentage of market value



Financial occupancy

The Fund ended the year with an overall financial occupancy rate of 98.8%.

Financial occupancy rate



Performance on affordability

Investing in affordable real estate

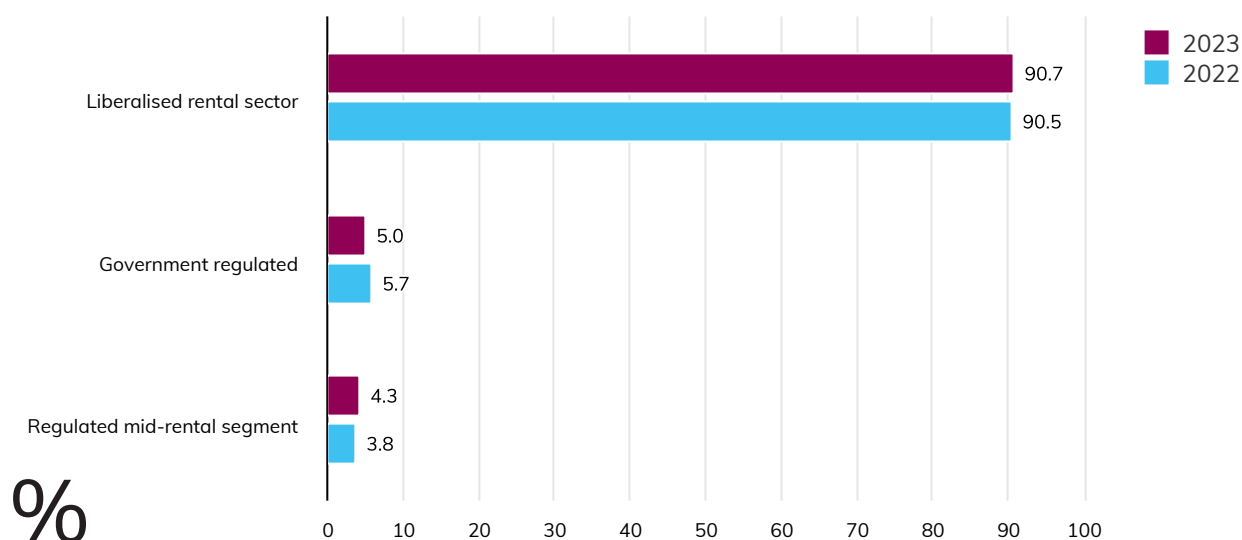
Despite not signing any new acquisition agreements, the Fund added 314 homes in the mid-rental segment to the portfolio last year. Driven by current high inflation levels, the Fund started to focus more actively on the affordability of its homes, taking additional measures to reduce energy and service costs where possible. The Fund is heavily involved in the ongoing national debate on increasing the supply of affordable homes. Together with the IVBN, the Fund has been in close contact with the Ministry of the Interior to provide input on the upcoming new rental regulation. At this point in time, the proposed measures will only apply in the event of tenant turnover (new rental agreements) and are expected to have a relatively minor impact on the Fund's rental income. However, the definitive measures are still uncertain, as parliament has yet to issue a decision on this front. The new regulations are scheduled to come into effect on 1 July 2024.

Focus on liberalised rental sector

The Fund sees the liberalised sector (monthly rents of € 808 and above) as particularly interesting, as demand is set to increase, while supply is lagging, especially in the Holland Metropole. With more than 90% of its properties in the liberalised segment (including mid-rental), the Fund's focus continues to be on this segment.

In the graph below, the Fund has added the mid-rental segment for liberalised properties subject to agreements with local governments, for example regarding rental levels and rent increases. If the proposed legislation around mid-rentals is passed, the proportions in this chart will shift substantially.

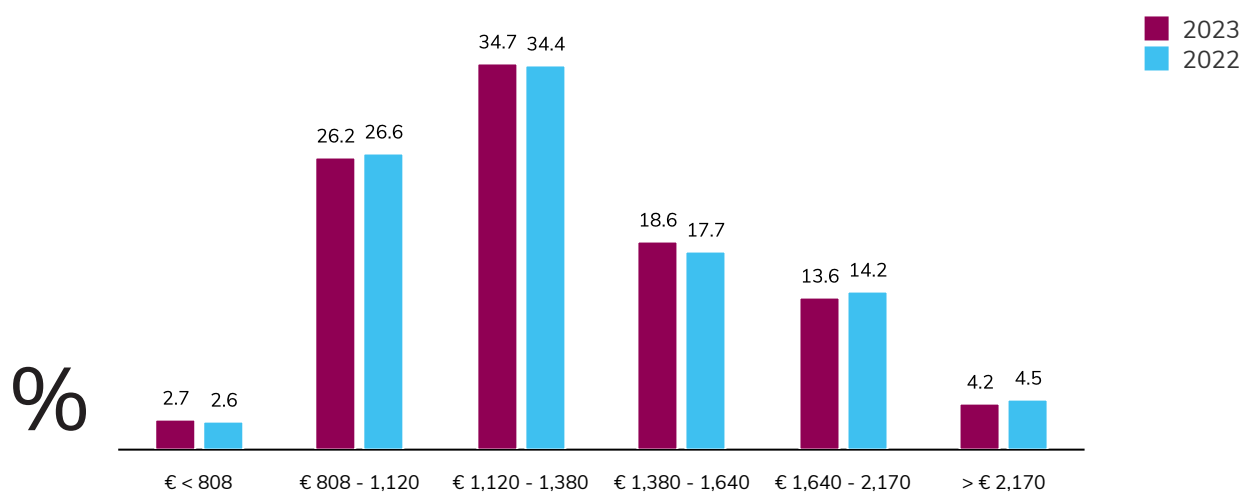
Allocation of investment property by type of rent based on rental contract



Price level

Around 64% of the current portfolio has a monthly rent below € 1,380. This means that the majority of homes are affordable for lower to upper middle-income households. This is primarily because the high proportion of energy-efficient homes ensures that energy costs for the Fund's tenants are relatively low, compared to the national average. The homes in the higher segment are in locations where the demand for this type of home is substantial. The following six cities account for almost 90% of the rents above € 1,640: Amsterdam (62.5%), Rotterdam (6.3%), Diemen (5.2%), Haarlem (5.2%), Utrecht (5.1%) and The Hague (4.7%).

Allocation of investment property by price level based on rental income



Performance on sustainability

Highlights performance on sustainability

	KPI	2023	2022
1. Building a future-proof and sustainable portfolio			
Above-average sustainable fund	Improvement annual GRESB score	92	91
	GRESB (5-)star rating	5	5
Above-average sustainable buildings	Building certificate GPR Gebouw score	6.64	6.53
2. Reducing environmental impact			
Combatting climate change: source of energy	Gas-free assets (% m ²)	48%	44%
	Scope 2 CO ₂ emissions in kg CO ₂ m ² (electricity purchased by the Fund)	100%	100%
		134	139
Combatting climate change: energy efficiency of buildings	Average energy intensity*	kWh/m ²	kWh/m ²
3. Liveable, affordable, attainable and inclusive places where people want to reside - now and in the future			
Affordability: mid-rental segment acquisitions	Newly signed acquisitions in the mid-rental segment	0%	80%
Product accountability	Tenant satisfaction score	7.2	7.3
4. Contributing to healthy, safe and responsible operations			
Considerate constructors scheme (construction sites)	Construction sites with considerate constructors scheme (% €)	100%	86.50%

*Concerns BENG2 score (theoretical primary building-related energy consumption)

Promoted ecological and social characteristics

The Fund promotes ecological and social characteristics and is therefore classified as an Article 8 product according to the SFDR. In 2023, the Fund introduced its ESG Framework, which explicitly defines all ESG-related elements for the Fund. The Fund has defined four ESG objectives, which reflect the environmental and social characteristics that the Fund promotes. The ESG objectives are at the heart of the Fund's strategy and support four United Nations Sustainable Development Goals (SDGs).

- Building a future-proof and sustainable portfolio;
- Reducing environmental impact;
- Liveable, affordable, attainable & inclusive places where people want to reside – now and in the future;
- Contributing to healthy, safe and responsible operations.

Sustainable Development Goals

7 AFFORDABLE AND CLEAN ENERGY



Installation of renewable energy

8 DECENT WORK AND ECONOMIC GROWTH



Considerate constructor scheme for construction projects

11 SUSTAINABLE CITIES AND COMMUNITIES



Above average sustainable portfolio

13 CLIMATE ACTION



Climate adaptation

1. Building a future-proof and sustainable portfolio

Above-average sustainable fund

For 2023, the Fund aimed to continue to improve its sustainability performance, improve its GRESB score and retain its 5-star rating. The Fund succeeded in these efforts. It increased its score by one point to 92 (from 91 in 2022) and retained its GRESB 5-star rating, which puts the Fund among the top 20% worldwide. The 2023 outcome placed the Fund seventh (out of 12) in a peer comparison.

The higher GRESB score was primarily the result of improvements in performance indicators. To retain its GRESB 5-star rating, the Fund will continue to increase its focus on performance indicators and maintain its focus on Policy & Disclosure, Stakeholder Engagement, Monitoring & EMS.

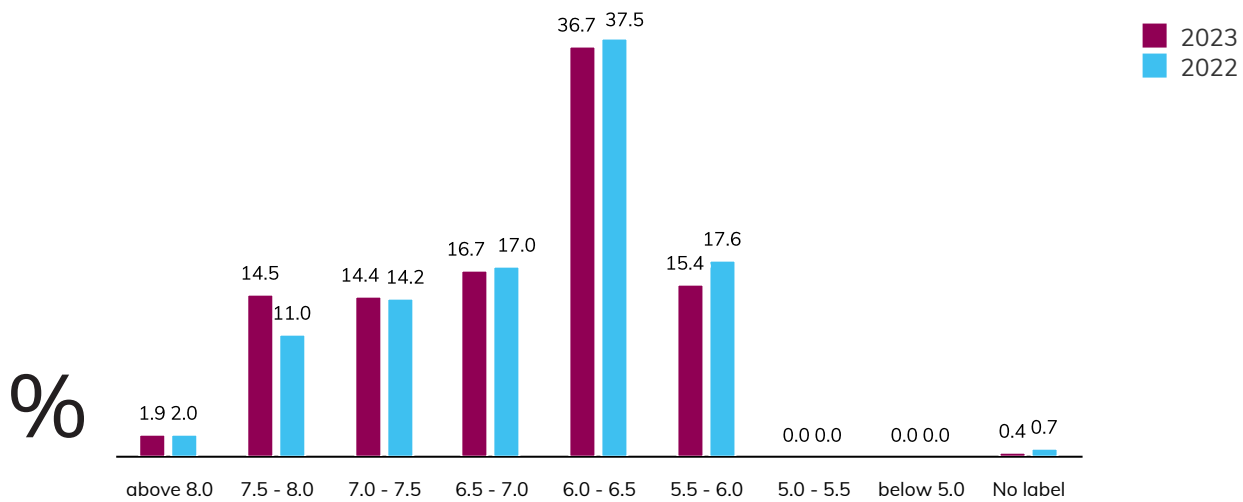


Above-average sustainable buildings

The Fund aimed to achieve an average GPR score of at least 6.6 (with a coverage of 100%) by the end of 2023. By year-end 2023, 99.6% of the portfolio had received a GPR label, with an average score of 6.64 (2022: 6.53). The coverage of sustainable certificates is not 100% due to new-build deliveries yet to be processed.

For the coming years, the Fund will focus on improvements to get higher average GPR label scores.

GPR scores (% of lettable floor space)



2. Reducing environmental impact

Bouwinvest committed itself to the Paris Proof commitment of the Dutch Green Building Council (DGBC). To achieve its net-zero carbon (Paris Proof) target before 2045, the company drew up a roadmap for the Fund and has translated this into specific roadmaps for all assets. The Fund incorporated the technologies, measures and costs required for implementation in its strategic maintenance plan for the coming years.

Combatting Climate Change: source of energy

As part of its Paris Proof programme, the Fund aims to have 100% gas-free units by the end of 2045. At the end of 2023, the natural gas-free percentage - in terms of number of units - for the entire portfolio stood at 48%. At the moment, new-build projects and divestments make the biggest contribution to improving this percentage. The Fund has carried out various sustainability projects over the past few years and will continue these efforts in the coming years.

The Fund has set a new target for combatting climate change, with a focus on scope 2 emissions. The Fund's target is to have no scope 2 emissions each year. In 2023, the Fund offset 100% of its scope 2 emissions.

Combatting Climate Change: energy efficiency of buildings

The Fund reduced the average energy intensity by 4% to 134kWh/m² in 2023 (from 139 kWh/m² in 2022). This is in line with the targeted reduction of an average of 3% per year. The results shown are based on the information from the energy labels of all the Residential spaces. In the coming years, the Fund will make a major effort to report on the basis of actual energy consumption. To do this, the Fund needs to increase the data coverage of the energy use of its tenants.

For 2024, the Fund has set yearly reduction targets regarding its efforts to reduce its environmental impact.

3. Liveable, affordable, attainable & inclusive places where people want to reside - now and in the future

Product accountability: tenant satisfaction

Tenant satisfaction score

Like every year, the Fund's tenants were invited in 2023 to participate in the annual tenant satisfaction survey. The Fund scored a 7.2 for general satisfaction (2nd position in the benchmark). The Fund's tenants rate their homes and buildings with a 7.6 (2022, 7.5) and their living environments with a 7.6 (2022, 7.6). The property manager's services scored a 6.5 (2022, 6.7). Bouwinvest and the real estate managers are drawing up an action plan for 2024, aimed at optimising the repair requests process, service costs process and complaint handling.

Further optimisation screening of prospective tenants

The Fund recently further digitalised its rental process and optimised the screening of our prospective tenants. With the new app, prospective tenants can quickly, safely and easily retrieve reliable source data from various government sources, including MijnOverheid, MijnBelastingdienst and MijnUWV. The Fund also retrieves bank details via this app, where payment behaviour can be checked. By combining this tool with the so called 'home allocation module' the Fund's property managers can allocate and rent out even more effectively on the basis of objective criteria. The further digitalisation of the rental process is in line with Bouwinvest's strategy to work in a more data-driven manner and to use our data and analyses to support our decisionmaking.

4. Contributing to healthy, safe and good working conditions

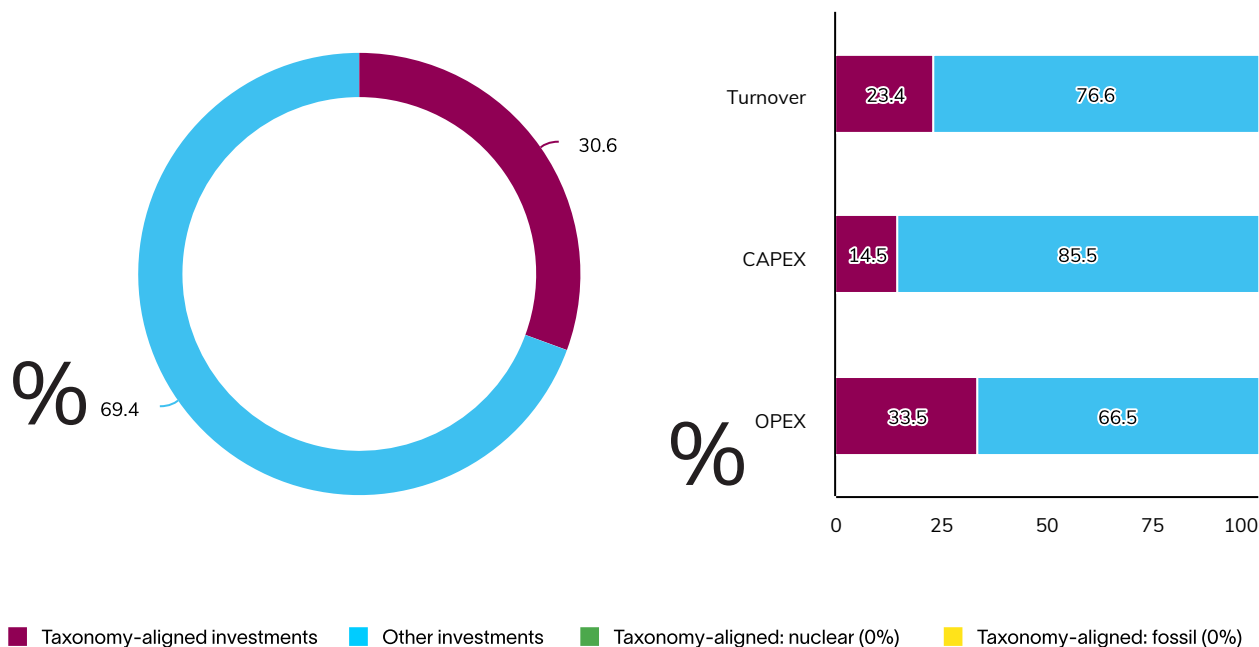
Considerate constructors scheme (construction sites)

The Fund's target was to have more than 75% of its construction sites registered under the Considerate Constructors (Bewuste Bouwers) scheme by the end of 2023. The Fund achieved its target, as 100% of its construction sites were registered with the scheme. This ensures that contractors deal with the concerns of local residents and address safety and environmental issues during the construction phase.

EU Taxonomy

The Fund's investments are in Taxonomy-eligible economic activity, namely the 'acquisition and ownership of buildings'. We take into account all standing assets that are the whole year in portfolio. The Fund choose for its activities for substantial contribute to the mitigation of climate change (article 10 of the Taxonomy Regulation) or to the adaptation to climate change (Article 11 of the Taxonomy Regulation). At the same time the activities do not significantly harm other environmental objectives and are carried out in compliance with the minimum safeguards. The calculation uses asset-level data for the Green Asset Ratio (GAR). The graphs below show the results expressed in GAR, turnover, OPEX and CAPEX which are calculated on the basis of the corresponding (sustainable) assets. This results in only 31% of the assets are in line with the EU taxonomy of which 24% of the considered assets are aligned with the definition of substantial contribution to climate change mitigation and 7% of the considered assets are aligned with the definition of substantial contribution to climate change adaptation. All are in compliance with the minimum safeguards.

Taxonomy alignment of investments



Financial performance

Fund return

The Fund realised a total return of -6.3% in 2023, consisting of a 2.4% income return and -8.5% capital growth. Net rental income, administrative and finance expenses were the main drivers for the income return. The decline in capital growth was primarily driven by high (mortgage) interest rates, high energy prices, the uncertainty regarding the potential regulation of the residential market and the geopolitical situation.

The total fund return ended below plan. The Fund's income return ended above target and capital growth 3.5% points below target as a result of the uncertainties in the market.

Fund performance	2023 Actual	Plan	2022 Actual
Income return	2.4%	2.0%	1.9%
Capital growth	(8.5)%	(5.0)%	(1.3)%
Fund performance	(6.3)%	(3.1)%	0.6%

Income return

Net rental income of € 206.6 million was € 19.3 million higher than the plan of € 187.3 million (2022: € 191.2 million). The deviation from plan was due to higher gross rental income (€ 3.4 million) and lower property operating expenses (€ 15.5 million). Higher gross rental income due to indexation and new assets added to the portfolio. Several maintenance projects are postponed to 2024, this resulted in lower property operating expenses in 2023.

Administrative expenses (€ 35.2 million) were € 0.9 million lower than plan (€ 36.1 million) due to lower management fee costs, directly driven by the Fund's lower average NAV. Finance expenses totalled € 0.4 million, which were below plan (€ 3.7 million) due to higher interest income (€ 3.3 million).

The higher net rental income and lower administrative expenses resulted in an income return of 2.4%, compared with the plan of 2.0%.

Capital growth

The Fund realised capital growth of -8.5% compared with a plan of -5.0%. Highly changing market circumstances in 2023 caused all real estate forecasts to be less accurate. Especially the further rise of inflation and interest rates affected the yields and thus the capital values. In addition to the higher interest rates, the uncertainty regarding rental regulation remains hanging over the residential market. This resulted in an above average yield increase for the residential market.

Property performance

Property performance	2023 Actual	2023 MSCI	2022 Actual
Income return	2.9%	3.1%	2.4%
Capital growth	(8.6)%	(8.8)%	(1.4)%
Property performance	(5.8)%	(5.9)%	1.0%

The total property return for 2023 came in at -5.8%, consisting of a 2.9% income return and -8.6% capital growth. The Fund showed an overperformance of 6 basis points versus the MSCI Netherlands Index (all properties). The overperformance was

largely driven by the capital growth, which was 20 basis points higher than the benchmark's capital growth of -8.8%. In addition, the income return was 16 basis points lower than the benchmark's income return of 3.1%.

The Fund return (INREV) and property return (MSCI) are different performance indicators. The Fund return is calculated according to the INREV Guidelines as a percentage of the net asset value (INREV NAV) and the property return is calculated according to the MSCI methodology as a percentage of the value of the investment properties. For example, INREV includes cash, fee costs and administrative costs in the calculation of the income return (INREV). Furthermore, the amortisation of acquisition costs is treated differently by INREV and MSCI.

Sluishuis Apartments

Amsterdam
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Shareholder information

Introduction

This section covers the financial management policies, activities and performance of the Fund over 2023, followed by the Fund's overall governance and structure. The section concludes with more details about the fund manager.

Financial management

Results

Income Statement summary (all amounts in € thousands)	2023	2022	Change	in %
Revenues	300,655	279,341	21,314	8%
Operating expenses	(94,018)	(88,110)	(5,908)	7%
Net rental income	206,637	191,231	15,406	8%
Net valuation gain / (loss)	(636,028)	(105,662)	(530,366)	502%
Result on disposal	(11,734)	(3,443)	(8,291)	241%
Administrative expenses	(35,188)	(40,957)	5,769	(14)%
Finance expenses	(396)	(4,015)	3,619	(90)%
Income taxes	(30)	(10)	(20)	200%
Result for the year	(476,739)	37,144	(513,883)	(1383)%
Financial occupancy	98.8%	98.4%		
REER	1.16%	0.99%		
TGER	0.50%	0.51%		

In 2023, the full-year result declined to -€ 476.7 million from € 37.1 million in 2022. The decline of € 513.8 million was mainly driven by the valuation loss on the investment properties and partly offset by an increase of the net rental income.

Revenues of € 300.7 million were € 21.3 million higher than in 2022 (€ 279.3 million), driven by higher gross rental income (€ 18.7 million) due to new investments made in the course of the year, higher rents and a higher occupancy rate partly offset by eight disposals in 2023. The occupancy rate increased by 0.4% points to 98.8% compared with 2022 (98.4%).

Operating expenses of € 94.0 million were € 5.9 million higher than in 2022 (€ 88.1 million). This increase was primarily driven by higher maintenance costs (€ 3.1 million), higher non-reclaimable VAT (€ 1.3 million), higher owners associations expenses (€ 2.0 million) and higher property management fees (€ 0.6 million) partly offset by increased service charge expenses (€ 1.2 million) due to higher energy prices. The addition to the provision for bad debtors in 2023 (€ 0.4 million) was € 0.1 million higher than in 2022 (€ 0.3 million) due to slightly higher overall outstanding tenant receivables. As a result of an increase of operating expenses and the lower average NAV, the REER rose to 1.16% in 2023 from 0.99% in 2022.

Administrative expenses, consisting primarily of the management fee, declined to € 35.2 million (2022: € 41.0 million). This drop of € 5.8 million was primarily due to lower management fees resulting from the lower average NAV during the year. The finance loss decreased by € 3.6 million to € -0.4 million, due to the effect of higher interest rates (€ 3.5 million) and lower lease liability-related expenses (€ 0.1 million). As a result of the higher time-weighted GAV, the TGER declined very slightly to 0.50% in 2023 from 0.51% in 2022.

Dividend

As a result of the Fund's fiscal investment institution (FI) status, Bouwinvest will distribute all of the distributable result to its shareholders through four quarterly interim dividend payments and one final dividend payment.

The Management Board proposes to pay a dividend of € 174.5 million for 2023 (2022: € 149.5 million), which corresponds to a pay-out ratio of 100%. It is proposed that the dividend will be paid in cash, within the constraints imposed by the company's fiscal investment institution (FII) status. Of this total dividend, 77% was paid out in the course of 2023. The fourth instalment was paid on 15 February 2024. The rest of the distribution over 2023 will be paid in one final instalment following the adoption of the financial statements at the Annual General Meeting of shareholders on 10 April 2024.

Performance per share	2023	2022
Dividends (in €)	116.54	100.91
Net earnings (in €)	(326.89)	25.29
Net asset value IFRS (in €, at year-end)	4,784.13	5,226.26
Net asset value INREV (in €, at year-end)	4,792.36	5,236.61

Funding

According to the funding policy, the Fund is allowed to have an unsecured pipeline, which is capped at 5% of the Fund's NAV with a maximum of € 370 million. At the end of 2023, the funding for the acquisition pipeline was completely secured.

In 2023, the Fund managed to make € 90 million in capital calls and received one new commitment from an existing shareholder for an amount of € 92 million. For reasons of a strategic reallocation, anchor shareholder bpfBOUW submitted a redemption request for an amount of € 340 million in 2022. In 2023, the Fund received new redemption requests from various shareholders of € 113 million. The total redemption requests amounted to € 453 million, of which € 94 million was remaining as of 31 December 2023. In 2023, the Fund purchased 28,637 shares from bpfBOUW and various other shareholders, of which 18,138 of these shares became part of the Fund's equity and were withdrawn in January 2024. At the GM of 13 December 2023, this reduction of capital was approved by shareholders. In total, 10,499 shares were re-issued in the course of the last year.

In February 2024 10,500 shares are redeemed for a total amount of € 50 million. These shares were re-issued at the same day.

Shareholder	Number of shares at year-end 2023	Shareholder	Number of shares at year-end 2023
Shareholder A	984,702	Shareholder O	10,746
Shareholder B	136,330	Shareholder P	9,392
Shareholder C	43,762	Shareholder Q	8,939
Shareholder D	40,882	Shareholder R	8,651
Shareholder E	31,070	Shareholder S	5,825
Shareholder F	21,672	Shareholder T	4,623
Shareholder G	19,598	Shareholder U	4,443
Shareholder H	18,537	Shareholder V	2,540
Shareholder I	17,596	Shareholder W	2,319
Shareholder J	16,842	Shareholder X	1,039
Shareholder K	14,781	Shareholder Y	847
Shareholder L	13,552	Shareholder Z	847
Shareholder M	13,486	Redeemed shares	18,138
Shareholder N	12,162		
		Total	1,463,321

Leverage

Leverage policy: In line with the Fund's terms and conditions, it is allowed to incur debt up to a maximum of 3% of the Net Asset Value, to bridge any temporary liquidity constraints and accommodate distributions to shareholders and redemptions of shares.

In 2023, the Fund was financed solely with equity and did not use any loan capital for liquidity management purposes.

Treasury management

Treasury policy: For treasury management purposes, the Fund acted in accordance with Bouwinvest's treasury policy in 2023, to manage the Fund's liquidity and financial risks. The main objectives of the treasury management activities were to secure shareholders' dividend pay-outs, ensure other obligations could be met and to manage the Fund's cash position.

At year-end 2023, the Fund had € 52.8 million (2022: € 47.4 million) freely available in cash.

In 2023, the Fund's cash position increased by € 5.4 million compared with year-end 2022. In 2023, the Fund paid out € 170.0 million in dividend to its shareholders. Reference is made to the cash flow statement for the cash movements during 2023.

Interest rate and currency exposure

Interest rate and currency policy: As the Fund had no external loans or borrowings, nor any foreign currency exposure, the Fund had no exposure to interest rate risks or currency exposure risks. The interest rate risk related to bank balances is limited for the Residential Fund.

In 2023, the Fund's bank balances were positively affected by interest rate developments.

Tax

FII regime: The Fund qualifies as a fiscal investment institution (FII) under Dutch law and as such is subject to corporate tax at a rate of zero percent. Being an FII, the Fund is obliged to distribute its entire fiscal result annually. In 2023, the Fund complied with FII requirements. Furthermore, the Fund met its obligations related to value added tax, transfer tax and other applicable taxes in their entirety in 2023.

Fund governance

Bouwinvest Dutch Institutional Residential Fund N.V. (the Fund) was established in 2010. The Fund has a governance structure that ensures effective and efficient management, combined with proper checks and balances. The Fund's governance structure consists of a General Meeting of Shareholders, an Advisory Committee and the Management Board.

The Fund is governed by a robust framework with systems and processes to manage risks appropriately. Safeguarding the interests of its investors, integrity and transparency, the Fund fosters the following governance principles:

- The compliance, risk and internal audit functions are independent;
- Conflicts of interests are avoided and managed through compliance with Bouwinvest's conflicts of interest policy;
- Robust checks and balances through established framework with three lines model;
- Focus on process management: ISAE 3402 type II certified;
- Compliant with AIFMD;
- An independent depositary function has been installed.

Rules and principles governing day-to-day business:

- Best-in-class system for valuation of assets;
- Elaborate approval process for all real estate investments;
- Transparency and integrity integrated in daily business conduct;
- Code of conduct;
- Transparent and open shareholder communication.

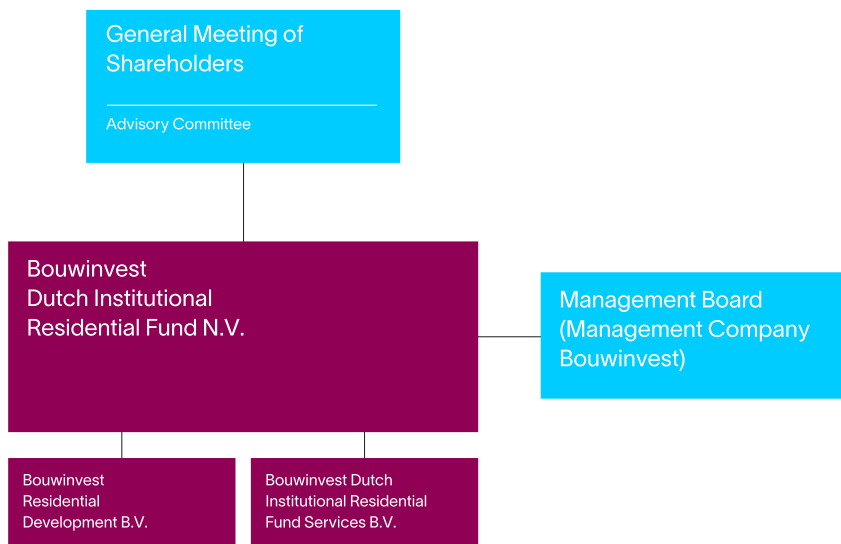
Structure of the Fund

The Fund is structured as an investment company with variable capital, as defined in article 2:76a of the Dutch Civil Code, with its corporate seat in Amsterdam, the Netherlands. It is a fiscal investment institution (FII) within the meaning of Article 28 of the Dutch Corporate Income Tax Act 1969. Bouwinvest Real Estate Investors B.V. ('Bouwinvest') is the Fund's sole Statutory Director and management company pursuant to the management agreement. The management company has a licence within the meaning of Article 2:65 of the Dutch Financial Supervision Act and is subject to supervision of the Dutch Financial Markets Authority (AFM).

Subsidiaries

The Fund has two taxable subsidiaries, Bouwinvest Dutch Institutional Residential Fund Services B.V., which renders services that are ancillary to the Fund's renting activities, and Bouwinvest Residential Development B.V., which pursues development activities that are ancillary to the Fund's investment portfolio. Such activities are placed in these taxable subsidiaries to ensure the Fund's compliance with the criteria of the FII regime.

Fund governance bodies



Advisory Committee

The Advisory Committee comprises a maximum of five shareholders: one representative from each of the four shareholders with the largest individual commitments and one member to represent the collective interests of all other shareholders. Each eligible shareholder shall appoint a member of the Advisory Committee for a period of one year running from the Annual General Meeting.

Role of the Advisory Committee

The role of the Advisory Committee is to approve certain specified resolutions by the management company and to be consulted with regard to certain resolutions specified in the Terms and Conditions.

General Meeting of Shareholders

Shareholders of the Residential Fund must be professional institutional investors within the meaning of section 1:1 of the Dutch Financial Markets Supervision Act (FMSA). General Meetings of Shareholders are held at least once a year to discuss the annual report, adopt the financial statements and discharge the Statutory Director of the Fund for its management. Shareholder approval is required for the Fund Plan and for other resolutions pursuant to the Fund Documents.

Anchor investor

As at this annual report's publication date, bpfBOUW held the majority of the shares in the Residential Fund.

Manager of the Fund

Bouwinvest is the fund manager of the Fund and as such is responsible for portfolio management and risk management. Bouwinvest, on behalf of the Fund, conducts the business activities related to the entire real estate investment process to achieve the Fund's investment objectives. Bouwinvest believes responsible business practices are a vital element in achieving the targeted return on investment. Bouwinvest is structured as a private limited liability company. bpfBOUW holds 100% of the shares in Bouwinvest.

Management Board

Bouwinvest's Management Board consists of the Chief Executive Officer, also Statutory Director, the Chief Financial & Risk Officer, also Statutory Director, the Chief Client Officer, the Chief Investment Officer Dutch Investments and the Chief Client Investment Officer International Investments. The Statutory Directors are appointed by the Bouwinvest General Meeting of Shareholders following nomination by Bouwinvest's Supervisory Board. The Management Board is governed by Dutch law, as well as a set of regulations that also outline its tasks and responsibilities.

Supervisory Board

Bouwinvest has an independent Supervisory Board with a minimum of three and a maximum of five members. The Supervisory Board currently has four members. The maximum term of office is four years, with the possibility of reappointment for an additional four years. The role of the Supervisory Board is to supervise the policies of the Management Board and the general affairs of the company and its related business. The Supervisory Board is responsible for the quality of its own performance. The members of the Supervisory Board are appointed by the Bouwinvest General Meeting of Shareholders. In carrying out its duties, the Supervisory Board is guided by the interests of Bouwinvest and its related business.

Policies, rules and regulations

Corporate Governance Code

Although the Dutch Corporate Governance Code does not directly apply to Bouwinvest as it is an unlisted company, the Management Board endorses the best practices of the Code in as far as these are applicable to Bouwinvest and practical.

Code of Conduct

Bouwinvest has drawn up a Code of Conduct that applies to all its employees and which includes additional rules that specifically apply to the Management Board and Supervisory Board with respect to conflicts of interest and investments. The Code of Conduct deals with issues such as ethical behaviour, conflicts of interest, compliance with laws and (internal and external) regulations, responsible investment, health and safety, as well as our business partners. Bouwinvest has also instituted a whistleblower policy to deal with the reporting and investigation of unethical behaviour. All employees receive code of conduct training.

Conflicts of Interest policy

Bouwinvest has a Conflicts of Interest policy. The purpose of this policy is to ensure that no material conflicts of interest occur that are damaging for investors in the Fund, the Fund or Bouwinvest. The policy also describes how Bouwinvest should act with respect to the allocation of different investment opportunities over the respective funds and clients. The policy is intended to supplement but not replace any applicable Dutch laws governing conflicts of interest. In 2023, there were no conflicts of interest as referred to in the Bouwinvest Conflicts of Interest Policy, either between the members of the Management Board, the management company, the Fund and/or other funds managed by the management company.

Funds and Partnerships managed by Bouwinvest

Bouwinvest manages the following alternative investment funds and partnerships:

- Bouwinvest Dutch Institutional Residential Fund N.V.
- Bouwinvest Dutch Institutional Retail Fund N.V.
- Bouwinvest Dutch Institutional Office Fund
- Bouwinvest Dutch Institutional Healthcare Fund
- Dutch Social Impact Real Estate Partnership C.V.

Bouwinvest has separate mandates from bpfBOUW for the management of international real estate investments in Europe, North America and the Asia-Pacific region and hotel properties through Bouwinvest Dutch Institutional Hotel Fund N.V. The Healthcare Fund will be opened for new investors as per 1 January 2024.

Bouwinvest aims for the highest level of transparency in its communications on its financial situation, strategy, plans and other information relevant to its existing and potential investors and other stakeholders. In addition to this annual report, the management company reports on a quarterly basis on the status of the Fund and organises quarterly conference calls to discuss the developments within the Fund with its shareholders. Furthermore, Bouwinvest organises General Meetings of Shareholders twice a year, together with Advisory Board meetings to discuss and approve the Fund plan and annual report. All information and documents related to the Fund are available for shareholders via the Bouwinvest Investor Portal.

Shareholders' calendar

15 February 2024	Payment interim dividend fourth quarter 2023
27 February 2024	Advisory Committee
10 April 2024	General Meeting of Shareholders
3 May 2024	Payment of final dividend 2023
22 May 2024	Payment interim dividend first quarter 2024
5 June 2024	Advisory Committee
15 August 2024	Payment interim dividend second quarter 2024
11 September 2024	Advisory Committee
13 November 2024	Advisory Committee
17 November 2024	Payment interim dividend third quarter 2024
11 December 2024	General Meeting of Shareholders
18 February 2025	Payment interim dividend fourth quarter 2024

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Amsterdam
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Risk management

Bouwinvest Real Estate Investors aims to operate on the basis of a healthy balance between risk and return and strives to take risks in a conscious and sustainable manner. Integrated Risk Management is a key mechanism to meet this goal by providing the means to identify, assess and understand various types of risk inherent in all Bouwinvest services/products, activities, processes and systems.

To support Integrated Risk Management and to ensure that the fund remains within its risk profile and consequently its risk appetite, Bouwinvest set up a Risk Management Framework that enables it to address the fund-specific risks that may prevent the Fund from achieving its objectives. This consists of a balanced set of control measures and fund-specific key risk indicators and limit setting (including early warning limits) for the Fund's risk taxonomy.

Risk governance

As manager of the Fund, Bouwinvest is responsible for the management of the risks in the Fund. Bouwinvest has a risk governance and decision-making system based on the Three Lines Model (derived from the IIA model). This creates a clear structure for everyone, which helps raise awareness of everyone's role and responsibility on the risk management front. The Management Board of Bouwinvest is ultimately responsible for risk management and provides the organisation with guidance on how to remain within the established risk appetite at strategic, tactical and operational levels.

Risk profile

Bouwinvest uses a risk management framework to manage its risk profile and that of its funds. This framework helps the organisation to identify and manage all material risks at strategic, tactical and operational levels.

Risk taxonomy

The risk taxonomy is a list of the material risks which the funds is or may be exposed to, and which arise from its business activities. The risk taxonomy ensures that the fund has insight into the relevant material risks and can manage these risks properly.

The manager of the funds updates its risk taxonomy on an annual basis. If Bouwinvest is potentially exposed to a new or evolving type of risk, the risk taxonomy is updated more frequently.

The main risks the manager recognises are market risk, credit risk, liquidity risk, business risk, operational risk, ESG risk and compliance risk. These main risks are subdivided into sub-risks and Bouwinvest has defined risk indicators and (early warning) limits for these.

Risk appetite

The fund's risk appetite determines the level of risk it is willing to take at an aggregate level to achieve its objectives. The manager constantly monitors its risk appetite using a risk indicator framework based on quantitative and qualitative variables.

The risk indicator framework consists of statements for each material risk as included in the risk taxonomy. Each risk indicator has a limit that is used within the current risk profile. In addition, Bouwinvest has early warning limits in place so it can intervene in a timely fashion to prevent itself from exceeding its defined risk appetite.

Each quarter, the manager briefs its investors about compliance with the risk appetite for the fund via the quarterly reports.

As manager of the fund, Bouwinvest determines the risk appetite for the fund annually in the shareholders'/investors' meeting and records this in the relevant fund documentation.

Risks in the portfolio are monitored closely and the following events and risks were noteworthy in 2023.

Market risk

Market risk overall

Due to the sudden growth in inflation 2022 was marked by sharp policy rate increases by central banks. This led to valuation corrections in real estate from Q4 2022 onwards. Policy rates were further increased in 2023, albeit in a more moderate way as central banks were slowly regaining control of inflation. The present political instability in the Middle East will also increase geopolitical instability, with already direct effects visible in supply chain related risks. Although the economic consequences are yet unknown, a reignition of inflation is lurking.

These market circumstances are evaluated on a continuous basis, and are taken into account, both in the daily management of the Fund and in the investment and divestment decision processes.

In the political landscape of the Netherlands, but also in an international context, we are seeing both a shift towards the political 'right' and increasing polarisation. Furthermore, following last year's elections, the Netherlands is currently governed by the outgoing administration. This leads to ambiguity on its overall vision on the real estate market and more specifically on (new) regulations.

Market liquidity risk

As part of its continuous portfolio optimisation, together with the redemption requests the Fund had received in the previous year, the Fund continued its sales process for a number of assets that no longer met the Fund's objectives. The Fund still observed a significant reduction in market liquidity. This reduced market liquidity is taken into account in both the strategic and tactical management of the Fund.

Credit risk

Within the area of credit risk, no material risks occurred in 2023.

Liquidity risk

Within the area of liquidity risk, no material risks occurred in 2023.

Business risk

Business environment risk

Rental market regulation changes

On 7 July, the Dutch government collapsed due to a disagreement between coalition parties over asylum policies. New elections were held on 22 November. Until the new cabinet is formed and installed, no decisions will be made on sensitive subjects, as these will be up to the next cabinet.

In the meantime, the Affordable Rent Act has not been declared controversial and has been discussed by the Council of State. The Council of State issued its advice on 20 November, which included several alterations to be made in the act. The caretaker cabinet expects the act to become law as per 1 July 2024.

Legal & claim risk

Provision rental contract annulled

The Fund filed a court case against a tenant in Amstelveen, in which the Fund tried to recover rent in arrears. Although the tenant did not specifically protest against earlier rent increases, during the proceedings the judge conducted an 'ex officio' review based on European consumer law. The court found that, based on the rent increase clause in the lease agreement, it was unclear to the tenant which circumstances were taken in consideration for the determination of the annual rent increase. Therefore, this clause was annulled, and the court ruled that the Fund should not have passed on any rent increase from the start of the lease, in this case 1 July 2015.

This decision can have a material impact on all the other lease agreements related to residential units. The Fund has therefore appealed against this judgement. The Fund has filed its first procedural documents (the so-called *memorie van grieven*, or statement of appeal) on 9 January 2024.

Several other landlords (including (most) IVBN-members) are dealing with the same issue, since most of the landlords work with contracts based on the ROZ standard model, and therefore have similar clauses. On 5 October 2023, in a court case involving another landlord, a judge announced that they would ask the Dutch Supreme Court for clarification on the matter by asking preliminary questions. Following these questions, IVBN members decided to jointly register as stakeholders with the Supreme Court, rather than individually. Many residential investors in the IVBN, including Bouwinvest, have provided input for the argumentation as to why we believe the rent indexing clause is not unlawful. The Supreme Court's answers are expected in autumn 2024.

Tax risk

Fiscal structure of Fund

Legislation prohibiting fiscal investment institutions (FIIs) to directly invest in Dutch real estate has been adopted and will become effective on 1 January 2025. For this reason, a restructuring of the Fund into a tax transparent so called closed fund for mutual account ('gesloten FGR' in Dutch) is planned for 31 December 2024. A closed fund for mutual account is not subject to income tax. This new legislation also includes a conditional exemption from real estate transfer tax for shareholders with a so-called substantial interest ($\geq 33\frac{1}{3}\%$) upon a restructuring that is triggered by this change in the FII rules.

Increase in rate real estate transfer tax (RETT)

After the increase of the RETT rate as per 1 January 2023. Its exact impact on the real estate market could not be specified due to market volatility.

Operational risk

Within the area of operational risk, no material risks occurred in 2023.

ESG risk

Within the area of ESG risk, no material risks occurred in 2023.

Compliance risk

Within the area of compliance risk, no material risks occurred in 2023.

There were twenty-eight data breaches with respect to the processing of personal information. Five of these were reported to the regulator, the Dutch Data Protection Agency. Some of the data breaches occurred at processors, such as property managers. All data breaches were investigated and, where necessary, additional control measures were taken. Bouwinvest has informed the data subjects.

Outlook for the Fund 2024-2026

The upcoming period is still expected to be uncertain and, like all real estate investors, the Fund expects to face multiple challenges. One of the main advantages the Fund has in this challenging environment is the sheer quality of its portfolio and the fact the Fund uses no leverage. The road to the Paris Proof target is full of obstacles but we are progressing steadily, and the entire Bouwinvest organisation is committed to achieving the Fund's goals. Fortunately, the Fund has a diversified portfolio of assets very much in line with its strategy. The demarcation of the Fund's core and non-core portfolio, combined with the different maintenance strategies, will most certainly have a positive impact on the Fund's returns.

In the coming three years, the Fund expects to provide investors with a total annual net return of between -1.2% and 6.7%. The performance and portfolio forecasts set out in the most recent Fund Plan reflect the so-called base scenario. Given the many uncertainties in the market, the Fund has also drawn up and added additional upside, downside and stress scenarios to this plan.

Amsterdam, 26 March 2024

Bouwinvest Real Estate Investors B.V.

Mark Siezen, Chief Executive Officer and Statutory Director

Henk-Dirk de Haan, Chief Financial & Risk Officer and Statutory Director

Marleen Bosma, Chief Client Officer

Allard van Spaandonk, Chief Investment Officer Dutch Investments

Stephen Tross, Chief Investment Officer International Investments

Financial statements

Consolidated statement of comprehensive income

All amounts in € thousands, unless otherwise stated

	Note	2023	2022
Gross rental income	6	289,977	271,232
Service charge income	6	10,136	7,596
Other income		543	513
Revenues		300,655	279,341
Service charge expenses		(10,190)	(8,288)
Property operating expenses	7	(83,828)	(79,822)
		(94,018)	(88,110)
Net rental income		206,637	191,231
Result on disposal of investment property	12	(11,734)	(3,443)
Positive fair value adjustments completed investment property	12	26,028	149,305
Negative fair value adjustments completed investment property	12	(652,361)	(257,362)
Fair value adjustments on investment property under construction	13	(9,695)	2,395
Net valuation gain (loss)		(636,028)	(105,662)
Administrative expenses	8	(35,188)	(40,957)
Result before finance result		(476,313)	41,169
Finance expenses	9	(396)	(4,015)
Net finance result		(396)	(4,015)
Result before tax		(476,709)	37,154
Income taxes	10	(30)	(10)
Result for the year		(476,739)	37,144
Items that will not be reclassified subsequently to comprehensive income		-	-
Items that may be reclassified subsequently to comprehensive income		-	-
Total comprehensive income for the year, net of tax		(476,739)	37,144
Net result attributable to shareholders		(476,739)	37,144
Total comprehensive income attributable to shareholders		(476,739)	37,144
Earnings per share (€)			
From continuing operations			
Basic	19	(327)	25
Diluted	19	(327)	25

Consolidated statement of financial position

Before appropriation of result, all amounts in € thousands

As at 31 December	Note	2023	2022
Assets			
Non-current assets			
Investment property	12	6,918,751	7,340,522
Investment property under construction	13	96,001	373,173
Total non-current assets		7,014,752	7,713,695
Current assets			
Trade and other current receivables	14	5,142	8,927
Cash and cash equivalents	15	52,808	47,439
Total current assets		57,950	56,366
Total assets		7,072,702	7,770,061
Equity and liabilities			
Equity attributable to the owners of the Fund			
Issued capital		1,463,321	1,494,416
Share premium		2,622,342	2,643,292
Revaluation reserve		2,405,162	3,079,844
Retained earnings		899,852	357,994
Net result for the year		(476,739)	37,144
Total equity	16	6,913,937	7,612,690
Liabilities			
Non-current lease liabilities	17	122,437	124,316
Current trade and other payables	18	36,328	33,055
Total liabilities		158,765	157,371
Total equity and liabilities		7,072,702	7,770,061

Consolidated statement of changes in equity

For 2023, before appropriation of profit, all amounts in € thousands

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2023	1,494,416	2,643,292	3,079,844	357,994	37,144	7,612,690
Comprehensive income						
Net result	-	-	-	-	(476,739)	(476,739)
Total comprehensive income	-	-	-	-	(476,739)	(476,739)
Other movements						
Issued shares	6,698	28,302	-	-	-	35,000
Re-issued shares	10,499	44,501	-	-	-	55,000
Redemptions	(10,499)	(131,546)	-	-	-	(142,045)
Redeemed shares	(37,793)	37,793	-	-	-	-
Appropriation of result	-	-	-	37,144	(37,144)	-
Dividends paid	-	-	-	(169,969)	-	(169,969)
Movement revaluation reserve	-	-	(674,683)	674,683	-	-
Total other movements	(31,095)	(20,950)	(674,683)	541,857	(37,144)	(222,014)
Balance at 31 December 2023	1,463,321	2,622,342	2,405,162	899,851	(476,739)	6,913,937

* See explanation dividend restrictions in Note 16.

Redemptions are shares redeemed in 2023. Redeemed shares are shares that were part of the Fund's equity per 31 December 2022 and were withdrawn in January 2023.

For 2022, before appropriation of profit, all amounts in € thousands

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2022	1,448,743	2,646,300	3,225,033	(405,029)	766,056	7,681,103
Comprehensive income						
Net result	-	-	-	-	37,144	37,144
Total comprehensive income	-	-	-	-	37,144	37,144
Other movements						
Issued shares	45,673	206,027	-	-	-	251,700
Redemptions	-	(209,035)	-	-	-	(209,035)
Appropriation of result	-	-	-	766,056	(766,056)	-
Dividends paid	-	-	-	(148,221)	-	(148,221)
Movement revaluation reserve	-	-	(145,189)	145,189	-	-
Total other movements	45,673	(3,008)	(145,189)	(3,033)	-	(105,556)
Balance at 31 December 2022	1,494,416	2,643,292	3,079,844	357,994	37,144	7,612,690

* See explanation dividend restrictions in Note 16.

Consolidated statement of cash flows

All amounts in € thousands

	Note	2023	2022
Operating activities			
Net result		(476,739)	37,144
Adjustments for:			
Valuation movements		636,028	105,662
Result on disposal of investment property		11,734	3,443
Net finance result		396	4,016
Movements in working capital		7,057	3,832
Cash flow generated from operating activities		178,476	154,097
Interest paid		(1,254)	(1,511)
Interest received		3,330	-
Cash flow from operating activities		180,552	152,586
Investment activities			
Proceeds from disposal of investment property		169,342	180,449
Payments of investment property		(22,652)	(15,936)
Payments of investment property under construction		(99,860)	(256,118)
Cash flow from investment activities		46,830	(91,605)
Finance activities			
Proceeds from the issue of share capital		90,000	251,700
Redemptions		(142,045)	(209,035)
Dividends paid		(169,969)	(148,221)
Cash flow from finance activities		(222,014)	(105,556)
Net increase/(decrease) in cash and cash equivalents		5,368	(44,575)
Cash and cash equivalents at beginning of year		47,439	92,014
Cash and cash equivalents at end of year	15	52,808	47,439

Notes to the consolidated financial statements

All amounts in € thousands, unless otherwise stated

1 General information

The Residential Fund (Chamber of Commerce number 34366452) is a public limited liability company incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands. The Fund was formed for the purpose of providing shareholders with a rate of return by acquiring, managing, adding value to and disposing of a diversified real estate portfolio through investments in residential real estate in the Netherlands.

The Fund owns two taxable subsidiaries, Bouwinvest Residential Development B.V. (Chamber of Commerce number 70315809) and Bouwinvest Dutch Institutional Residential Fund Services B.V. (Chamber of Commerce number 67492711). These subsidiaries perform activities that might go beyond mere 'investing'. By having these activities performed by these subsidiaries the Fund remains compliant with the investment criteria of the Fiscal Investment Institution-regime. Bouwinvest Residential Development B.V. (Residential Development) performs development activities for the investment portfolio of the Fund while Bouwinvest Dutch Institutional Residential Fund Services B.V. (Residential Fund Services) renders services that are ancillary to the renting activities of the Fund.

The Fund's active portfolio management is supported by the supply of (re)developed properties by Residential Development and third parties.

Bouwinvest is the manager and Statutory Director of the Residential Fund. The Statutory Director will present the annual report to the Annual General Meeting of shareholders on 10 April 2024, and will request the approval of the financial statements.

2 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

The Fund's functional and presentation currency is the euro. All amounts are in thousands of euros, unless otherwise stated. The financial year 2023 was a normal calendar year from 1 January to 31 December 2023.

2.1 Basis of preparation

Going concern

The financial statements are prepared using the going concern basis of accounting.

Statement of compliance

The consolidated financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Company financial statements of the Fund are included in the consolidated financial statements and are prepared in accordance with the legal requirements of Part 9, Book 2, of the Dutch Civil Code. These financial statements have been prepared in accordance with the provision of Article 2:362 subsections 8 and 9, of the Dutch Civil Code, under which the Company financial statements may be prepared in accordance with accounting policies as adopted in the consolidated financial statements.

Statement of comprehensive income

The Fund presents its statement of comprehensive income by nature of expenses.

Application of new and revised International Financial Reporting Standards (IFRS)

In 2023, the Fund adopted the new IFRS standards, amendments to IFRS and the interpretations that are mandatory for accounting periods that begin on or after 1 January 2023. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately– disclosures are required for annual periods beginning on or after 1 January 2023)

These standards, amendments and interpretations do not have a material impact on the disclosures in the Fund's financial statements.

New and amended standards and interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the Fund has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and in some cases had not yet been adopted by the European Union:

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)

The Fund is monitoring these regulatory changes.

Preparation of the financial statements

The consolidated financial statements have been prepared on a historical cost basis, except for investment property and investment property under construction, which are measured at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given or agreed upon in exchange for assets. The principal accounting policies are set out below.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. Changes in assumptions may have a material impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements, are disclosed in Note 4.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company: has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The following entities are included in the consolidated financial statements:

- Bouwinvest Residential Development B.V. (100%), established 15 December 2017
- Bouwinvest Dutch Institutional Residential Fund Services B.V. (100%), established 15 December 2016

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Investment property

Investment property is initially measured at its cost, including related transaction costs such as advisory costs, notary costs, transfer taxes and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is stated at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

In line with the Practice Statements, as incorporated in the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards ('the Red Book'), valuations are performed as of the financial position date by professional valuation experts who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as an investment property or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions, including vacancy and rental incentives. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

If a valuation obtained for a property held under a lease is net of all payments expected to be made, any related lease liability recognised separately in the statement of financial position is added back to arrive at the carrying value of the investment property for accounting purposes.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Gains and losses arising from changes in fair values are included in the statement of comprehensive income in the year in which they arise. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposal of investment properties are recognised in the statement of comprehensive income in the year of disposal.

The right-of-use component of land leases is included as an integral part of the Investment property. The accounting principles for land leases are disclosed in more detail in note 2.5 Leases.

Investment property under construction or being developed for future use as investment property is presented under 'Investment property under construction'.

Net result on the sale of investment property

Proceeds from the sale of investment properties are recognised when the control of the property is transferred to the purchaser. The profits or losses on the sale of investment properties are identified as the difference between the net proceeds of the sale and the carrying value of the investment properties in the Fund's most recently published statement of financial position.

2.4 Investment property under construction

Investment property under construction for future use as investment property is stated at fair value.

In line with the valuation procedure, valuations are performed as of the financial position date by external professional valuation experts using the special assumption 'as-if completed'. This assumes that on the valuation date the project has been developed, delivered and leased. The 'as-if completed' valuation from the external appraiser serves as an input value to arrive at the valuation for investment property under construction. The external valuation 'as-if completed' is subsequently discounted from the expected completion date to the valuation date. This is also done for the remaining development costs to complete the project.

Fair value measurement on investment property under construction is only applied if the fair value is considered to be reliably measurable. If the Fund determines that the fair value of an investment property under construction is not reliably determinable when construction is incomplete, it shall measure that investment under construction at cost until either its fair value becomes reliably determinable or construction is completed.

It may sometimes be difficult to determine the fair value of the investment property under construction reliably. In order to evaluate whether the fair value of an investment under construction can be determined reliably, management considers, among other things, the following factors:

- The provisions of the construction contract
- The stage of completion
- Project/ property characteristics: standard (typical for the market) or non-standard
- The level of reliability of cash inflows after completion
- The development risk specific to the property
- Past experience with similar construction projects
- Pre-let percentage
- Status of construction permits

After the first instalment for the project under construction, an external valuation expert values the project each quarter. Gains and losses arising from changes in fair values are included in the statement of comprehensive income in the year in which they arise.

Investment property is not developed within the Residential Fund but via external parties or within Bouwinvest Development B.V. or Bouwinvest Residential Development B.V. When entering into the contract, the rental risk is transferred to the Fund; the remaining risks remain with the developer. The paid instalments are therefore recognised as investment property under construction.

The right-of-use component of land leases is included as an integral part of the Investment property under construction. The accounting principles for land leases are disclosed in more detail in note 2.5 Leases.

2.5 Leases

The Fund shall assess at the inception of a contract whether the contract is, or contains, a lease. A lease contract conveys the right to control the use of an identified asset owned by another party for a period of time in exchange for a consideration. The economic benefits deriving from that asset are transferred to the Fund. Where the Fund is a lessee, the Fund recognises a right-of-use asset and a lease liability.

The Fund recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Fund leases properties that meet the definition of investment property. These right-of-use assets are presented as part of the line item 'Investment property' in the statement of financial position.

The lease liability is the primary basis for the accounting of the right-of-use asset. At inception, the right-of-use asset comprises the lease liability plus any direct costs of obtaining the lease, less any incentives provided by the lessor. After initial recognition, the Fund measures the right-of-use asset applying a cost model. For leases, the Fund applies the fair value model in IAS 40.

The accounting principles for lease liabilities are disclosed in more detail in note 2.10 Non-current lease liabilities.

2.6 Financial instruments

Financial assets and financial liabilities are recognised in the Fund's statement of financial position when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a material financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them.

The Fund determines the classification of its financial assets at initial recognition. At initial recognition, financial assets are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. With the exception of trade receivables that do not contain a material financing component, the Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. As the Fund's rent and other trade receivables do not contain a material financing component, they are measured at the transaction price determined under IFRS 15.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Fund transfers substantially all risks and rewards of ownership.

Financial assets recognised in the statement of financial position as trade and other receivables. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Fund recognises an allowance for expected credit losses (ECLs) for all debt instrument except those held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For rent and other trade receivables and contract assets, the Fund applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date (i.e., a loss allowance for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default). The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Impaired debts are derecognised when they are assessed as uncollectible.

In determining the expected credit losses the Fund takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making payment on the due date) based on individual customer credit ratings, actual or expected insolvency filings or company voluntary arrangements, likely deferrals of payments due and those tenants expected to be offered a period of rent free as a result of temporary closures imposed in order to limit the spread of Covid-19 and market expectations and trends in the wider macro-economic environment in which our customers operate. These assessments are made on a customer by customer basis.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income.

Financial liabilities

The Fund's financial liabilities comprise trade and other payables. All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs. The Fund determines the classification of its financial liabilities at initial recognition.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Financial liabilities included in trade and other payables are initially recognised at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

2.7 Prepayments

Prepayments are stated at cost less any accumulated impairment losses.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.9 Issued capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.10 Redeemed shares

The Fund has two classes of issued shares, issued shares (to shareholders) and redeemed shares. The redeemed shares are held by the Fund with a nominal value of € 1,000 and don't have any rights for voting, dividends or other shareholder rights. Redeemed shares are shares bought by the Fund if a redemption request is granted. After the redemption has been executed, the shares are classified as redeemed shares until the shares are either issued again or cancelled. Redeemed shares will be issued again in case of capital calls within the same financial year. All redeemed shares that are not issued again before year end will be cancelled within 2 months after year end. This will take place after GM approval.

The acquisition price (including transaction costs) of the redeemed shares is initially fully deducted from the other reserves. The withdrawal of the redeemed shares is incorporated in the issued capital and other reserves after the withdrawal is finalised.

Shares are redeemed at the Fund's net asset value per share as per the most recent valuation date prior to the applicable redemption date. The amount to be paid to the redeeming shareholder is decreased by the redemption costs.

2.11 Non-current lease liabilities

At initial recognition, a lease liability is measured at the present value of the lease payments in the lease, including any renewal options where it is reasonably certain the Fund will exercise the option and the lease payments due after exercising the option can be estimated.

Lease payments are discounted using the rate implicit in the lease. If this rate cannot be estimated, the Fund's incremental borrowing rate for borrowings secured by a similar asset and for a similar term as the lease is used. Lease payments include fixed payments and variable payments that depend on an index or rate including any renewal options included in the determination of the term of the lease.

After initial recognition, the Fund measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

For land lease contracts, the Fund takes into account a perpetual view, even when the land lease contracts have a continuous character. Continuous contracts may include a potential break option, however this break option is considered theoretical, as the land lease is highly interlinked with the investment property. Breaking the lease destroys the value of the property. Therefore, the lease term for continuous contracts is also considered perpetual.

2.12 Current trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Tenant deposits

The Fund obtains deposits from tenants as a guarantee for the return of the property at the end of the lease term in a specified good condition or for the lease payments for a period ranging from one to 12 months. Such deposits are treated as financial assets in accordance with IFRS 9 and they are initially recognised at fair value. The deposit is subsequently measured at amortised cost.

Tenant deposits are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the deposit for at least 12 months after the date of the statement of financial position.

2.13 Dividend distribution

An FI is obliged to distribute its distributable profit annually within eight (8) months after the end of the relevant fiscal year ('doorstootverplichting'). The distributable profit generally only includes current income (dividends, interest and rental income). The (realised and unrealised) gains on securities and the realised gains on all other investments (including real estate), which are added to a so-called reinvestment reserve ('herbeleggingsreserve'), are not included in the distributable profit.

2.14 Rental income

Rental income from investment property leased out under operating leases is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Rent incentives granted by the Fund to its tenants are recognised as an integral part of the total rental income. The rent incentives are included in investment property.

Incentives to enter into rental agreements are spread evenly over the rental term, even if the payments are not made on such a basis. The rental term is the non-cancellable period of the rental agreement, together with any further term for which the tenant has the option to continue the rental agreement, when, at the inception of the rental agreement it is reasonably certain that the tenant will exercise this option.

Premiums received to terminate rental agreement are recognised in the statement of comprehensive income.

2.15 Service charges, property operating expenses and administrative expenses

In the case of service contracts with third parties, service charges are recovered from tenants. Service charges in respect of vacant property are expensed. These mainly relate to gas, water, electricity, cleaning and security.

Property operating expenses comprise those costs that are directly attributable to the operation of properties, net of costs charged to tenants. These mainly relate to tax, insurance, leasehold, maintenance and professional fees. These are expensed as incurred. Administrative expenses are expenses that are not directly attributable to the operation of properties (including charged management costs not directly related to properties, office overheads, advice, valuation and audit fees, listing costs and marketing and promotion costs).

Service charges for which the Fund acts as a principal are presented in the statement of comprehensive income. Therefore, for those property investments for which the Fund is in full control of the service charges, the service charges invoiced to tenants and the corresponding expenses are shown separately on an accrual basis.

2.16 Other income

This is income attributable to the year that cannot be classified under any of the other categories.

2.17 Finance income and expenses

The finance result consists of interest income and expenses and is recognised in the statement of comprehensive income. Interest is recognised in the statement of comprehensive income as it accrues.

2.18 Cash flow statement

Cash flows are stated according to the indirect method.

The acquisitions of investment properties are disclosed as cash flows from investment activities, as this reflects the Fund's business activities most appropriately.

Cash and cash equivalents comprise cash on hand, demand deposits, short-term deposits with banks with original maturities of three months or less and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.19 Earnings per share

The Fund presents basic and diluted earnings per share (EPS) for its ordinary share capital. The earnings per ordinary share are calculated by dividing the profit or loss attributable to the Fund's shareholders by the weighted average number of issued ordinary shares during the reporting period. In calculating the diluted earnings per share, the profit or loss attributable to the Fund's shareholders and the weighted average number of issued ordinary shares during the reporting period are adjusted for all potential dilutive effects on the ordinary shares.

2.20 Income taxes

Based on its status as an FII, the Fund is subject to Dutch corporate income tax at a rate of 0%. See Note 10. The subsidiaries of the fund are subject to Dutch corporate income tax at a rate of 19% - 25.8%.

3 Financial risk management

3.1 Financial risk factors

The Fund is exposed during or at the end of the reporting period to financial risk. To manage various types of financial risk a risk management governance and framework are in place, in order to identify, assess, monitor and understand the financial risks to which the Fund is exposed and to ensure they remain within the risk appetite of the Fund. Financial risk comprises market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk of changes in the value of assets under management due to fluctuations in the financial markets. Within a real estate alternative investment fund typical factors possibly influencing the volatility in the performance (NAV) of the Fund, are changes in yields (external valuations), and rental and occupancy rate levels. The concentration of these risks are mitigated by the Fund's diversification strategy on among others asset, tenant and geographical level. The sensitivity of the investment portfolio to changes in yields and rental rates is presented in the sensitivity analysis included in note 12.

Credit risk

Credit risk is defined as the risk that a counterparty defaults on contractual or other agreed obligations (including furnished credits, loans, receivables, pledges, rental obligations and received guarantees). When entering into a contract with a tenant, the Fund checks their credit rating, while throughout the term of the contract the Fund keeps a close watch on the accounts receivable. Rents are in general also payable in advance and part of the rent payable is secured by means of bank guarantees or guarantee deposits. There are no material credit risk concentrations.

The credit risk relating to the receivables is maximised to € 1.3 million in 2023 (2022: € 1.4 million) and the receivables are closely monitored.

Deposits refundable to tenants may be withheld by the Fund in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract. These deposits (cash collateral) are a mitigating factor regarding the credit risk exposures.

Counterparty Credit Risk is defined as the risk that the counterparty (to a transaction) defaults before the final settlement of the cash flows (associated with the transaction) has taken place (breaching delivery versus payment). This risk also includes banking credit positions.

It is our policy to enter into financial transactions only with financial institutions with a credit rating of at least A (Standard & Poor's). Given the credit rating limits, as required by policy, and the adherence by these counterparties to these limits, the Fund does not expect any defaults. Currently, the Fund makes use of services of a single banking institution for all its cash accounts, which means that a counterparty credit risk concentration is applicable. Due to our policies and monitoring activities on the credit rating, as described above, the concentration risk is managed.

Liquidity risk

Liquidity risk is defined as the inability to have timely access to sufficient (cash) liquidity to meet obligations or withdrawal, due to unfavourable market circumstances or inadequate cash planning, being forced to sell assets under unfavourable conditions. Prudent liquidity risk management implies maintaining sufficient (cash) liquidity. The Finance department manages the liquidity positions within predefined limits and they are reported on a monthly basis. The amounts are disclosed in the notes to the consolidated statement of financial position.

3.2 Fair value estimation

For financial purposes fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The carrying amount reduced by the impairment provision of trades receivable and trades payable approximates their fair value. All other Statement of financial position items are short-term and therefore not adjusted to their fair value.

3.3 Capital management

The Fund's objectives when managing capital are to safeguard the Fund's ability to maintain its going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Funding is secured by its shareholders through capital calls for which estimations are made each year. No external funding is obtained in 2023.

The Fund distributes the fiscal profit annually to its shareholders as required by tax law. Reference is made to Note 10. In order to maintain or adjust its capital structure, the Fund may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, buy back shares from shareholders or sell assets to reduce debt.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and adjusted for current market conditions and other factors.

4.1 Critical accounting estimates and assumptions

Management based its assumptions and estimates on circumstances and information available when the consolidated financial statements were prepared. The resulting accounting estimates will, by definition, seldom be exactly the same as the related actual results. The estimates, assumptions and management judgements that carry a material risk of material adjustments to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Principal assumptions underlying management's estimation of fair value property portfolio

The valuation of the investment property portfolio (including investment property under construction) is determined in accordance with the Fund's valuation principles. All investments are measured at fair value and based on active market prices, adjusted if necessary for any difference in nature, location or condition of the specific asset.

Current economic developments and uncertainties including rising interest rates, high inflation and high energy prices influence the valuation of our investment properties. The methods and material assumptions applied in determining the fair value of our investment properties are mainly due to (i) active market prices, (ii) the influence of so-called rent-free periods and vacancy rates, (iii) the discount rates and (iv) assumed trends in rents. Economical and geopolitical uncertainties are triggering discussions about the development of the real estate investment and user markets. Although capital is still available in the market for investments, investors often wait for a more stable and predictable situation. Going forward, this might lead to fewer comparable transactions for appraisers to determine the market value and drive fluctuations in values during the coming quarters. In 2023, no material uncertainty clauses were included in the appraisal reports.

These market values are based on valuations by independent external valuation experts. The valuation is based on an open market value, supported by market evidence in which assets can be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of the valuation, in accordance with the guidelines of MSCI Netherlands Property Index.

The valuations are based on a discounted cash flow (DCF) analysis of each property combined – where necessary – with valuations based on market evidence. The DCF analyses are adjusted to existing lease agreements, in order to cover the full period of existing lease agreements. The DCF analyses are based on calculations of the future rental revenue in accordance with the terms in existing lease agreements and estimations of the rental values when the agreements expire. The starting point for the estimation of the discount rate is the nominal interest rate for 10-year Dutch government bonds. This rate should be

increased in accordance with the risks involved in property investments. The whole investment property portfolio is appraised on a quarterly basis by independent external appraisers.

5 Core regions

A spread by core regions is applied in the analysis of the valuation of the investment property portfolio. The Fund has invested in the following core regions: Randstad (Amsterdam, Utrecht, Rotterdam and The Hague), Mid East (Apeldoorn, Arnhem, Nijmegen and Zwolle) and Brabantstad (Breda, Eindhoven, Den Bosch and Tilburg).

The valuation of the completed investment properties per core region for the year ended 31 December is as follows:

Property valuation as at 31 December	2023	2022
Region		
Randstad	6,049,994	6,336,958
Mid East	407,817	466,635
Brabantstad	435,440	507,479
Non-core regions	25,500	29,450
Total	6,918,751	7,340,522

6 Gross rental income and service charge income

	2023	2022
Theoretical rent	294,163	276,209
Incentives	(774)	(608)
Vacancies	(3,412)	(4,369)
Total gross rental income	289,977	271,232

The Fund leases its property investments in the form of non-cancellable operating leases. The nature of the theoretical rent has an indefinite duration because there are no fixed contract periods. Service charge income amounted to € 10.1 million (2022: € 7.6 million) receivable from tenants for the services utilities, caretakers, etc. when the Fund acts as a principal.

7 Property operating expenses

	2023	2022
Taxes	9,606	9,875
Insurance	465	780
Maintenance	43,054	40,000
Valuation fees	562	523
Property management fees	5,510	4,906
Promotion and marketing	126	177
Letting and lease renewal fees	5,795	7,427
Addition to provision for bad debts	375	324
Owners associations	5,730	3,678
Non reclaimable VAT	11,974	10,718
Other operating expenses	631	1,414
Total property operating expenses	83,828	79,822

Maintenance expenses increased as more maintenance projects were performed in 2023 compared to 2022. In 2023, € 0.5 million (2022: € 0.7 million) of the maintenance expenses related to unlet properties.

The rental process for all new-build projects is fully digitalised and automated in last year in order to attract new tenants. This resulted in higher letting and lease renewal fees in 2022.

The Other operating expenses consist mainly of exploitation costs of real estate managers and also include costs for tenant due diligence.

8 Administrative expenses

	2023	2022
Management fee Bouwinvest	32,585	38,696
Audit fees	101	59
Marketing fees	477	414
Other administrative expenses	2,000	1,738
Legal fees	25	50
Total administrative expenses	35,188	40,957

Where administrative expenses relate directly to the operation of the property portfolio, they are charged to operating expenses. Where administrative expenses relate directly to the development of the property portfolio, they are capitalised.

The other administrative expenses consist of regulators' costs and costs for sustainability development. The decrease of € 5.8 million compared to 2022 mainly relates to a lower Management fee Bouwinvest due to the decreased average NAV of the Fund during the year.

9 Finance income and expenses

	2023	2022
Finance income and expenses	(3,330)	173
Interest on lease liabilities	3,726	3,842
Total finance income and expenses	396	4,015

The Fund had no external loans and borrowings during 2023. The Fund was subject to the negative interest rate development for its bank balances during the first half of the year. During the second half of the year the interest was positive.

Costs for land lease are classified as finance expenses under IFRS16.

10 Income taxes

FII Status

The Fund has opted for the status of Fiscal Investment Institution (FII). Although an FII is not transparent for tax purposes the FII regime is based on the principle of tax transparency. This transparency is effectively realised by the fact that an FII is subject to Dutch corporate income tax at a rate of 0% in combination with the so-called distribution obligation (for more information see

the distribution obligation section below). As a result any benefits derived from a shareholding in an FII are taxable at shareholder level only.

To benefit from the FII regime, the Fund must meet certain requirements regarding, inter alia, the aforementioned obligation to distribute its profits, its activities, its leverage and its shareholders. These requirements are outlined in greater detail below.

Distribution obligation

Because of the fiscal transparency principle, an FII must distribute 100% of its taxable profits within eight months after the end of the relevant fiscal year, with the exception of certain specific items. In practice, the company-only net rental income and net finance income, is distributed annually. Capital gains, either realised or unrealised, do not need to be distributed. Unrealised capital gains do not constitute taxable income whereas realised capital gains are added to a so-called reinvestment reserve. Part of the management costs need to be charged against the reinvestment reserve. If and to the extent that realised gains are added to the reinvestment reserve, such gains are treated as capital for dividend withholding tax purposes, rather than distributable profits (for more information see the dividend withholding tax section).

Activity rules

An FII is obliged to be engaged exclusively in passive investment activities, i.e. it may not (partly) conduct an active trade or business. Whether an activity is characterised as a passive investment activity or as a business activity for Dutch tax purposes depends on all relevant facts and circumstances.

Real estate development is not regarded as a 'passive' investment activity. However, development activities for the FII's own portfolio are specifically permitted. These activities should be carried out by a subsidiary which is subject to tax at the common corporate tax rate (2023: 15% - 25.8%). Improvements to existing properties do not qualify as development activities provided that the capital expenditure is less than 30% of the value of the property as determined by the Dutch Valuation of Immovable Property Act ("Wet Waardering onroerende zaken") prior to the improvements.

In addition activities that are ancillary to the Fund's passive investment activities (renting out of the Fund's real property) are under conditions permitted, provided that they are also carried out by a taxable subsidiary of the Fund.

The Fund avails of both a taxable subsidiary for development activities and a taxable subsidiary for auxiliary services.

Leverage restrictions

An FII may finance its investments with debt up to a maximum of 60% of the fiscal book value of the real estate property, plus 20% of the fiscal book value of all other investments.

Shareholder test

As the Fund is subject to supervision of the AFM due to Bouwinvest's AIFMD license as an alternative investment fund manager, the Fund is subject to the shareholder requirements for regulated FIIs. The shareholder requirements for regulated FIIs stipulate that:

- A single corporate entity which is subject to any form of profit tax, not being a regulated FII or an UCITS, or an entity whose profits are taxed in the hands of its participants, i.e. a tax transparent entity, may not own 45% or more of the shares together with such affiliated entities.
- A single individual may not own an interest of 25% or more.

Furthermore, all FIIs must meet the condition that their shares are not owned for 25% or more by Dutch resident entities through the interposition of non-Dutch entities which have a capital divided into shares or mutual funds.

The Fund met the requirements of an FII in 2023. The effective tax rate was 0% (2022: 0%).

Dividend withholding tax

Profit distributions by the Fund are subject to Dutch dividend withholding tax at the statutory rate of 15%. However, distributions made from the tax free reinvestment reserve are not subject to Dutch dividend withholding tax, provided that this is properly formalised.

11 Employee benefits expense

The Residential Fund has no employees.

12 Investment property

	2023	2022
At the beginning of the year	7,340,522	7,098,313
Investments	-	-
Subsequent capital expenditure	19,748	15,792
Additions	19,748	15,792
Transfers to investment property under construction	-	-
Transfers from investment property under construction	370,242	524,597
Total transfers to/from investment property under construction	370,242	524,597
Disposals	(181,072)	(183,892)
Net gain (loss) from fair value adjustments on investment property (like-for-like)	(553,628)	(95,092)
Net gain (loss) from fair value adjustments on investment property	(72,709)	(12,964)
In profit or loss	(626,337)	(108,056)
In other comprehensive income	-	-
Transfers out of level 3	-	-
Movement of right of use ground leases	(4,351)	(6,232)
Total investment property (level 3) at the end of the year	6,918,752	7,340,522

The Fund's investment properties are valued by independent external appraisers on a quarterly basis. On 31 December 2023, these properties were revalued by independent professionally qualified valuation experts with experience in the locations and categories of the investment properties valued (level 3). The carrying values of investment property as at 31 December 2023 and 31 December 2022, are based on the valuations reported by the external valuation experts. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There was no change to the valuation technique during the year and there were no transfers between levels 2 and 3 during the year.

The fund sold eight assets for a total of EUR 169.3 million. The result on disposal of investment property is € -11.7 million.

The right of use of land is included as an integrated part of the investment property. To compare the externally appraised values of the investment property the lease liabilities are deducted from the investment property value.

	2023	2022
Investment property	6,918,752	7,340,522
Less: lease liabilities	(122,438)	(124,316)
Valuation as per valuation report	6,796,314	7,216,206

The specifications of acquisitions, other capital expenditures and disposals are set out below.

Investments	2023	2022
Randstad	16,152	13,961
Mid East	1,247	1,555
Brabantstad	1,022	194
Non-core regions	1,327	82
Total investments	19,748	15,792

Disposals	2023	2022
Randstad	(100,256)	(116,917)
Mid East	(35,871)	(49,158)
Brabantstad	(44,945)	(17,817)
Non-core regions	-	-
Total disposals	(181,072)	(183,892)

The main assumptions with regard to the valuations are set out below.

2023	Randstad	Mid East	Brabantstad	Non-core regions	Total
Current average rent (€/unit)	1,297	1,093	1,147	907	1,268
Market rent (€/unit)	1,402	1,145	1,219	1,003	1,367
Gross initial yield	4.4%	4.6%	4.5%	5.0%	4.4%
Net initial yield	3.0%	3.4%	3.1%	4.1%	3.0%
Current vacancy rate (no rental units)	0.5%	0.4%	0.3%	0.8%	0.5%
Current financial vacancy rate	1.3%	0.3%	0.5%	0.3%	1.2%
Long-term growth rental rate	3.1%	2.8%	3.0%	2.7%	3.1%
Risk free (NRVT)					2.92%

2022	Randstad	Mid East	Brabantstad	Non-core regions	Total
Current average rent (€/unit)	1,232	1,041	1,070	871	1,201
Market rent (€/unit)	1,329	1,086	1,131	948	1,290
Gross initial yield	3.8%	4.1%	4.0%	4.2%	3.9%
Net initial yield	2.6%	2.8%	2.7%	1.9%	2.6%
Current vacancy rate (no rental units)	0.6%	0.3%	0.6%	1.7%	0.6%
Current financial vacancy rate	1.7%	0.4%	1.1%	0.7%	1.5%
Long-term growth rental rate	2.9%	2.6%	2.6%	2.4%	2.8%
Risk free (NRVT)					0.0%

The valuation of the investment properties took into account a vacancy period ranging from one (1) to three (3) months. There are no significant rental incentives.

The net valuation gain (loss) for the year included a positive fair value adjustment of € 26.0 million (2022: € 149.9 million) and a negative fair value adjustment of € 652.4 million (2022: € 257.4 million) relating to investment properties that were measured at fair value at the end of the reporting period.

Sensitivity analysis

The appraisal of the portfolio implies a net initial yield of 3.0% (2022: 2.6%). If the yields used for the appraisals of investment properties on 31 December 2023 had been 25 basis points higher (2022: 25 basis points higher) than was the case at that time, the value of the Fund's investments and shareholders' equity would have been 7.6% lower (2022: 8.7% lower).

The table below presents the sensitivity of the valuation to changes in the most significant assumptions.

	2023		2022	
Change rental rates	-5%	5%	-5%	5%
Value of the investment property change	(338,976)	338,976	(359,815)	359,815

	2023		2022	
Change net initial yield	- 25 bps	+ 25 bps	- 25 bps	+ 25 bps
Value of the investment property change	611,411	(517,983)	759,643	(627,223)

13 Investment property under construction

	2023	2022
At the beginning of the year	373,173	639,153
Investments	102,765	256,260
Transfers to investment property	(370,242)	(524,597)
Transfers from investment property	-	-
Total transfers to/from investment property	(370,242)	(524,597)
Net gain (loss) from fair value adjustments on investment property under construction	(9,695)	2,395
In profit or loss	(9,695)	2,395
In other comprehensive income	-	-
Transfers out of level 3	-	-
Movement of right of use ground leases	-	(38)
At the end of the year	96,001	373,173

The right of use of land is not applicable for investment property under construction.

The investment property under construction relates to acquisitions and is being developed by third parties. For a list of the investment properties under construction and investment commitments, see Note 21.

The net valuation gain (loss) for the year included a positive fair value adjustment of € 3.1 million (2022: € 36.3 million) and a negative fair value adjustment of € 12.8 million (2022: € 33.9 million) relating to investment properties under construction that are measured at fair value at the end of the reporting period.

The as if completed value of the investment property under construction is determined by independent external valuation experts.

The specifications of investments in investment property under construction are set out below.

Investments	2023	2022
Randstad	92,338	229,782
Mid East	858	3,280
Brabantstad	9,567	23,198
Non-core regions	-	-
Total investments	102,764	256,260

The main assumptions with regard to the valuations are set out below.

2023

	Randstad	Mid East	Brabantstad	Total
Gross initial yield	4.9%	0.0%	4.4%	4.9%
Net initial yield	3.8%	0.0%	3.4%	3.8%
Long-term growth rental rate	2.8%	0.0%	3.7%	2.9%
Average 10-year inflation rate (NRVT)	2.9%	2.9%	2.9%	2.9%
Estimated average development profit on completion	-12.8%	0.0%	-26.4%	-14.2%
Estimated average percentage of completion	68.6%	0.0%	86.5%	70.6%
Construction costs (€/m ²)	5,073	-	3,683	4,874

2022

	Randstad	Mid East	Brabantstad	Total
Gross initial yield	4.3%	4.5%	3.7%	4.3%
Net initial yield	3.7%	3.7%	3.0%	3.7%
Long-term growth rental rate	2.5%	2.5%	2.6%	2.5%
Average 10-year inflation rate (NRVT)	-0.2%	-0.2%	-0.2%	-0.2%
Estimated average development profit on completion	(0.5%)	6.5%	(23.5%)	(1.1%)
Estimated average percentage of completion	75.3%	89.8%	37.4%	74.1%
Construction costs (€/m ²)	5,025	3,829	3,682	4,936

14 Trade and other current receivables

	2023	2022
Trade receivables	711	1,418
VAT receivables	2,800	495
Other receivables	1,631	7,014
Balance as at 31 December	5,142	8,927

The other receivables in 2022 contain half of a one-off settlement (€ 7.0 million) that has been settled in 2023.

15 Cash and cash equivalents

	2023	2022
Bank balances	52,808	47,439
Balance as at 31 December	52,808	47,439

The bank balances of € 52.8 million are freely available to the Fund as at 31 December 2023.

16 Equity attributable to shareholders of Bouwinvest Dutch Institutional Residential Fund N.V.

For 2023, before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2023	1,494,416	2,643,292	3,079,844	357,994	37,144	7,612,690
Comprehensive income						
Net result	-	-	-	-	(476,739)	(476,739)
Total comprehensive income	-	-	-	-	(476,739)	(476,739)
Other movements						
Issued shares	6,698	28,302	-	-	-	35,000
Re-issued shares	10,499	44,501	-	-	-	55,000
Redemptions	(10,499)	(131,546)	-	-	-	(142,045)
Redeemed shares	(37,793)	37,793	-	-	-	-
Appropriation of result	-	-	-	37,144	(37,144)	-
Dividends paid	-	-	-	(169,969)	-	(169,969)
Movement revaluation reserve	-	-	(674,683)	674,683	-	-
Total other movements	(31,095)	(20,950)	(674,683)	541,857	(37,144)	(222,014)
Balance at 31 December 2023	1,463,321	2,622,342	2,405,162	899,851	(476,739)	6,913,937

* See explanation dividend restrictions in this Note.

For reasons of a strategic reallocation, anchor shareholder bpfBOUW submitted a redemption request for an amount of € 340 million in 2022. In 2023, the Fund received new redemption requests from various shareholders of € 113 million. The total redemption requests amounted to € 453 million, of which € 94 million was remaining as of 31 December 2023. In 2023, the Fund purchased 28,637 shares from bpfBOUW and various other shareholders, of which 18,138 shares became part of the Fund's equity and were withdrawn in January 2024. In the GM of 13 December 2023, this reduction of capital was approved by shareholders. In total 10,499 shares are re-issued during the year.

For 2022 before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2022	1,448,743	2,646,300	3,225,033	(405,029)	766,056	7,681,103
Comprehensive income						
Net result	-	-	-	-	37,144	37,144
Total comprehensive income	-	-	-	-	37,144	37,144
Other movements						
Issued shares	45,673	206,027	-	-	-	251,700
Redemptions	-	(209,035)	-	-	-	(209,035)
Appropriation of result	-	-	-	766,056	(766,056)	-
Dividends paid	-	-	-	(148,221)	-	(148,221)
Movement revaluation reserve	-	-	(145,189)	145,189	-	-
Total other movements	45,673	(3,008)	(145,189)	(3,033)	-	(105,556)
Balance at 31 December 2022	1,494,416	2,643,292	3,079,844	357,994	37,144	7,612,690

* See explanation dividend restrictions in this Note.

Dividend restrictions

The Residential Fund is subject to legal restrictions regarding the amount of dividends it can pay to its shareholders. Dutch Law stipulates that dividends can only be paid up to an amount equal to the excess of the Fund's own funds over the sum of the paid-up capital, statutory reserves and reserves required by law.

The revaluation reserve, being a legal reserve, cannot be freely distributed. Dividends are all payments from the free reserves. The free reserves consist of the share premium and retained earnings. Dividend will consist partly of profits and other payments.

In order to further align the processing of the distributable dividends with Dutch Law and taking into account the Fund's FIIL status, the distributable dividends are made from retained earnings insofar as the retained earnings – being the total amount of retained earnings and result for the year – are not negative. The remaining amount of legally required distributable dividends is subsequently made from the share premium. Any residual negative retained earnings is supplemented from the share premium.

	Number of shares in fully paid up equivalents	Paid-up share capital	Share premium	Total share capital and share premium
Opening balance at 1 January 2023	1,494,416	1,494,416	2,643,292	4,137,708
Dividends paid	-	-	-	-
Issued shares	6,698	6,698	28,302	35,000
Re-issued shares	10,499	10,499	44,501	55,000
Redemptions	(10,499)	(10,499)	(131,546)	(142,045)
Redeemed shares	(37,793)	(37,793)	37,793	-
Balance at 31 December 2023	1,463,321	1,463,321	2,622,342	4,085,662
Opening balance at 1 January 2022	1,448,743	1,448,743	2,646,300	4,095,043
Dividends paid	-	-	-	-
Issued shares	45,673	45,673	206,027	251,700
Redemptions	-	-	(209,035)	(209,035)
Balance at 31 December 2022	1,494,416	1,494,416	2,643,292	4,137,708

Issued capital

The authorised capital consists of five (5) million shares each with a nominal value of € 1,000. As at 31 December 2023, a total of 1,463,321 shares had been issued and fully paid up.

Share premium

The share premium reserve consists of capital paid on shares in excess of the nominal value. At the establishment of the Fund, the shareholder bpfBOUW contributed an investment property portfolio under legal title of share premium.

Revaluation reserve

The revaluation reserve relates to the revaluation of the property investments. The (unrealised) positive or negative difference between the cumulative increase or decrease in the fair value of the investment property owned at the end of the year has

been included in the revaluation reserve. The revaluation reserve as at year-end 2023 was determined at the individual property level.

17 Non-current lease liabilities

	2023	2022
Opening balance at 1 January 2023	124,316	128,081
Interest	3,729	3,842
Lease payments	(1,257)	(1,337)
Other movements	(4,351)	(6,270)
Balance at 31 December 2023	122,437	124,316

The average discount rate used for discounting the lease payments is 3%.

In 2023 a release of € 4.4 million is recognised in the non-current lease liabilities which consists for a significant part due to the acceptance of some leasehold proposals from the city of Amsterdam.

The value of the lease liability assumes the estimated redemption amount for the transition to perpetual leasehold. The final determination of the redemption amount is currently under discussion with the city of Amsterdam and is expected to be finalised in 2024.

Land lease obligations undiscounted	2023	2022
Year 1	114,579	122,953
Year 2	-	-
Year 3-5	-	-
Year > 5	25,576	14,918
Total land lease obligations	140,155	137,871

18 Current trade and other payables

	2023	2022
Trade payables	9,443	10,383
Rent invoiced in advance	2,066	2,197
Tenant deposits	17,618	16,842
VAT payable	-	520
Other payables	7,201	3,113
Balance as at 31 December	36,328	33,055

The other payables relate to invoices yet to be received for maintenance of and investments in the portfolio.

19 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	2023	2022
Net result attributable to shareholders	(476,739)	37,144
Weighted average number of ordinary shares	1,458,416	1,468,776
Basic earnings (€ per share)	(326.89)	25.29

The Fund has no potentially dilutive ordinary shares. Therefore, the diluted earnings per share are the same as the basic earnings per share.

20 Dividends per share

In 2023, the Fund paid out a dividend of € 116.54 per share (2022: € 100.91) which amounts to a total of € 170.0 million (2022: € 148.2 million). A total dividend of € 174.5 million (2022: € 149.5 million) is to be proposed at the Annual General Meeting of shareholders on 10 April 2024. These financial statements do not reflect this final 2023 payment.

The dividend proposal for 2023 has not been accounted for in the financial statements. The dividend for 2023 will be paid in cash.

21 Contingent liabilities and assets

As at 31 December 2023, the Fund's total future liabilities amounted to € 242 million (2022: € 332 million). These commitments are made up as follows:

Investment commitments (in € million)	2024	2025	2026+
Hembrug	(1)	29	84
Loevesteinlaan (RES)	17	11	23
Binck City Park Toren 2	20	4	2
Buitenpoort (WON)	10	0	1
Koer (WON)	10	0	0
Other < 10	8	0	7
	65	44	117

As at 31 December 2023, the Fund had unprovisioned contractual obligations for future repairs and maintenance of € 11.8 million (2022: € 2.9 million).

The Fund has a contractual agreement with Bouwinvest for an indefinite period in which it has to pay a management fee, based on the net asset value (NAV). The notice period is two years.

Provision rental contract annulled

The Fund filed a court case against a tenant in Amstelveen, in which the Fund tried to recover rent in arrears. Although the tenant did not specifically protest against earlier rent increases, during the proceedings the judge conducted an 'ex officio' review based on European consumer law. The court found that, based on the rent increase clause in the lease agreement, it was unclear to the tenant which circumstances were taken in consideration for the determination of the annual rent increase. Therefore, this clause was annulled, and the court ruled that the Fund should not have passed on any rent increase from the start of the lease, in this case 1 July 2015.

This decision can have a material impact on all the other lease agreements related to residential units. The Fund has therefore appealed against this judgement. The Fund has filed its first procedural documents (the so-called *memorie van grieven*, or statement of appeal) on 9 January 2024.

Several other landlords (including (most) IVBN-members) are dealing with the same issue, since most of the landlords work with contracts based on the ROZ standard model, and therefore have similar clauses. On 5 October 2023, in a court case involving another landlord, a judge announced that they would ask the Dutch Supreme Court for clarification on the matter by asking preliminary questions. Following these questions, IVBN members decided to jointly register as stakeholders with the Supreme Court, rather than individually. Many residential investors in the IVBN, including Bouwinvest, have provided input for the argumentation as to why we believe the rent indexing clause is not unlawful. The Supreme Court's answers are expected in autumn 2024.

22 Related parties

The Fund's subsidiaries and members of the Supervisory Board and the Management Board of Bouwinvest and the other entities under management by Bouwinvest, qualify as related parties of the Residential Fund. The Fund paid Bouwinvest a fee of € 32.6 million in 2023 (2022: € 38.7 million).

Bouwinvest Development B.V., bpfBOUW and the subsidiaries and investments held by bpfBOUW are also deemed related parties.

Members of the Supervisory Board and the Management Board of Bouwinvest do not have any material interest in the Fund's voting shares and do not have options on shares. The Fund has not granted any loans to the members of the Bouwinvest Supervisory Board and the Management Board.

The members of the Supervisory Board and the Management Board of Bouwinvest held no personal interest in the Fund's investments in 2023.

23 Management fee

Bouwinvest is the manager and the Statutory Director of the Fund. The management fee paid for the year 2023 amounted to € 32.6 million (2022: € 38.7 million).

In consideration of the management activities with respect to the Fund, Bouwinvest receives an annual management fee equal to 0.45% (exclusive of VAT) (2022: 0.48%) of the Fund's net asset value in accordance with the valuation methods of the Fund. The management fee is payable quarterly in advance.

During the reporting period, the manager, Bouwinvest, is responsible for five funds of which the Residential Fund, Office Fund, Retail Fund and Healthcare Fund are subject to the supervision of the Dutch Financial Markets Authority (AFM). Bouwinvest also has a separate mandate from bpfBOUW for the management of international real estate investments and manages Bouwinvest Development B.V. and Dutch Social Impact Real Estate Partnership. Bouwinvest Real Estate Investors B.V. charges a management fee to compensate its personnel expenses and other costs (e.g., office costs, IT costs). As Bouwinvest Real Estate Investors B.V. provides key management personnel services as well as other services (e.g. office, IT) for several funds, the management fee cannot objectively be allocated to the various components of services provided to the Fund by Bouwinvest Real Estate Investors B.V. The remuneration, in line with Article 22 of the AIFMD, is disclosed in the 2023 annual report of Bouwinvest Real Estate Investors B.V.

24 Audit fees

The table below shows the fees charged over the year 2023 by Deloitte Accountants B.V. and the Deloitte Network in respect of activities for the Residential Fund.

	2023	2022
Audit of the financial statements	88	48
Other audit engagements	13	11
Tax advisory services	-	-
Other non-audit services	-	-
Total fees	101	59

The audit fees increased compared to 2022 due to an higher base audit fee and an overrun in 2023.

25 Subsequent events

In February 2024 shares are redeemed for a total amount of € 50 million.

In February 2024 shares were re-issued for a total of € 50 million.

Company balance sheet

Before appropriation of result, all amounts in € thousands

As at 31 December	Note	2023	2022
Assets			
Non-current assets			
Investment property		6,918,751	7,340,522
Investment property under construction		96,001	373,173
Financial assets	3	181	345
Total non-current assets		7,014,933	7,714,040
Current assets			
Trade and other current receivables		5,142	8,926
Cash and cash equivalents		52,614	47,093
Total current assets		57,757	56,020
Total assets		7,072,690	7,770,060
Equity and liabilities			
Equity attributable to the owners of the Fund			
Issued capital		1,463,321	1,494,416
Share premium		2,622,342	2,643,292
Revaluation reserve		2,405,162	3,079,844
Retained earnings		899,851	357,994
Net result for the year		(476,739)	37,144
Total equity	4	6,913,937	7,612,690
Liabilities			
Non-current lease liabilities		122,437	124,316
Current trade and other payables		36,316	33,054
Total liabilities		158,753	157,370
Total equity and liabilities		7,072,690	7,770,060

Company profit and loss account

All amounts in € thousands

	2023	2022
Profit of participation interests after taxes	135	54
Other income and expenses after taxes	(476,875)	37,090
Result for the year	(476,739)	37,144

Notes to the company financial statements

All amounts in € thousands, unless otherwise stated

1 Summary of material accounting policies

1.1 General

The Company financial statements of Bouwinvest Dutch Institutional Residential Fund N.V. (the Fund) and are prepared in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code. These financial statements have been prepared in accordance with the provision of Article 2:362 subsection 8 and 9, of the Dutch Civil Code, under which the Company financial statements may be prepared in accordance with accounting policies as adopted in the consolidated financial statements.

If no other policies are mentioned, the applicable policies are those of the consolidated financial statements. The consolidated financial statements should be consulted for an appropriate interpretation of the Company financial statements.

The notes in the consolidated financial statements also apply to the Company accounts. If amounts in the Company financial statements are not directly traceable to the notes to the consolidated financial statements, additional notes are included in the Company notes.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

The exemption laid down in Article 402 of Book 2 of the Dutch Civil Code has been applied to the Fund's Company profit and loss account.

1.2 Financial assets

Subsidiaries

Subsidiaries include all entities over which the Fund has the power – directly or indirectly – to control financial and operational policies. Subsidiaries are valued under the net equity method, but not lower than zero.

The equity value is measured by valuation of assets, provisions and liabilities and determination of results based on the accounting policies of the consolidated financial statements.

Recognition of losses

If the share in losses attributable to the Fund exceeds the carrying amount of the net investment (investment and other unsecured receivables), further losses will not be recognised, unless the Fund has provided securities to the associate, committed to liabilities or paid on behalf of the associate. In that case, a provision will be set aside for the excess.

2 Financial risk management

Reference is made to Note 3 of the consolidated financial statements.

3 Financial assets

	2023	2022
As per 1 January	345	291
Acquisitions and capital contributions	-	-
Dividends received	(300)	-
Net result for the year	135	54
As per 31 December	181	345

The Fund acquired the shares (100%) of the following subsidiaries:

- Bouwinvest Residential Development B.V., Amsterdam
- Bouwinvest Dutch Institutional Residential Fund Services B.V., Amsterdam

Bouwinvest Residential Development B.V. redevelops investment properties for Bouwinvest Dutch Institutional Residential Fund N.V. Bouwinvest Dutch Institutional Residential Fund Services B.V. renders services that are ancillary to renting activities of the Fund.

4 Equity attributable to shareholders of Bouwinvest Dutch Institutional Residential Fund N.V.

For 2023, before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2023	1,494,416	2,643,292	3,079,844	357,994	37,144	7,612,690
Comprehensive income						
Net result	-	-	-	-	(476,739)	(476,739)
Total comprehensive income	-	-	-	-	(476,739)	(476,739)
Other movements						
Issued shares	6,698	28,302	-	-	-	35,000
Re-issued shares	10,499	44,501	-	-	-	55,000
Redemptions	(10,499)	(131,546)	-	-	-	(142,045)
Redeemed shares	(37,793)	37,793	-	-	-	-
Appropriation of result	-	-	-	37,144	(37,144)	-
Dividends paid	-	-	-	(169,969)	-	(169,969)
Movement revaluation reserve	-	-	(674,683)	674,683	-	-
Total other movements	(31,095)	(20,950)	(674,683)	541,857	(37,144)	(222,014)
Balance at 31 December 2023	1,463,321	2,622,342	2,405,162	899,851	(476,739)	6,913,937

For 2022, before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2022	1,448,743	2,646,300	3,225,033	(405,029)	766,056	7,681,103
Comprehensive income						
Net result	-	-	-	-	37,144	37,144
Total comprehensive income	-	-	-	-	37,144	37,144
Other movements						
Issued shares	45,673	206,027	-	-	-	251,700
Redemptions	-	(209,035)	-	-	-	(209,035)
Appropriation of result	-	-	-	766,056	(766,056)	-
Dividends paid	-	-	-	(148,221)	-	(148,221)
Movement revaluation reserve	-	-	(145,189)	145,189	-	-
Total other movements	45,673	(3,008)	(145,189)	(3,033)	-	(105,556)
Balance at 31 December 2022	1,494,416	2,643,292	3,079,844	357,994	37,144	7,612,690

* See explanation dividend restrictions in Note 16 of the consolidated financial statements.

For reasons of a strategic reallocation, anchor shareholder bpfBOUW submitted a redemption request for an amount of € 340 million in 2022. In 2023, the Fund received new redemption requests from various shareholders of € 113 million. The total redemption requests amounted to € 453 million, of which € 94 million was remaining as of 31 December 2023. In 2023, the Fund purchased 28,637 shares from bpfBOUW and various other shareholders, of which 18,138 shares became part of the Fund's equity and were withdrawn in January 2024. In the GM of 13 December 2023, this reduction of capital was approved by shareholders. In total 10,499 shares are re-issued during the year.

Issued capital

The authorised capital comprises five (5) million shares each with a nominal value of € 1,000. As at 31 December 2023, a total of 1,463,321 shares had been issued and fully paid up.

Share premium

The share premium reserve consists of capital paid on shares in excess of the nominal value. At the establishment of the Fund, the shareholder bpfBOUW contributed an investment property portfolio under legal title of share premium.

Revaluation reserve

The revaluation reserve relates to the revaluation of the property investments. The (unrealised) positive or negative difference between the cumulative increase or decrease in the fair value of the investment property owned at the end of the year has been included in the revaluation reserve. The revaluation reserve as at year-end 2023 was determined at the individual property level.

Appropriation of profit 2022

The Annual General Meeting of shareholders on 12 April 2023 adopted and approved the 2022 financial statements of the Residential Fund. A dividend of € 149.5 million (in cash) has been paid. Of the profit for 2022 € 37.1 million was incorporated in the retained earnings.

Proposal for profit appropriation 2023

The management of the Fund proposes to the General Meeting of shareholders that a dividend of € 174.5 million (in cash) is to be paid. Of the profit for 2023 amounting to -€ 476.7 million, -€ 476.7 million will be incorporated in the retained earnings.

5 Employee benefits expense

The Residential Fund has no employees.

6 Remuneration

Reference is made to Note 23 of the consolidated financial statements.

Signing of the Financial Statements

Amsterdam, 26 March 2024

Bouwinvest Real Estate Investors B.V.

Mark Siezen, *Chief Executive Officer and Statutory Director*

Henk-Dirk de Haan, *Chief Financial & Risk Officer and Statutory Director*

Marleen Bosma, *Chief Client Officer*

Allard van Spaandonk, *Chief Investment Officer Dutch Investments*

Stephen Tross, *Chief Investment Officer International Investments*

Other information

Articles of Association related to the appropriation of profit

Appropriation of profit is provided for in Article 20 of the Articles of Association. This specific article is quoted below.

20.1

The distributable profit shall be at the disposal of the General Meeting for distribution of dividend or to be added to the reserves. If the General Meeting has made a decision about profit distribution not later than immediately prior to or after the adoption of the financial statements, the distributable profit will be added to the reserves.

20.2

Distribution of profits shall take place after the adoption of the financial statements which show that the distribution is permitted.

20.3

The General Meeting may resolve to distribute one or more interim dividends and/or other interim distributions. The Management Board may also resolve to distribute one or more interim dividends.

20.4

Dividends shall be payable immediately after they have been declared, unless the General Meeting provides otherwise.

20.5

Distribution to shareholders may be made only to the extent of distributable equity and if an interim dividend is paid, that requirement is met according to an interim financial statement as referred to in Article 2:105 Section 4 of the Dutch Civil Code. The Fund shall deposit the interim financial statements at the offices of the Chamber of Commerce (Commercial Register) within eight days after the date of the decision to make an interim distribution.

20.6

In calculating the appropriation of profits, the shares held by the Fund in its own share capital shall not be taken into account.

Independent auditor's report

To the shareholders of Bouwinvest Dutch Institutional Residential Fund N.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of Bouwinvest Dutch Institutional Residential Fund N.V., based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Bouwinvest Dutch Institutional Residential Fund N.V. as at December 31, 2023, and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Bouwinvest Dutch Institutional Residential Fund N.V. as at December 31, 2023, and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at December 31, 2023.
2. The following statements for 2023: the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at December 31, 2023.
2. The company profit and loss account for 2023.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Bouwinvest Dutch Institutional Residential Fund N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in The Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 70 million. The materiality is based on 1% of total investment property. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

Materiality overview	
Materiality level	EUR 70 million
Basis for materiality level	1% of total investment property
Threshold for reporting misstatements	EUR 3,500 thousand

We agreed with Management Board that misstatements in excess of EUR 3,500 thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Bouwinvest Dutch Institutional Residential Fund N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Bouwinvest Dutch Institutional Residential Fund N.V.

Our group audit mainly focused on significant group entities.

We have performed audit procedures ourselves at group entities.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management’s process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. A fraud risk assessment is a visible component of the internal control environment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present. We did not identify a presumed fraud risk on revenue recognition, as it relates to gross rental income, as we assessed this risk to be remote due to the absence of significant pressure on management and limited opportunity for fraud. We have assessed the accuracy of gross rental income based on a test of detail and analytical procedures on the tenancy schedule and linked the completeness to the property portfolio. Given the occupancy rate, we were able to complete an assessment of the recorded gross rental income based on the substantive analytical procedures performed using the tenancy schedules and property portfolio.

We identified the following fraud risks and performed the following specific procedures:

Fraud risk	How the fraud risk was addressed in the audit
<p>Management override of controls</p> <p>We presume a risk of material misstatement due to fraud related to management override of controls. Management is in a unique position to perpetrate fraud because of management’s ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<p>Our audit procedures included, among others, the following:</p> <p>We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or noncompliance.</p> <p>We considered available information and made inquiries of relevant persons during the year and at year end (including management, general counsel, internal auditor, compliance officer and risk management). Additionally we requested confirmation from the depositary on the ownership of assets and any irregularities. We have performed a review of available minutes for the relevant organizational bodies and have obtained and reviewed the ISAE 3402 type 2 reports over 2023 of Bouwinvest Real Estate Investors B.V. having made appropriate links to our risk assessment and relevant controls.</p>

We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

We evaluated whether the selection and application of accounting policies, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting. We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 4, 12, and 13 of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Reference is made "Valuation of investment property" below as well.

Valuation of investment property

In relation to valuation of investment properties a potential fraud risk is identified to revaluations and other deviations from the normal valuation process, management's adjustment of external valuations, optimistic estimation of gross initial yield, market rent, vacant values and/or other assumptions including combinations of estimates that result in a relatively high value.

Valuation of investment property is a significant area to our audit as the valuation is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balance.

Management insights, estimates and assumptions related to valuation of investment property have a major impact on the financial statements and are disclosed in note 4, 12, and 13 of the financial statements. Further reference is made to the section "Our key audit matter" for audit procedures performed.

Risk of incorrect recognition of acquisitions and disposals of investment property

The accurate and complete recognition of these transactions is an important area of emphasis in our audit. We pay special attention to fraud risks associated with selling and acquiring properties, such as ABC transactions.

In 2023, the company sold and acquired several properties. We have tested the design and implementation of controls related to property investment sales and acquisitions, which includes ensuring proper authorization and conducting background checks of buyers and sellers.

We carried out procedures on the transactions of property investments.

We have reconciled the recognized transactions with the relevant supporting documentation and confirmed the accurate and complete recognition of transactions results in the financial year.

We verified that the property sold was not immediately sold to a third party at a significantly higher transaction value. We verified that the property acquired was not immediately acquired via a third party at a significant higher transaction value.

In addition, we have analyzed the sales price of property transactions in relation to the most recent valuation as determined by the external appraiser. If applicable, we have assessed the reasonableness of considerations paid to intermediaries.

This did not lead to indications for fraud potentially resulting in material misstatements

Audit approach fraud risks compliance with laws and regulations

We assessed the laws and regulations relevant to the company through discussion with management and other personnel, and our assessment of relevant correspondence.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: adherence to financial reporting regulations, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements and also refer to the disclosures made by management regarding its compliance with laws and regulations in its management report and risk management report as well as in the notes to the financial statements.

Apart from these, Bouwinvest Dutch Institutional Residential Fund N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of the entity's business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to the entity's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements.

Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Supervisory Committee, and others within the entity as to whether the entity is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

The Financial Statements of Bouwinvest Dutch Institutional Residential Fund N.V. have been prepared on the basis of the going concern assumption. As indicated in the responsibilities of the Management Board below, the Management Board is responsible for assessing the Bouwinvest Dutch Institutional Residential Fund N.V.'s ability to continue as a going concern.

We have evaluated the Management Board assessment of the Bouwinvest Dutch Institutional Residential Fund N.V.'s ability to continue as a going concern and inquired the Management Board regarding any knowledge of events or conditions beyond the period of the Management Board assessment. On the basis of our audit procedures, we have not identified any indication that would give rise to uncertainty on the Bouwinvest Dutch Institutional Residential Fund N.V.'s ability to continue as a going concern. Bouwinvest Dutch Institutional Residential Fund N.V. has total off-balance sheet items for a total of EUR 242 million due in the upcoming years. These off-balance sheet items will be financed via, (a) the available cash position as per December 31, 2023, (b) the cashflow from the operational result, (c) current and new commitments and capital calls, noting sufficient headroom in the current market circumstances. Furthermore we noted that there is no indication that cash positions and cash flows will be insufficient to meet future obligations. The tenant mix does not lead to concern over dependency on a single tenant or group of tenants in respect to the rental income and respective cash flows.

Bouwinvest Dutch Institutional Residential Fund N.V. has a best effort requirement for redemption request (i.e. evaluate if the request can be acknowledged without negatively impacting the Fund) and no obligation to acknowledge the request immediately.

This did not lead to indications of the Bouwinvest Dutch Institutional Residential Fund N.V. not being able to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Management Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the key audit matter was addressed in the audit
<p>Valuation of investment property</p> <p>Refer to notes 12 and 13 to the consolidated financial statements.</p> <p>As at December 31, 2023, Bouwinvest Dutch Institutional Residential Fund N.V. held a portfolio of investment property with a fair value of EUR 6,919 million (December 31, 2022: EUR 7,341 million) and investment property under construction of EUR 96 million (December 31, 2022: EUR 373 million).</p> <p>The portfolio mainly consists of residential properties.</p> <p>At the end of each reporting period, the Management Board determines the fair value of its investment property portfolio in accordance with the requirements of IAS 40 and IFRS 13.</p> <p>Bouwinvest Dutch Institutional Residential Fund N.V. uses external valuation reports issued by external independent professionally qualified valuers to determine the fair value of its investment property.</p> <p>As the valuation of investment property is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balance. The most significant assumptions and parameters involved, given the sensitivity and impact on the outcome, are the gross initial yield, market rent levels and vacant values.</p> <p>IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorizes the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. (Unobservable) inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date.</p>	<p>Our audit procedures included, among others, the following:</p> <p>We have gained understanding of the valuation process and tested design and implementation of Bouwinvest Dutch Institutional Residential Fund N.V.'s relevant controls with respect to the data used in the valuation of the property portfolio.</p> <p>We noted that management involved established parties to assist with the valuation of the investment properties. We evaluated the competence of Bouwinvest Dutch Institutional Residential Fund N.V.'s external appraiser, which included consideration of their qualifications and expertise.</p> <p>In relation to the significant assumptions in the valuation of investment property we have:</p> <ul style="list-style-type: none"> - Determined that the valuation methods as applied by the Management Board, as included in the valuation reports, are appropriate and consistently applied. - Challenged the significant assumptions (such as gross initial yield, market rent levels and vacant possession values) against relevant market data. We have involved our internal real estate valuation experts in these assessments. - Assessed the sensitivity analysis on the key input data and assumptions to understand the impact of reasonable changes in assumptions on the valuation; - Assessed the appropriateness of the disclosures relating to the assumptions used in the valuations and sensitivity analysis in the notes to the consolidated financial statements.

Fair value measurements categorized within Level 3 have the lowest priority as the valuation is predominately based on unobservable inputs and those measurements have a greater degree of uncertainty and subjectivity. This means that a valuation at Level 3 has a fairly large measure of estimation uncertainty and as a result a fairly large bandwidth of valuation uncertainty in which a valuation can be seen reasonable in the light of IFRS 13.

In addition, and as the external appraiser has recommended in its assessment of the fair value of the property portfolio, caution is needed in analyzing the values due to the unknown future impacts on economy and real estate markets.

Observation

We found that, with the (significant) assumptions used in the valuation reports, the valuation of the investment property is valued within a reasonable range in the light of the valuation uncertainty for level 3 valuations.

REPORT ON THE OTHER INFORMATION INCLUDED IN ANNUAL REPORT

The annual report contain other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Management Board's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Other included information.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management Board is responsible for the preparation of the other information, including Report of the Board of Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of Management Board for the financial statements

Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, Management Board is responsible for such internal control as Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, Management Board should prepare the financial statements using the going concern basis of accounting unless Management Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Board.

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

From the matters communicated with Management Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, March 26, 2024

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE SUSTAINABILITY INFORMATION BOUWINVEST DUTCH INSTITUTIONAL RESIDENTIAL FUND N.V.

To the shareholders of Bouwinvest Dutch Institutional Residential Fund N.V.

Our conclusion

We have performed a limited assurance engagement on the sustainability information in the annual report for 2023 of Bouwinvest Dutch Institutional Residential Fund N.V. at Amsterdam.

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the sustainability information in the accompanying annual report does not present fairly, in all material respects:

- The policy with regard to corporate social responsibility, as included in the 'Performance on sustainability' chapter of the 2023 annual report.
- The business operations, events and achievements in that area in 2023.

In accordance with the applicable criteria as included in the 'Criteria' section of our report.

The sustainability information is included in section 'Performance on sustainability' part of chapter 'Performance on strategy' on page 21-25 of the annual report, excluding the EU Taxonomy section on page 25.

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability information in accordance with Dutch law, including Dutch Standard 3000A 'Assurance engagements other than audits or reviews of historical financial information'. This engagement is aimed to obtain limited assurance. Our responsibilities under this standard are further described in the 'Our responsibilities for the assurance engagement on the sustainability information' section of our report.

We are independent of Bouwinvest Dutch Institutional Residential Fund N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Criteria

The reporting criteria applied for the preparation of the sustainability information are the reporting criteria as included in the section 'Reporting of performance indicators' within the 2023 annual report.

The comparability of sustainability information between entities and over time may be affected by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

Consequently, the sustainability information needs to be read and understood together with the criteria applied.

Materiality

Based on our professional judgement we determined materiality levels for each relevant sustainability matter. When evaluating our materiality levels, we considered quantitative and qualitative aspects as well as the relevance of information for both stakeholders and Bouwinvest Dutch Institutional Residential Fund N.V.

Limitations to the scope of our assurance engagement

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations, and estimates and risk assessments. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide any assurance on the assumptions and achievability of this prospective information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities of the Management Board for the sustainability information

The Management Board is responsible for the preparation and fair presentation of the sustainability information in accordance with the criteria as included in the 'Criteria' section, including the identification of stakeholders and the definition of material matters. The Management Board is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of stakeholders, considering applicable law and regulations related to reporting. The choices made by the Management Board regarding the scope of the sustainability information and the reporting policy are summarised in the chapter 'Reporting of performance indicators' of the annual report.

Furthermore, the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

Our responsibilities for the assurance engagement on the sustainability information

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, regulations for Quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, and the characteristics of Bouwinvest Dutch Institutional Residential Fund N.V.
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures in the sustainability information. This includes the evaluation of Bouwinvest Dutch Institutional Residential Fund N.V.'s materiality assessment and the reasonableness of estimates made by the Management Board.
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the information systems and the entity's risk assessment process relevant to the preparation of the sustainability information, without testing the operating effectiveness of controls.
- Identifying areas of the sustainability information where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted among others of:
 - obtaining inquiries from management and relevant staff at corporate level responsible for the sustainability strategy, policy and results;
 - obtaining inquiries from relevant staff responsible for providing the information for, carrying out internal procedures on, and consolidating the data in the sustainability information;
 - obtaining assurance evidence that the sustainability information reconciles with underlying records of Bouwinvest Dutch Institutional Residential Fund N.V.;
 - reviewing, on a limited test basis, relevant internal and external documentation;
 - considering the data and trends.
- Reconciling the relevant financial information with the financial statements.
- Reading the information in the annual report which is not included in the scope of our assurance engagement to identify material inconsistencies, if any, with the sustainability information.
- Considering the overall presentation and balanced content of the sustainability information.
- Considering whether the sustainability information as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with applicable criteria.

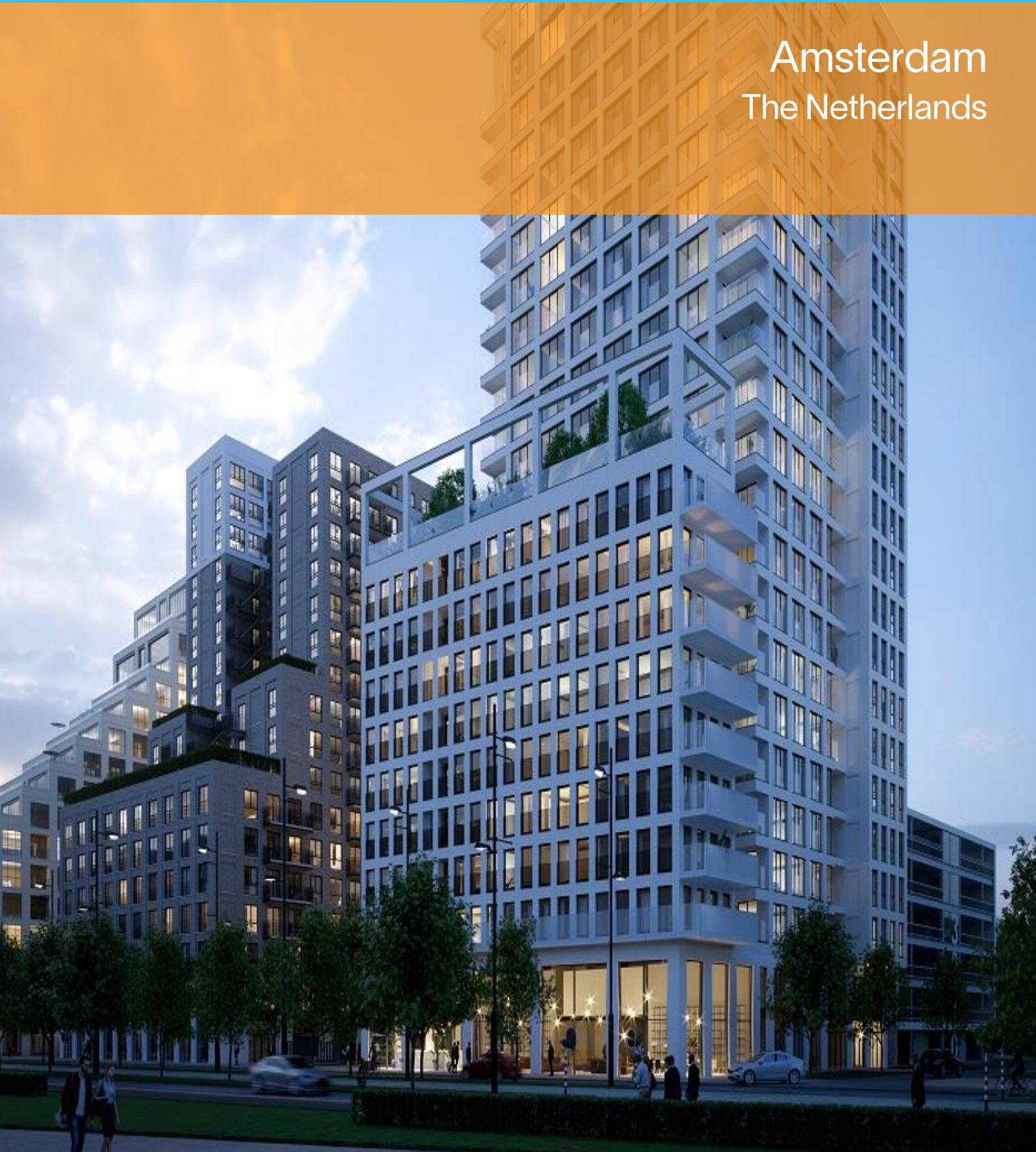
Amsterdam, March 26, 2024

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Next Apartments

Amsterdam
The Netherlands



INREV

Valuation principles

In order to give investors information on the transition from the Net Asset Value (NAV) according to IFRS to the adjusted NAV based on INREV valuation principles, the Fund reports the adjustments according to the INREV valuation principles. The fundamental assumption underlying the adjusted INREV NAV of the Fund is that it should give a more accurate reflection of the economic value of the Fund and of a participation in the Fund as it would be realised by a participant in a theoretical sale, as of the balance sheet date, assuming an arm's length transaction, a willing buyer/seller and an adequate time to market.

Note	Total	Per share	Actual impact on 2023 figures	Actual impact on 2022 figures
NAV per the IFRS financial statements				
Reclassification of certain IFRS liabilities as components of equity				
1	X	X	Yes	Yes
1	X	X	N/A	N/A
2	X	X	N/A	N/A
NAV after reclassification of equity-like interests and dividends not yet distributed				
Fair value of assets and liabilities				
3	X	X	N/A	N/A
4	X	X	N/A	N/A
5	X	X	N/A	N/A
6	X	X	N/A	N/A
7	X	X	N/A	N/A
8	X	X	N/A	N/A
9	X	X	N/A	N/A
10	X	X	N/A	N/A
11	X	X	N/A	N/A
12	X	X	N/A	N/A
13	X	X	Yes	Yes
14	X	X	N/A	N/A
Effects of the expected manner of settlement of sales/vehicle unwinding				
15	X	X	N/A	N/A
16	X	X	N/A	N/A
17	X	X	N/A	N/A
Other adjustments				
18	X	X	N/A	N/A
19	X	X	N/A	N/A
INREV NAV				
	X	X	Yes	Yes

INREV adjustments

All amounts in € thousands, unless otherwise stated

Note	Total 2023	Per share 2023	Total 2022	Per share 2022
NAV as per the financial statements	6,913,937	4,784.13	7,612,690	5,226.26
Reclassification of certain IFRS liabilities as components of equity				
1 Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	-	-	-	-
2 Effect of dividends recorded as a liability which have not been distributed	-	-	-	-
NAV after reclassification of equity-like interests and dividends not yet distributed	6,913,937	4,784.13	7,612,690	5,226.26
Fair value of assets and liabilities				
3 Revaluation to fair value of investment properties	-	-	-	-
4 Revaluation to fair value of self-constructed or developed investment property	-	-	-	-
5 Revaluation to fair value of investment property held for sale	-	-	-	-
6 Revaluation to fair value of property that is leased to tenants under a finance lease	-	-	-	-
7 Revaluation to fair value of real estate held as inventory	-	-	-	-
8 Revaluation to fair value of other investments in real assets	-	-	-	-
9 Revaluation to fair value of indirect investments not consolidated	-	-	-	-
10 Revaluation to fair value of financial assets and financial liabilities	-	-	-	-
11 Revaluation to fair value of construction contracts for third parties	-	-	-	-
12 Set-up costs	-	-	-	-
13 Acquisition expenses	11,895	8.23	15,071	10.35
14 Contractual fees	-	-	-	-
Effects of the expected manner of settlement of sales/vehicle unwinding				
15 Revaluation to fair value of savings of purchaser's costs such as transfer taxes	-	-	-	-
16 Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	-	-	-	-
17 Effect of subsidiaries having a negative equity (non-recourse)	-	-	-	-
Other adjustments				
18 Goodwill	-	-	-	-
19 Non-controlling interest effects of INREV adjustments	-	-	-	-
INREV NAV	6,925,832	4,792.36	7,627,761	5,236.61
Number of shares issued	1,463,321		91,346	
Number of shares issued taking dilution effect into account	1,463,321		91,346	
Weighted average INREV NAV	7,166,799		8,067,436	
Weighted average INREV GAV	7,207,670		8,107,665	
Total Global Expense Ratio (NAV)	0.50%		0.51%	
Total Global Expense Ratio (GAV)	0.50%		0.51%	
Real Estate Expense Ratio (GAV)	1.16%		0.99%	

Notes to the INREV adjustments

All amounts in € thousands, unless otherwise stated

1 Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders' long-term interest in a vehicle

Investors' capital can take various forms aside from equity – examples include shareholder loans and hybrid capital instruments such as convertible bonds. Some vehicles are structured via a combination of equity participations and shareholder loans.

Shareholder loans and hybrid capital instruments are generally seen as part of the investors' overall interest in the vehicle.

Since investors in the Fund only invest via shares, no adjustment is included.

2 Effect of dividends recorded as a liability that have not been distributed

Under certain circumstances dividends are recorded as a liability but have not yet been legally distributed. For the determination of INREV NAV, these accrued dividends should be reversed to the NAV.

As per 31 December 2023, no dividends are recorded as a liability, so no adjustment is included.

3 Revaluation to fair value of investment property

After initial recognition, investment property is valued at fair value under the fair value option of IAS 40. Therefore no adjustment had to be made as per 31 December 2023.

4 Revaluation to fair value of self-constructed or developed investment property

Development property is investment property under construction and valued at fair value under the fair value option of IAS 40. Therefore no adjustment had to be made as per 31 December 2023.

5 Revaluation to fair value of investment property held for sale

Assets in this category are measured under IFRS at the lower of cost or net realisable value in the financial statements. The adjustment represents the impact on NAV of the revaluation of the property intended for sale, measured at cost, to fair value.

As per 31 December 2023, no properties intended for sale had been presented that are not included in the fair value of investment property.

6 Revaluation to fair value of property that is leased to tenants under a finance lease

Property that is leased to tenants under a finance lease is initially measured on a net investment basis and subsequently re-measured based on an amortisation pattern reflecting a constant rate of return. The adjustment represents the impact on NAV of the revaluation of the finance lease receivable to fair value.

As per 31 December 2023, no adjustment had been made since no property is held that is leased to tenants under a finance lease.

7 Revaluation to fair value of real estate held as inventory

Properties intended for sale and accounted for under IAS 2 (Inventory) are measured at the lower of cost or net realisable value in the financial statements. This adjustment represents the impact on the NAV of the revaluation of such properties to net

realisable value (fair value less disposal costs). This adjustment should be included under the caption 'revaluation to fair value of real estate held as inventory'.

As per 31 December 2023, no adjustment had been made since no property is accounted for under IAS 2 (Inventory).

8 Revaluation to fair value of other investments in real assets

Under IAS16, other investments in real assets are normally accounted for at cost. The adjustment represents the impact on NAV of the revaluation of other investments in real assets to fair value in accordance with the fair value assumptions under IFRS 13.

As per 31 December 2023, no adjustment had been made since the Fund has no investments in real assets.

9 Revaluation to fair value of indirect investments not consolidated

Indirect investments in real estate, such as investments in associations and joint ventures, have different accounting treatments and carrying values under IFRS. Such investments can be valued at cost, fair value or NAV. The adjustment represents the impact on NAV of the revaluation of indirect investments to fair value if not yet accounted for at fair value.

As per 31 December 2023, no adjustment had been made since the Fund has no other indirect investments in real estate.

10 Revaluation to fair value of financial assets and liabilities (including revaluation to fair value of debt obligations)

Financial assets and liabilities such as debt obligations are generally measured at amortised cost, taking into account any impairment when applicable. The adjustment represents the impact on NAV of the revaluation of financial assets and financial liabilities to fair value as determined in accordance with IFRS.

As per 31 December 2023, no adjustment had been made since the financial assets and liabilities accounted for in the Statement of financial position are not materially different from the fair value of the financial assets and liabilities in accordance with the fair value principles of IFRS 13.

11 Revaluation to fair value of construction contracts for third parties

Under IAS11, construction contracts for third parties are normally accounted for based on the stage of completion. The adjustment represents the impact on NAV of the revaluation of construction contracts for third parties to fair value in accordance with the fair value principles of IFRS 13.

As per 31 December 2022, no adjustment had been made since the Fund has no construction contracts of third parties.

Adjustments to reflect the spreading of one-off costs

As described in further detail below, set-up costs and acquisition expenses should be capitalised and amortised. The rationale for these adjustments is to spread these costs over a defined period of time to smooth the effect of the write-off of costs on the vehicle's performance. Furthermore, it is a simple mechanism to spread costs between different investor groups entering or leaving the vehicle's equity at different times.

In practice, there are many other ways in which vehicles address such issues for pricing, valuation, or other purposes. Since the INREV NAV is primarily intended to facilitate comparability between different vehicles, the INREV approach is a simple but

fixed methodology. Please note that these capitalised costs are subject to an impairment test each time the NAV is calculated and therefore should always be recoverable over time.

As the adjustments with respect to set-up costs are separately disclosed in the calculation of a vehicle's INREV NAV, investors can choose how these are taken into account when valuing their holding.

12 Set-up costs

Set-up costs (i.e. establishment expenses) are charged immediately to income after the initial closing date. This adjustment represents the impact on NAV of the capitalisation and amortisation of set-up costs over the first five years of the terms of the Fund. When capitalising and amortising set-up costs, a possible impairment test should be taken into account every time the adjusted NAV is calculated when market circumstances change and it is not to be expected that the capitalised set-up costs can be recovered.

As per 31 December 2023, the set-up costs of the Fund had been amortised, so no adjustment was made as per 31 December 2023.

13 Acquisition expenses

Under the Fair Value model, acquisition expenses of investments under the fair value assumptions according to IFRS may be partly charged to income or equity as fair value changes at the first subsequent measurement date after acquisition. This is when the fair value at the moment of measurement is less than the total amount of the purchase value of the assets and the acquisition expenses.

This adjustment represents the impact on NAV of the capitalisation and amortisation of acquisition expenses over the period from acquisition of the specific asset to five years after initial closing.

When an asset is sold during the amortisation period, the balance of capitalised acquisition expenses is charged to the income statement in the period of sale.

When capitalising and amortising acquisition costs, a possible impairment test should be taken into account every time the adjusted NAV is calculated (when market circumstances change) and it is not expected that the capitalised acquisition costs can be recovered with the sale of units of the Fund.

Most of the acquisitions are realised via a turn-key agreement with a development company. Since these acquisitions can be purchased free of transfer-tax normally the acquisition price is higher than if transfer-taxes is supposed to be paid separately. The valuation methodology is the net valuation after deduction of acquisition costs for a potential buyer. At initial recognition and during the payment of instalments, a part of the revaluation result will include the effect of the difference of the purchase price and the net valuation after deduction of acquisition costs for a potential buyer. This difference is taken into account in the INREV NAV as a separate item in the INREV adjustment with respect to acquisition costs.

14 Contractual fees

A liability represents a present obligation. A fee payable at the end of the lifetime of the Fund or at any other moment during the lifetime of the Fund may not meet the criteria for recognition of a provision or liability in accordance with IFRS at the moment the accounts are prepared.

As per the financial position date, all contractual fees and contingent liabilities are recognised in accordance with IFRS. The Fund did not enter into any other contractual fees or contingent liabilities that are not presented in the accounts as per the financial position date.

15 Revaluation to fair value of savings of purchaser's costs such as transfer taxes

This adjustment represents the positive impact on NAV of the possible reduction of transfer taxes and purchaser's costs for the seller based on the expected sale via the sale of shares. Transfer taxes and purchaser's costs which would be incurred in an asset sale are generally deducted when determining the fair value of the properties. The effect of a possible sale of shares in a property vehicle might be taken into account when determining the deduction of transfer taxes and purchaser's costs (if this lowers the actual transfer tax and/or purchaser's costs to be paid upon sale by the seller).

The Fund has no investment property structured in special vehicles. As per 31 December 2023, no adjustment had been made due to the fact that it is impossible to sell investment property via a share deal. Therefore, there is no possibility of an additional reduction of the transfer tax or purchaser's costs that might lead to a higher sales price.

16 Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments

Under IFRS, deferred tax (assets and liabilities) is measured at the nominal statutory tax rate. How the Fund expects to settle deferred tax is not taken into consideration. This adjustment represents the impact on NAV of the deferred tax for assets and liabilities or financial instruments based on the expected settlement. This should be taken into consideration when tax structures have been applied to reduce tax on capital gains or allowances.

When goodwill is included in the Statement of financial position as a result of a deferred tax liability that is eliminated as a result of the above-mentioned adjustment, the goodwill related to this deferred tax will be excluded from NAV.

The Fund has the status of a fiscal investment institution (0% corporate tax rate). Therefore, no adjustment has been made, as the Fund is exempt from corporate tax payments.

17 Effect of subsidiaries having a negative equity (non-recourse)

The adjustment represents the positive impact on the NAV of the partial or full reversal of the negative equity of the specific subsidiary. If the vehicle has granted shareholder loans to the subsidiary, these should be taken into account.

As per 31 December 2023, no adjustment had been made since the Fund has no subsidiaries with a negative equity.

18 Goodwill

Upon the acquisition of an entity that is determined to be a business combination, goodwill may arise as a result of a purchase price allocation exercise. A major component of such goodwill in property vehicles often reflects the difference between the full recognition of deferred tax, purchaser's costs or similar items in the IFRS accounts (which does not generally take account of the likely or intended method of subsequent exit), and the economic value attributed to such items in the actual purchase price. Except where such components of goodwill have already been written off in the NAV as determined under IFRS, they should be written off in the INREV NAV.

As per 31 December 2023, no adjustment had been made since the Fund has no goodwill recognised in the Statement of financial position.

19 Non-controlling interest effects of INREV adjustments

This adjustment represents the impact on the NAV of the recognition of non-controlling interests on all of the above adjustments.

As per 31 December 2023, no adjustment had been made since the Fund holds no minority interests.

Independent auditor's report

To the shareholders of Bouwinvest Dutch Institutional Residential Fund N.V.

REPORT ON THE INREV ADJUSTMENTS

Our Opinion

We have audited the accompanying INREV adjustments 2023 of Bouwinvest Dutch Institutional Residential Fund N.V., based in Amsterdam.

In our opinion the INREV adjustments are prepared, in all material respects in accordance with the accounting policies selected and disclosed by the Company, i.e. INREV valuation principles, as set out on page 92 up to and including page 97.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the INREV adjustments" section of our report.

We are independent of Bouwinvest Dutch Institutional Residential Fund N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

DESCRIPTION OF RESPONSIBILITIES FOR THE INREV ADJUSTMENTS

Responsibilities of Management Board for the INREV adjustments

Management Board is responsible for the preparation of the INREV adjustments in accordance with the accounting policies selected and disclosed by the Company (INREV valuation principles) as set out on page 92 up to and including page 97.

Furthermore, Management Board is responsible for such internal control as Management Board determines is necessary to enable the preparation of the INREV adjustments that are free from material misstatement, whether due to fraud or error.

Our responsibilities for the audit of the INREV adjustments

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these INREV adjustments. The materiality affects the nature, timing and extent of our audit procedures and the valuation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the INREV adjustments, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Board.
- Evaluating the overall presentation, structure and content of the INREV adjustments, including the disclosures.
- Evaluating whether the INREV adjustments represent the underlying transactions and events free from material misstatement.

We communicate with Management Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

Amsterdam, March 26, 2024

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Enclosures

Composition of the Management Board



Chief Executive Officer and Statutory Director

Mark Siezen

Mark Siezen was appointed Chief Executive Officer and chair of the Management Board on 1 September 2022. Mark previously worked as Chief Client Officer at Bouwinvest. Prior to that, he was Executive Director and member of the board at CBRE and held various positions at Multi Corporation, NSI and COFRA Holding (including Redevco and C&A). Mark has been a member of the Supervisory Board of Northwest Clinics (Noordwest Ziekenhuis Groep) since December 2021.



Chief Financial & Risk Officer and Statutory Director

Henk-Dirk de Haan

Henk-Dirk de Haan joined Bouwinvest as Chief Financial & Risk Officer (CFRO) on 1 October 2023. Prior to joining Bouwinvest, Henk-Dirk had been CFRO at real estate investment manager a.s.r. real estate since 2012. In this position, he was a statutory director and headed the Accounting, Reporting & Business Control, Fund Control, Tax and Risk Management departments. At Bouwinvest, Henk-Dirk's focus is on the continued expansion of the organisation in these areas, as well as on the Compliance and Business Technology fronts. Henk-Dirk has worked in various finance & control positions since 1992, including at SNS Property Finance, Bouwfonds Property Finance and Hollandsche Beton Groep. Henk-Dirk studied Business Economics at Erasmus University Rotterdam, where he also completed the postgraduate course to become a Chartered Accountant.



Chief Client Officer

Marleen Bosma

Marleen Bosma-Verhaegh was appointed Chief Client Officer on 1 November 2022. Marleen has worked at Bouwinvest since 2016. She was Head of Research & Strategic Advisory until early 2022, when she was made responsible for business development within the Client Management department. Before joining Bouwinvest, Marleen was jointly responsible for international listed and real estate investments at Blue Sky Group. Prior to that, she worked in various positions at Syntrus Achmea Real Estate & Finance, Philips Pension Fund and FGH Bank. Marleen holds a Masters degree in Real Estate from the Eindhoven University of Technology. She completed a postgraduate Master of Science course at the University of Amsterdam and is a registered investment analyst (Vrije Universiteit Amsterdam).



Chief Investment Officer Dutch Investments

Allard van Spaandonk

Allard van Spaandonk has been CIO Dutch Investments since 2013. He was formerly director Asset Management at Bouwinvest, director Retail Investments at Syntrus Achmea Vastgoed as well as Head of Residential Mortgages at Achmea Vastgoed. Allard was a member of the Management Board of NEPROM (Dutch association of project development companies) until 31 December 2021.



Chief Investment Officer International Investments

Stephen Tross

Stephen Tross has been CIO International Investments since 2010. Stephen previously worked in the real estate audit practices at KPMG Accountants NV and PricewaterhouseCoopers in the Netherlands, New York and London. He studied Business Economics at the Hogeschool Utrecht and accountancy at NivRA-Nyenrode. Stephen is a professional member of the British Institution of Chartered Surveyors and a chair of the management board of ANREV.



Manager Dutch Residential Investments

Michiel de Bruine has served as Fund Manager Dutch Residential Investments until Q3 2023 but will continue his career outside Bouwinvest. Chief Investment Officer Dutch Investments Allard van Spaandonk has been fulfilling Michiel de Bruine's responsibilities as from Q4 2023. A recruitment procedure for a replacement fund manager is currently in progress. From 11 March 2024, Paul van Stiphout has been appointed interim Fund Manager.

Responsible investment performance indicators

Building a future-proof and sustainable portfolio

Promoted ESG characteristic	Indicator	Measure	Units of measure	2023	2022	Change	Plan 2023-2025
Fund: Above-average sustainable	GRESB	Star rating	# stars	5	5	+0	Maintain 5-star rating
	GRESB	Overall score	# [1-100]	92	91	+1	Annually maintain or improve the total score
Building: Above-average sustainable	GPR-Building	Average score	#	6.64	6.53	+1.6%	Achieve an average GPR score of >6.7 by year-end 2025

Reducing environmental impact

Promoted ESG characteristic	Indicator	Measure	Units of measure	2023	2022	change	Plan 2023-2025
Combatting climate change: source of energy (phase out fossil fuels)	Free of natural gas (%m2)	Gas-free assets (%m2)*	%	48.0%	44.3%	+ 3.7 pp	100% Gas free in 2045
	CO emissions in kg CO m of purchased energy (scope 2)	Emissions in kg CO2 m ² (electricity purchased by the Fund)	kg	0 (all emissions compensated)	0 (all emissions compensated)	+0	Annually no scope 2 emissions
Combatting climate change: energy-efficient buildings	Average energy intensity	kWh/m ² /yr	#	134 kWh/m2 (excl. tenant consumption)	139 kWh/m2 (excl. tenant consumption)	-3.6%	

Liveable, affordable, attainable & inclusive places where people want to reside - now and in the future

Promoted ESG characteristic	Indicator	Measure	Units of measure	2023	2022	change	Plan 2023-2025
Affordability: Mid-rental segment acquisitions	Mid-rental segment acquisitions	Newly signed acquisitions in the mid-rental segment	#	0	288	-100%	Annually >75%
			%	0.0%	80.0%	-80 pp	
Product accountability: tenant satisfaction	Tenant satisfaction	Average total score	#	7.2	7.3	-1.4%	Tenants give the Fund a score higher than 7

Contributing to healthy, safe and responsible operations

Promoted ESG characteristic	Indicator	Measure	Units of measure	2023	2022	change	Plan 2023-2025
Considerate constructors scheme (construction sites)	Construction sites working under the considerate constructors scheme (based on purchase price)	Participation rate (by acquisition price)	%	100.0%	86.5%	+ 13.5 pp	≥75% of total construction sites

Reporting of performance indicators

The Fund's ambition to increase the coverage and therefore the transparency of its environmental impact according to INREV Sustainability Reporting Guidelines is reflected in the summary of key performance indicators in the table above.

Bouwinvest reports environmental data of those assets where there is management control possible (operational control approach). Data is provided for those assets where the Fund has authority to introduce and implement operating policies and are responsible for purchasing energy and water and handling waste. The Fund's management control differs greatly by asset type (e.g. residential and office); these differences affect the level of influence the Fund has over the sustainability performance of its assets.

Energy related data and changes represents assets which have been fully owned and operational for the full 24 month period in our investment portfolio. It provides insight in the performance of an indicator over time at a constant portfolio scope. The reported GHG emissions (scope 2) can be explained by the compensation of carbon emissions through purchase of carbon certificates. This follows the commitment of Bouwinvest to reduce the impact its operations has on climate change.

For the managed portfolio (scope 1 and 2), Bouwinvest reports on its gas-free assets and indirect energy sources (electricity, district heating and district cooling).

In the annual report of Bouwinvest Real Estate Investors B.V. the results of a conducted analysis on material topics and observations on stakeholders and reporting criteria with regard to Bouwinvest and its investment activities in general are included. The responsible investing indicators in this report are aligned with these results and observations where applicable.

Properties overview

Municipality	Street name/ property name	No. of residential units	No. of parking units	Year of construction	Land ownership	Core region
Aerdenhout	Landgoed Alverna	36	36	2016	Freehold	Amsterdam region
Alphen aan den Rijn	Kerk en Zanen	77	12	1990	Freehold	The Hague region
Amersfoort	Vathorst I	39	-	2010	Freehold	Utrecht region
Amersfoort	Vathorst II	55	-	2012	Freehold	Utrecht region
Amstelveen	Middenhoven	52	-	1985	Freehold	Amsterdam region
Amstelveen	Westwijk I	68	30	1990	Freehold	Amsterdam region
Amstelveen	Westwijk III	54	-	1990	Freehold	Amsterdam region
Amstelveen	Westwijk VI	36	36	1990	Freehold	Amsterdam region
Amstelveen	Westwijk VII	28	-	1990	Freehold	Amsterdam region
Amstelveen	Westwijk VIII	75	-	1991	Freehold	Amsterdam region
Amstelveen	Westwijk IX	40	7	1993	Freehold	Amsterdam region
Amsterdam	Buitenveldert I	150	12	1986	Leasehold	Amsterdam region
Amsterdam	Buitenveldert II	127	-	1986	Leasehold	Amsterdam region
Amsterdam	Buitenveldert III	84	-	1986	Leasehold	Amsterdam region
Amsterdam	Sloten I	91	-	1991	Leasehold	Amsterdam region
Amsterdam	Kon. Wilhelminaplein I	96	102	1991	Leasehold	Amsterdam region
Amsterdam	Kon. Wilhelminaplein II	123	93	1991	Leasehold	Amsterdam region
Amsterdam	Sloten II	64	-	1991	Leasehold	Amsterdam region
Amsterdam	Sloten III	16	-	1991	Leasehold	Amsterdam region
Amsterdam	Sloten IV	180	112	1991	Leasehold	Amsterdam region
Amsterdam	Sloten VI	6	-	1992	Leasehold	Amsterdam region
Amsterdam	Sloten VII	96	-	1992	Leasehold	Amsterdam region
Amsterdam	Sloten VIII	148	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten IX	4	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten X	215	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XI	16	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XII	113	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XIII	24	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XIV	30	-	1993	Leasehold	Amsterdam region
Amsterdam	Sloten XV	50	51	1993	Leasehold	Amsterdam region
Amsterdam	Map I	17	-	1994	Leasehold	Amsterdam region
Amsterdam	Map II	72	-	1994	Leasehold	Amsterdam region
Amsterdam	Java Eiland I	155	108	1996	Leasehold	Amsterdam region
Amsterdam	Java Eiland II	155	94	1996	Leasehold	Amsterdam region
Amsterdam	Java Eiland III	118	73	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland IV	37	29	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland V	91	81	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland VI	70	67	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland VII	48	-	1997	Leasehold	Amsterdam region
Amsterdam	Java Eiland VIII	32	-	1996	Leasehold	Amsterdam region
Amsterdam	Geinwijk I	66	-	1997	Leasehold	Amsterdam region
Amsterdam	Geinwijk II	36	-	1997	Leasehold	Amsterdam region
Amsterdam	Borneo Eiland I	173	-	1998	Leasehold	Amsterdam region
Amsterdam	Borneo Eiland II	207	164	1998	Leasehold	Amsterdam region
Amsterdam	Koploper	176	87	2004	Leasehold	Amsterdam region
Amsterdam	Koploper, offices	5	-	2004	Leasehold	Amsterdam region
Amsterdam	Vaandeldrager	110	93	2004	Leasehold	Amsterdam region
Amsterdam	Vaandeldrager, offices	-	-	2004	Leasehold	Amsterdam region
Amsterdam	Winnaar	129	105	2004	Leasehold	Amsterdam region
Amsterdam	Winnaar, offices	-	-	2004	Leasehold	Amsterdam region
Amsterdam	De Heelmeesters I	98	114	2013	Leasehold	Amsterdam region
Amsterdam	De Heelmeesters II	81	66	2013	Leasehold	Amsterdam region

Municipality	Street name/ property name	No. of residential units	No. of parking units	Year of construction	Land ownership	Core region
Amsterdam	De Heelmeesters, offices	-	-	2013	Leasehold	Amsterdam region
Amsterdam	Halve Maen	86	86	2014	Leasehold	Amsterdam region
Amsterdam	Feniks Studenten	342	-	2014	Leasehold	Amsterdam region
Amsterdam	Het Baken Starters	130	65	2014	Leasehold	Amsterdam region
Amsterdam	Feniks COG	-	-	2014	Leasehold	Amsterdam region
Amsterdam	Rivers I	25	-	2016	Leasehold	Amsterdam region
Amsterdam	Rivers II	50	51	2016	Leasehold	Amsterdam region
Amsterdam	Summertime 11	94	76	2016	Leasehold	Amsterdam region
Amsterdam	Summertime 12	103	74	2016	Leasehold	Amsterdam region
Amsterdam	Summertime, offices	-	-	2016	Leasehold	Amsterdam region
Amsterdam	Stadionplein	100	86	2016	Leasehold	Amsterdam region
Amsterdam	Jeruzalem	24	13	2016	Leasehold	Amsterdam region
Amsterdam	Statendam	108	114	2016	Leasehold	Amsterdam region
Amsterdam	Pontsteiger	252	165	2018	Leasehold	Amsterdam region
Amsterdam	Bloemfontein (De Werf B)	28	-	2018	Leasehold	Amsterdam region
Amsterdam	Ceuta (De Werf C)	180	-	2018	Leasehold	Amsterdam region
Amsterdam	Doha (De Werf D)	62	-	2018	Leasehold	Amsterdam region
Amsterdam	Parking (De Werf H)	-	210	2018	Leasehold	Amsterdam region
Amsterdam	Bloemfontein (De Werf B) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	Ceuta (De Werf C) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	Frixos (De Werf F)	36	-	2019	Leasehold	Amsterdam region
Amsterdam	Glenlyon (De Werf G)	168	-	2019	Leasehold	Amsterdam region
Amsterdam	Frixos (De Werf F) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	Glenlyon (De Werf G) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	State I (Kop Weespertrekvaart)	160	103	2019	Leasehold	Amsterdam region
Amsterdam	State II (Kop Weespertrekvaart)	102	-	2018	Leasehold	Amsterdam region
Amsterdam	Nautique Living (De Werf A)	403	-	2017	Leasehold	Amsterdam region
Amsterdam	Explorer (De Werf E)	69	-	2018	Leasehold	Amsterdam region
Amsterdam	Explorer (De Werf E) COG	-	-	2018	Leasehold	Amsterdam region
Amsterdam	Ivens Studios (IJburg 1B)	70	-	2018	Leasehold	Amsterdam region
Amsterdam	Het Dok	449	-	2022	Leasehold	Amsterdam region
Amsterdam	Het Dok, parkeren	-	99	2022	Leasehold	Amsterdam region
Amsterdam	Het Dok COG	-	-	2022	Leasehold	Amsterdam region
Amsterdam	Sluishuis	369	-	2022	Leasehold	Amsterdam region
Amsterdam	Sluishuis Parkeren	-	297	2022	Leasehold	Amsterdam region
Amsterdam	Sluishuis COG	-	-	2022	Leasehold	Amsterdam region
Amsterdam	Jeruzalem Blok G	40	-	2020	Leasehold	Amsterdam region
Amsterdam	Jeruzalem Blok G COG	-	-	2020	Leasehold	Amsterdam region
Amsterdam	De Draaiër & De Lasser	99	-	2023	Freehold	Amsterdam region
Amsterdam	De Slijper & De Gieter	43	-	2023	Freehold	Amsterdam region
Apeldoorn	t Fort-Vlieger	20	-	2001	Freehold	East region
Apeldoorn	t Fort-Hof	44	-	2001	Freehold	East region
Apeldoorn	t Fort-Hof, parking	-	77	2001	Freehold	East region
Apeldoorn	t Fort-Donjon	24	-	2001	Freehold	East region
Apeldoorn	t Fort-Ruit	13	-	2001	Freehold	East region
Apeldoorn	Loolaan	39	39	2017	Freehold	East region
Apeldoorn	Welgelegen Park MGW	31	33	2019	Freehold	East region
Apeldoorn	Welgelegen Park EGW	20	24	2019	Freehold	East region
Apeldoorn	Zonneweide	41	-	2019	Freehold	East region
Arnhem	Molenbeke	37	51	2014	Freehold	East region
Arnhem	Malburgen Nieuwe A	48	-	2017	Freehold	East region
Arnhem	Velperparc	36	44	2019	Freehold	East region
Berkel en Rodenrijs	Parkwijk-Oost	72	72	2012	Freehold	Rotterdam region

Municipality	Street name/ property name	No. of residential units	No. of parking units	Year of construction	Land ownership	Core region
Breda	BREDA	1	-	1965	Freehold	Eindhoven region
Culemborg	Bellefleurl	23	-	2017	Freehold	Utrecht region
Delft	Bethelpark MGW	302	-	2023	Freehold	The Hague region
Delft	Bethelpark EGW	14	-	2023	Freehold	The Hague region
Delft	Bethelpark parkeren	-	298	2023	Freehold	The Hague region
Deventer	T&D kwartier EGW	30	15	2016	Freehold	East region
Deventer	T&D kwartier MGW	11	-	2016	Freehold	East region
Diemen	Noord VII	29	8	1989	Freehold	Amsterdam region
Diemen	Noord I	20	20	1990	Freehold	Amsterdam region
Diemen	Noord II	54	54	1990	Freehold	Amsterdam region
Diemen	Noord VIII	54	-	1990	Freehold	Amsterdam region
Diemen	Noord X	108	14	1991	Freehold	Amsterdam region
Diemen	Noord XI	22	-	1991	Freehold	Amsterdam region
Diemen	West I	24	3	1992	Freehold	Amsterdam region
Diemen	West II	45	6	1992	Freehold	Amsterdam region
Diemen	West III	106	8	1993	Freehold	Amsterdam region
Diemen	West IV	109	71	1993	Freehold	Amsterdam region
Diemen	Noord XIII	36	4	1994	Freehold	Amsterdam region
Diemen	Noord XV	44	-	1994	Freehold	Amsterdam region
Diemen	Noord XIV I	24	24	1994	Freehold	Amsterdam region
Diemen	Noord XIV II	10	10	1994	Freehold	Amsterdam region
Ede	De Laren	30	40	2014	Freehold	East region
Ede	Elias Beeckman Kazerne	64	-	2018	Freehold	East region
Ede	Simon Stevin	90	150	2021	Freehold	East region
Eindhoven	Gijzenrooi	55	40	1989	Freehold	Eindhoven region
Eindhoven	Picusgebouw	77	77	2020	Freehold	Eindhoven region
Eindhoven	Picuskadeblok	36	36	2019	Freehold	Eindhoven region
Eindhoven	Blok61 (Strijp S)	96	58	2017	Freehold	Eindhoven region
Eindhoven	Meerijlaan	24	43	2019	Freehold	Eindhoven region
Eindhoven	De Willem	87	87	2022	Freehold	Eindhoven region
Eindhoven	De Lodewijk	52	52	2022	Freehold	Eindhoven region
Eindhoven	NEXT	99	-	2022	Freehold	Eindhoven region
Eindhoven	NEXT COG	-	-	2022	Freehold	Eindhoven region
Eindhoven	NEXT parking	-	27	2022	Freehold	Eindhoven region
Groningen	Hoornse Meer III	104	44	1991	Freehold	East region
Groningen	Ebbinge 7	27	-	2023	Freehold	East region
Groningen	Ebbinge 9A	32	-	2020	Freehold	East region
Groningen	Ebbinge 9A COG	-	-	2020	Freehold	East region
Haarlem	Zuiderpolder I	72	4	1987	Freehold	Amsterdam region
Haarlem	Zuiderpolder II	48	-	1990	Freehold	Amsterdam region
Haarlem	Mauve I	24	24	2013	Freehold	Amsterdam region
Haarlem	Mauve II	50	57	2013	Freehold	Amsterdam region
Haarlem	Rosorum Residentie	-	23	2014	Freehold	Amsterdam region
Haarlem	De Meester	178	157	2023	Freehold	Amsterdam region
Haarlem	Elements Amerikagebouw	149	56	2023	Freehold	Amsterdam region
Haarlem	Elements Surinamegebouw	41	-	2023	Freehold	Amsterdam region
Haarlem	Elements Surinamegebouw COG	-	-	2023	Freehold	Amsterdam region
Helmond	Brandevoort	60	-	2013	Freehold	Eindhoven region
Helmond	Parc Valere	75	76	2018	Freehold	Eindhoven region
Helmond	Liverdonk	26	-	2018	Freehold	Eindhoven region
Hilversum	Villa Industria, Gashouder I	32	32	2016	Freehold	Amsterdam region
Hilversum	Villa Industria, Gashouder II	48	43	2016	Freehold	Amsterdam region
Hilversum	Villa Industria - Pakhuizen	10	20	2016	Freehold	Amsterdam region

Municipality	Street name/ property name	No. of residential units	No. of parking units	Year of construction	Land ownership	Core region
Hilversum	Villa Industria - Entreegebouw	16	17	2016	Freehold	Amsterdam region
Hoofddorp	Hof van Pampus	74	125	2019	Freehold	Amsterdam region
Hoofddorp	Tudorpark EGW	98	-	2019	Freehold	Amsterdam region
Hoofddorp	Tudorpark MGW	36	-	2019	Freehold	Amsterdam region
Hoofddorp	De Monarch	97	141	2020	Freehold	Amsterdam region
Hoofddorp	Tudorpark 2de fase	62	8	2020	Freehold	Amsterdam region
Hoofddorp	Tudorpark Fase III	30	-	2022	Freehold	Amsterdam region
Hoogland	De Ham	58	18	1989	Freehold	Utrecht region
Katwijk	't Duyfrak I	54	-	2010	Freehold	The Hague region
Katwijk	't Duyfrak II	42	42	2011	Freehold	The Hague region
Koog aan de Zaan	Westerkoog	151	-	1983	Freehold	Amsterdam region
Leidschendam	Heuvelzijde I	87	24	1997	Freehold	The Hague region
Leidschendam	Heuvelzijde II	92	89	1997	Freehold	The Hague region
Leidschendam	Heuvelzijde III	76	92	1998	Freehold	The Hague region
Lelystad	De Tjalk	121	13	1984	Freehold	Non-core region
Lent	Laauwik	22	-	2012	Freehold	East region
Lent	Park Lentseveld	26	-	2014	Freehold	East region
Maastricht	Belvedere Haven	57	66	2008	Freehold	Eindhoven region
Maastricht	Belvedere Haven, retail	-	-	2008	Freehold	Eindhoven region
Maastricht	Cour Renoir I	73	111	2009	Freehold	Eindhoven region
Maastricht	Cour Renoir II	14	14	2010	Freehold	Eindhoven region
Nieuwegein	Batau Noord III	40	-	1987	Freehold	Utrecht region
Nieuwegein	Galecop I	36	-	1995	Freehold	Utrecht region
Nieuwegein	Galecop II	36	-	1996	Freehold	Utrecht region
Nijmegen	Onder Onnes EGW	35	-	2016	Freehold	East region
Nijmegen	Onder Onnes MGW	11	-	2016	Freehold	East region
Nijmegen	Nieuw Nachtegaalplein I	29	-	2016	Freehold	East region
Nijmegen	Nieuw Nachtegaalplein II	38	-	2018	Freehold	East region
Nuenen	't Oog	25	25	2017	Freehold	Eindhoven region
Oisterwijk	KVL	60	-	2019	Freehold	Eindhoven region
Oosterhout	De Kreek	30	-	2018	Freehold	Eindhoven region
Pijnacker	MarquantPlus	78	80	2015	Freehold	The Hague region
Pijnacker	Boszoom	57	-	2015	Freehold	The Hague region
Purmerend	Kop van West	74	85	2019	Freehold	Amsterdam region
Purmerend	Open Veste	115	115	2022	Freehold	Amsterdam region
Purmerend	Open Veste COG	-	2	2022	Freehold	Amsterdam region
Rijswijk	De Strijp	30	-	1996	Freehold	The Hague region
Rijswijk	Rijswijk Buiten 'de Tuinen van Sion'	43	-	2016	Freehold	The Hague region
Rijswijk	Rijswijk Buiten-Sion MGW	59	-	2019	Freehold	The Hague region
Rijswijk	Rijswijk Buiten-Sion EGW	38	54	2020	Freehold	The Hague region
Rosmalen	De Vlondertuinen	25	-	2015	Freehold	Eindhoven region
Rotterdam	Oosterflank	102	-	1985	Leasehold	Rotterdam region
Rotterdam	Zevenkamp IV	126	-	1985	Leasehold	Rotterdam region
Rotterdam	Noordelijk Niertje	112	68	1988	Leasehold	Rotterdam region
Rotterdam	Prinsenland I	138	-	1991	Leasehold	Rotterdam region
Rotterdam	Prinsenland II	99	-	1990	Leasehold	Rotterdam region
Rotterdam	Oostplein	69	44	1991	Leasehold	Rotterdam region
Rotterdam	Oostplein, retail	-	-	1991	Leasehold	Rotterdam region
Rotterdam	Grindweg	38	38	1992	Leasehold	Rotterdam region
Rotterdam	Prinsenland III	70	68	1994	Leasehold	Rotterdam region
Rotterdam	Prinsenland IV	18	18	2010	Leasehold	Rotterdam region
Rotterdam	Kop van Zuid I	19	19	1995	Leasehold	Rotterdam region

Municipality	Street name/ property name	No. of residential units	No. of parking units	Year of construction	Land ownership	Core region
Rotterdam	Kop van Zuid II	311	175	1995	Leasehold	Rotterdam region
Rotterdam	Prinsenparkbuurt	60	8	1995	Leasehold	Rotterdam region
Rotterdam	Up Town	150	90	2019	Freehold	Rotterdam region
Rotterdam	Little C-A1 The Burton	83	-	2021	Freehold	Rotterdam region
Rotterdam	Little C-A3 The Clark	58	-	2021	Freehold	Rotterdam region
Rotterdam	Little C-A4 The Hammond	68	-	2021	Freehold	Rotterdam region
Rotterdam	Little C-Parkings	-	75	2021	Freehold	Rotterdam region
Rotterdam	Reijssendaal	60	65	2022	Freehold	Rotterdam region
Rotterdam	Diepeveen Gebouw 1	38	-	2023	Freehold	Rotterdam region
Rotterdam	Diepeveen Gebouw 2	52	-	2024	Freehold	Rotterdam region
Rotterdam	Diepeveen COG	-	-	2023	Freehold	Rotterdam region
'S-Hertogenbosch	Paleiskwartier	224	196	2017	Freehold	Eindhoven region
The Hague	Bomenbuurt	42	42	1990	Leasehold	The Hague region
The Hague	CentreCourt	122	-	2002	Freehold	The Hague region
The Hague	Riethof I	56	-	2003	Leasehold	The Hague region
The Hague	Riethof II	60	60	2003	Leasehold	The Hague region
The Hague	Prinsenhof	203	-	2006	Leasehold	The Hague region
The Hague	Landouwen I	29	29	2006	Freehold	The Hague region
The Hague	Landouwen II	29	29	2006	Freehold	The Hague region
The Hague	Landouwen III	29	29	2006	Freehold	The Hague region
The Hague	Landouwen IV	29	29	2006	Freehold	The Hague region
The Hague	Landouwen V	29	29	2006	Freehold	The Hague region
The Hague	Oostduinlaan	146	146	2019	Freehold	The Hague region
The Hague	Oostduinlaan, Short Stay	-	-	2019	Freehold	The Hague region
The Hague	Cityprince	50	45	2015	Leasehold	The Hague region
The Hague	Cityprince COG	-	-	2015	Leasehold	The Hague region
The Hague	De Wateringen	30	30	2020	Freehold	The Hague region
Tilburg	De Noorderstreek	76	76	2017	Freehold	Eindhoven region
Utrecht	3 FNV	3	-	1940	Freehold	Utrecht region
Utrecht	Langerak I	10	-	1999	Leasehold	Utrecht region
Utrecht	Langerak II	20	-	1999	Leasehold	Utrecht region
Utrecht	Parkwijk Noord	89	61	2002	Leasehold	Utrecht region
Utrecht	Parkwijk Zuid veld 22	91	88	2003	Leasehold	Utrecht region
Utrecht	Parkwijk Zuid veld 25	70	70	2003	Leasehold	Utrecht region
Utrecht	Terwijde 14/15 I	38	38	2004	Leasehold	Utrecht region
Utrecht	Terwijde 14/15 II	67	67	2004	Leasehold	Utrecht region
Utrecht	Langerak III	80	80	2005	Leasehold	Utrecht region
Utrecht	Dichterswijk	124	123	2005	Leasehold	Utrecht region
Utrecht	Parkwijk Het Zand	98	98	2005	Leasehold	Utrecht region
Utrecht	Tuinpark I	74	71	2006	Leasehold	Utrecht region
Utrecht	Tuinpark II	187	197	2006	Leasehold	Utrecht region
Utrecht	Boemerang, offices	-	18	2006	Leasehold	Utrecht region
Utrecht	De Bongerd I	33	33	2009	Leasehold	Utrecht region
Utrecht	De Bongerd II	38	38	2010	Leasehold	Utrecht region
Utrecht	Terwijde Zuid	100	106	2010	Leasehold	Utrecht region
Utrecht	Meyster's Buiten I	25	25	2015	Leasehold	Utrecht region
Utrecht	Meyster's Buiten II	24	24	2015	Leasehold	Utrecht region
Utrecht	Veemarkt I	45	45	2015	Leasehold	Utrecht region
Utrecht	Veemarkt Portiek	47	47	2016	Leasehold	Utrecht region
Utrecht	Veemarkt City	65	50	2016	Freehold	Utrecht region
Utrecht	Zijdebalen I	104	94	2017	Freehold	Utrecht region
Utrecht	Zijdebalen II	73	48	2017	Freehold	Utrecht region
Utrecht	Zijdebalen III	73	54	2018	Freehold	Utrecht region

Municipality	Street name/ property name	No. of residential units	No. of parking units	Year of construction	Land ownership	Core region
Utrecht	Zijdebalen IV	52	34	2019	Freehold	Utrecht region
Utrecht	Vredenburgplein	60	-	2017	Freehold	Utrecht region
Utrecht	Van der Marckhof	46	46	2018	Freehold	Utrecht region
Utrecht	Haarzicht	126	93	2019	Freehold	Utrecht region
Utrecht	Rachmaninoff	132	76	2020	Freehold	Utrecht region
Veldhoven	Heikant Oost III	58	6	1987	Freehold	Eindhoven region
Veldhoven	Zandven	22	-	2020	Freehold	Eindhoven region
Veldhoven	Huysackers	17	17	2020	Freehold	Eindhoven region
Velserbroek	Bastion	110	-	1992	Freehold	Amsterdam region
Vlijmen	De Grassen I	23	-	2018	Freehold	Eindhoven region
Zaandam	Westerwatering IV	24	24	1990	Leasehold	Amsterdam region
Zeist	Licht & Lucht	48	63	2022	Freehold	Utrecht region
Zoetermeer	Buytenwegh de Leyens II	50	-	1985	Freehold	The Hague region
Zoetermeer	Stadscentrum	71	-	1987	Freehold	The Hague region
Zoetermeer	Stadscentrum, retail	-	-	1987	Freehold	The Hague region
Zoetermeer	Rokkeveen	91	9	1988	Freehold	The Hague region
Zoetermeer	Rokkeveen Rad	244	-	1988	Freehold	The Hague region
Zwolle	Stadshagen I	33	-	1998	Freehold	East region
Zwolle	Stadshagen II	138	154	1998	Freehold	East region
Zwolle	Stadshagen IV	12	-	2000	Freehold	East region
Zwolle	Stadshagen V	21	-	2000	Freehold	East region
Zwolle	Bewegingshuis	93	95	2005	Freehold	East region
Zwolle	Schoolwoningen	24	37	2005	Freehold	East region
Zwolle	Havezate	57	-	2013	Freehold	East region
Zwolle	Vrij Werkeren	46	52	2018	Freehold	East region
Zwolle	Wetering	32	-	2021	Freehold	East region
Zwolle	Duinzicht	43	24	2021	Freehold	East region
		19,059	9,766			

Periodic disclosure under SFDR

SFDR periodic disclosure

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Bouwinvest Residential Fund

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes
 No

<p><input type="checkbox"/> It made sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It made sustainable investments with a social objective: ___%</p>	<p><input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 31% of sustainable investments</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>
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Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

- *How did the sustainability indicators perform?*
- *...and compared to previous periods?*

During the reporting period from January 1, 2023 to December 31, 2023, this financial product promoted the following environmental and/or social characteristics as part of the four ESG objectives:

ESG objective	Promoted environmental and social characteristics
I. Building a future proof and sustainable portfolio	Ia. Fund: above-average sustainable fund Ib. Building: above-average sustainable buildings
II. Reducing environmental impact	Ila. Combatting climate change: source of energy (phase out fossil fuels) Iib. Combatting climate change: energy-efficient buildings
III. Livable, affordable, attainable & inclusive places where people want to reside - now and in the future	IIIa. Affordability: midrental segment acquisitions IIIb. Product accountability: tenant satisfaction
IV. Contributing to healthy, safe and responsible operations	IV. Considerate constructors scheme (construction sites)

The Fund has used one or more sustainability indicators to measure the attainment of each E/S characteristic promoted. During the reference period the Fund has updated its sustainability indicators to have a better fit with the objectives of the Fund. The table below shows the indicators per promoted environmental and social characteristic over the applicable time-period for the past three years. The indicators marked with an asterisk (*) are applicable as per 2023 and therefore not measured in 2021 and 2020. The other indicators concern current indicators.

E/S char.	Indicator	2023	2022	2021	2020
1a.	GRESB score	92	91	90	88 points
	GRESB star rating	5-star rating	5-star rating	5-star rating	5-star rating
Ib.	Building certificate GPR-Gebouw score	6.64	6.53	6.48	6.5
Ila.	Free of natural gas (% m)*	48%	44%	N/A	N/A
	CO emissions in kg CO ₂ m of purchased energy (scope 2)	0 (all emissions compensated)	0 (all emissions compensated)	0 (all emissions compensated)	0 (all emissions compensated)
Iib.	Average energy intensity (kwh/ m /yr)*	134 kWh/m ²	139 kWh/m ²	N/A	N/A
III.	Acquisitions in the mid-rental segment	0%	80%	58%	29%
	Tenant satisfaction	7.2	7.3	7.3	7.3
IV.	Considerate construction scheme (construction sites)	100%	87%	82%	67%

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The performance on most sustainability indicators was in line with the plan of the Fund for 2023. The Fund improved its performance on multiple indicators during 2023, like its GRESB performance, its GPR score, free of natural gas, its average energy intensity and on considerate constructors scheme, and reached its target for 2023.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Some investments of the Fund contribute to two environmental objectives as included in Article 9 of the Taxonomy Regulation (TR), these being 'climate change mitigation' and 'climate change adaptation'.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

The Sustainable investments have been assessed based on the technical screening criteria established by the European Commission.

— *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Sustainable investments are carried out in compliance with the minimum safeguards laid down in Article 18 of the TR.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The Principal Adverse Impact indicators for real estate are for one part integrated in our ESG performance indicators and adverse impacts in general is integrated in our ESG risk methodology. That way the Fund ensures sufficient attention for those indicators.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is the top 5 AuM



What were the top investments of this financial product?

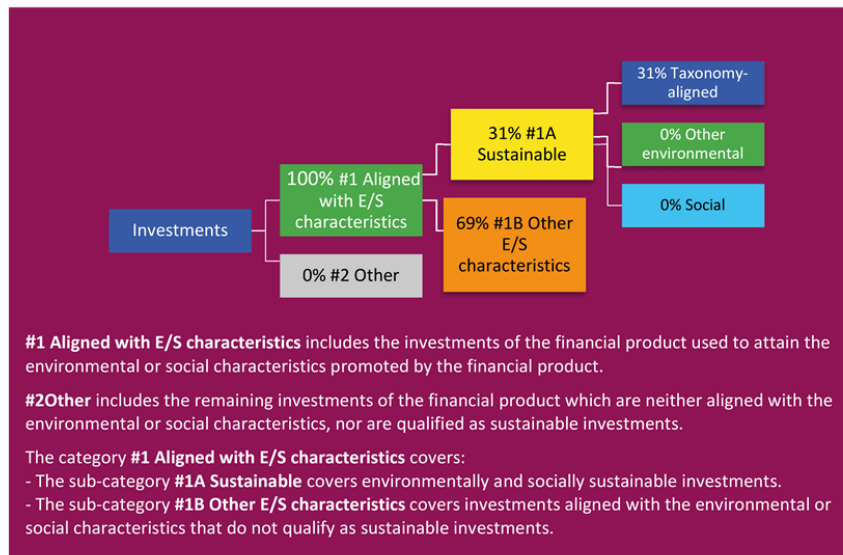
Largest investments	Sector	% Assets	Country
Pontsteiger	Real estate - Residential	2%	Netherlands
Het Dok	Real estate - Residential	2%	Netherlands
Sluishuis	Real estate - Residential	2%	Netherlands
Koploper	Real estate - Residential	2%	Netherlands
Kop van Zuid II	Real estate - Residential	1%	Netherlands

Asset allocation describes the share of investments in specific assets.



What was the proportion of sustainability-related investments?

● What was the asset allocation?



● In which economic sectors were the investments made?

The Fund's asset allocation is 100% towards direct real estate assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The current NAV of the portfolio stands at € 6,914 million, 31% of which (GAR) is EU Taxonomy aligned. Split into two different objectives, the results are:

24% of the Fund's underlying investments are aligned with the technical screening criteria related to a substantial contribution to 'climate change mitigation' due to the number of A or better energy labels and the fact that the economic activities do not significantly harm any other environmental objectives due to the limited physical climate risks.

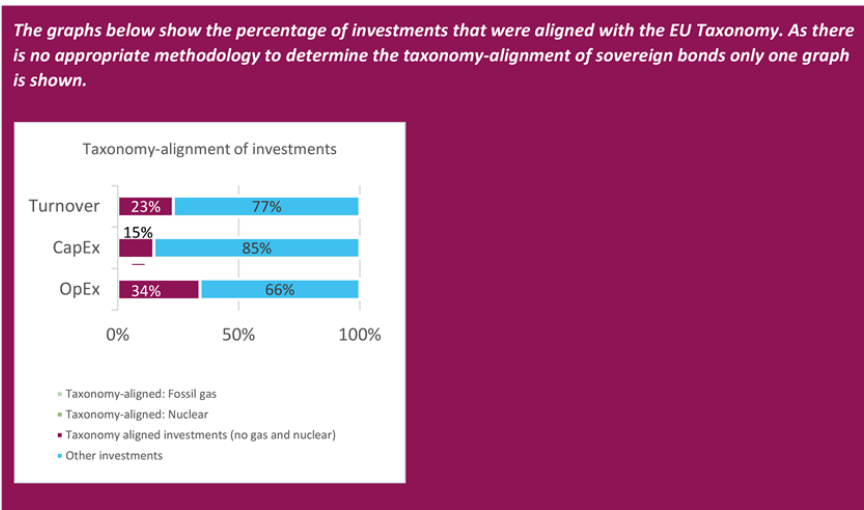
7% of the Fund's underlying investments that are not aligned with 'climate change mitigation' do contribute substantially to 'climate change adaptation', due to the limited physical climate risks and the fact that the economic activities do not significantly harm any other environmental objectives due to the number of B or C energy labels.

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



● **What was the share of investments made in transitional and enabling activities?**

Not applicable for the Fund.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Compared to previous reference period, the percentage of investments that were aligned with the EU Taxonomy have decreased with 13%.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

There is too limited market practice available to determine which investments can be tagged as environmental sustainable investments under the SFDR and not aligned with the EU Taxonomy.



What was the share of socially sustainable investments?

There is too limited market practice available to determine which investments can be tagged as social sustainable investments under the SFDR and not aligned with the EU Taxonomy.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Not applicable. The Fund has no “other” investments in its portfolio.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

- By improving the general performance on data and reductions related to energy consumption, GHG emissions, water and waste, the Fund enhanced the GRESB score and retained its five-star GRESB rating.
- During 2023 the Fund continued its investments in sustainability measures (i.e. adding solar panels) in existing buildings and added several new energy-efficient buildings to its portfolio. This resulted in an increase of the average building sustainability score (GPR-Gebouw),.
- During 2023 the Fund continued to focus on gas-free assets by following its Paris proof roadmaps. By doing so, the Fund also strives to lower its average energy intensity. In 2023, the Fund realized a decrease in energy intensity.
- Giving tenants the opportunity to handle all their rental matters easily via an app, was the next step in the plans to improve the Fund's services. This app was first introduced for three buildings and the Fund plans to roll the app out across multiple (new-build) complexes. The Fund will continue to work on the further development and optimisation of this app to increase tenant satisfaction and engagement.
- The Fund ensured that more acquisition projects are registered with the considerate constructor scheme by setting stricter agreements.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



How did this financial product perform compared to the reference benchmark?

There is no reference benchmark available in the market for this financial product.

- *How does the reference benchmark differ from a broad market index?*
- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*
- *How did this financial product perform compared with the reference benchmark?*
- *How did this financial product perform compared with the broad market index?*

Glossary

Acquisitions

Acquisitions are contractual obligations for the purchase of investment properties, where such property is not generating income for the benefit of the Fund as of the reporting date.

Considerate constructors scheme

The proportion of construction sites controlled by the reporting company that are registered under the Dutch Considerate Constructors (Bewuste Bouwers) scheme in a reporting year, weighted by purchase price.

Direct property return

Direct property return as a percentage is equal to the net rental income of investment properties divided by the value of the investment properties, including purchaser's transaction costs, on a monthly basis (MSCI methodology).

Distributable result

Distributable result is the company only total rental income and other income net of all expenses, costs, fees (including management fee), financing costs and taxes borne by the Fund available for distribution to the shareholders.

Energy index of the portfolio

Average energy index on asset level, weighted by lettable floor area. Based on investment properties and excluded units without an energy index. For the residential portfolio, the average energy index is calculated at unit level.

Estimated rental value

The estimated rent at which space within a property could reasonably be expected to be let given current market conditions.

Financial occupancy rate

This is the average occupancy rate of the portfolio over the year calculated on the basis of rental revenue according to contracts as at the reporting date, as a percentage of the theoretical rent.

Fund capital growth (INREV)

Fund capital growth is the total return (INREV), less the distributable result, divided by INREV NAV at the beginning of the period plus the time weighted (daily) contributions for the quarter minus the time weighted (daily) distributions/redemptions for the quarter. Annual fund capital growth is calculated compounded on the basis of 4 quarters.

Fund income return (INREV)

The fund income return per period as a percentage is equal to the distributable result, divided by INREV NAV at the beginning of the period plus the time weighted (daily) contributions for the quarter minus the time weighted (daily) distributions/redemptions for the quarter. Annual fund income return is calculated compounded on the basis of four quarters.

Fund total return (INREV)

The fund total return for the quarter is equal to the sum of the unrounded fund income return and fund capital growth. As a result rounding differences may occur. The annual fund total return is calculated compounded on the basis of the quarterly fund total return. As a result, the fund total return is not the sum of the fund income return and the fund capital growth.

Green portfolio

Relative share of lettable floor area with energy label A, B and C compared with the total lettable floor area of the portfolio, based on investment properties and excluding listed buildings. For the residential portfolio, the green portfolio is calculated at unit level.

GRESB score

The GRESB (Global Real Estate Sustainability Benchmark) score is an overall measurement of ESG performance – represented as a percentage of a 100 percent maximum. The score is a result of the annual assessment of the entity by GRESB.

GRESB star rating

The GRESB star rating is based on the GRESB score and its quintile position relative to the GRESB universe, with annual calibration of the model. If an entity is placed in the top

quintile, it will be a GRESB 5-star rated entity; if it ranks in the bottom quintile, it will be a GRESB 1-star rated entity, etc. As the GRESB star rating is calculated relative to the global performance of reporting entities, it shows exactly where the Fund stands on a global scale.

Gross Asset Value (GAV)

The total property portfolio plus the value of any further assets at market value as per the chosen valuation principles.

Gross initial yield (passing)

Passing rent divided by the gross capital value of the investment property including purchaser's transaction costs, as per end of period.

Gross initial yield (market)

Theoretical rent (market) divided by the gross capital value of the investment property including purchaser's transaction costs as per end of period.

Gross rental income

The gross rental income is the total contractual rental income over the reporting period from let properties reported under IFRS, including the net effects of straight-lining for lease incentives, including rent-free periods.

Indirect property return

Indirect property return as a percentage is equal to the increase/decrease in the value of a property or group of properties net of capital expenditure divided by the value of the investment properties including purchaser's transaction costs, on a monthly basis (MSCI methodology).

INREV NAV

INREV NAV is based on the fair value of the underlying assets and liabilities, as at the financial position date, and adjusted for the spreading of costs that will benefit different generations of investors.

Investment property

Property that is fully operational on the reporting date

Investment property under construction

Property that is being built or developed for future use as investment property.

Lease incentive

Any consideration or expense borne by the property company, in order to secure a lease.

Like-for-like gross rental income

Like-for-like gross rental income compares the increase/decrease of the gross rental income of the portfolio that has been consistently in operation, during two full preceding periods that are described.

Membership of industry associations

Number of employees active in board/committee memberships in industry organisations in the real estate sector in the reporting period.

MSCI Property Index

Benchmark organisation IPD has been rebranded as MSCI. This is why we now cite the MSCI Netherlands Annual Property Index, rather than the IPD Netherlands Annual Property Index. The composition and calculation of the indexes and benchmarks remain the same: indirect property return as a percentage is equal to the increase/decrease in the value of a property or group of properties net of capital expenditure divided by the value of the investment properties including purchaser's transaction costs, on a monthly basis.

Net asset value (NAV)

The net asset value is equal to the shareholders' equity of the Fund.

Net initial yield

Net rental income divided by the gross capital value of the investment property including purchaser's transaction costs as per end of period.

Net rental income

Net rental income is gross rental income for the period less ground rents payable, service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.

On-site solar power

Amount of installed power (kilowatt peak - kWp) from on-site solar panels in the investment portfolio.

Passing rent

The annualised cash rental income being received as at a certain date, excluding the net effects of straight-lining for lease incentives. For the avoidance of doubt, where no rent is currently being paid due to operation of a rent-free period, the passing rent will be shown as zero.

Pay-out ratio of distributable earnings

This is the distributed dividend in the reporting period divided by the distributable result in the reporting period.

Property value

The Property value equals the fair value of the Investment Property and Investment Property under Construction excluding the value of Lease Liabilities.

Real Estate Expense Ratio (REER)

Annual vehicle-level and property-specific costs over a 12-month period as a proportion of average vehicle assets (average GAV and average NAV).

Reduction of energy consumption

Percentage of change in energy consumption (electricity and gas) at end of reporting year compared with previous year on a like-for-like basis for energy meters that were under the direct control of the Fund. Like-for-like refers to the energy consumption of a portfolio that has been consistently in operation for two comparative periods. Gas consumption is converted from m³ to kWh based on the conversion factor as published at end of period on <https://www.co2emissiefactoren.nl>. And gas consumption for the reporting year is corrected for differences in the number of degree days at De Bilt (the Netherlands) between the current and previous year.

Residential units in mid-rental segment

The total number of acquired units with rental prices between € 808 and € 1,120 per month (price level 2023) in the reporting period.

Sustainably certified portfolio

The relative share of investment properties within a portfolio that have been formally granted sustainable building certification, rating or labelling at the end of a reporting period, compared with the total portfolio of investment properties (based on m² LFA).

Theoretical rent

Passing rent over the reporting period plus estimated rental value of vacant units.

Total Global Expense Ratio (TGER)

The total expense ratio reflects the total Fund expenses of the current reporting period as a percentage of the time-weighted INREV Gross Asset Value (GAV) over the period. The TGER is backward looking and includes the management fee, administrative expenses and valuation fees.

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