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annual report 2021

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At home with Vesteda

Our mission is to make sure that all our stakeholders feel at home with us, especially our tenants, our investors in the fund and our employees.

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Foreword by the Management Board

Dear stakeholders,

We are pleased to present to you our 2021 annual report, in which we account for our financial and non-financial performance.

COVID-19 pandemic

The COVID-19 pandemic continued to have an impact on Vesteda and our stakeholders in 2021. As in the previous year, our staff worked from home most of the time and travel and face-to-face meetings were limited, except during the summer. We maintained close communications with our stakeholders and we learned from our tenants by asking for their feedback through our surveys. We felt the impact from the pandemic, but also saw how resilient and flexible we are as an organisation. We could continue our business operations and processes, almost as usual.

We continued to support our tenants, together with the other members of the IVBN (Dutch association of institutional property investors). We offered custom-made solutions to tenants in immediate financial difficulties, providing flexible payment arrangements. Furthermore, we did not evict any tenants during this pandemic, we did not charge collection costs, we extended temporary leases and we moderated our annual rent increase.

The effects of the COVID-19 pandemic did impact our financial results, albeit relatively minor compared with some other sectors. We experienced higher tenant turnover and increased vacancy rates in the high rental segment, especially in Amsterdam. We hired additional sales staff and we made additional investments to rent out these homes. Although the pandemic is not over yet and the culture, tourism and leisure industry is still suffering, the overall economic recovery has been strong and we saw strong upward revaluations in our portfolio. Our solid performance enabled us to support tenants in financial difficulties, without making use of any subsidy from the Dutch government.

New housing regulations

Continued housing shortages and rising house prices has further increased the pressure on the affordability of homes. The Dutch government announced measures to stimulate additional housing production. Furthermore, young first-time home buyers are now exempt from transfer tax, while the transfer tax rate for investors increased to 8% from 2%. And finally, the government imposed a one-off rent freeze in the regulated (social) segment, together with a three-year maximum rent increase of CPI plus 1% for the liberalised segment.

Currently, several Dutch political parties are suggesting additional measures, such as the extension of the WWS points system and/or a cap on the fiscal WOZ value. After a long formation period of the new Dutch cabinet, they recently announced a summary of the new plans, which include aiming at lower rents for lower income households in social housing, some form of rent protection for mid-rental contracts, accelerating the sustainability of homes, the repeal of the landlord levy, and a possible additional increase in the transfer tax rate for investors to 9% from 8%. At the same time, they recognised the importance of institutional investors for building affordable new homes and emphasized that it should remain profitable to invest in these homes. We are actively involved in the affordability debate, together with the IVBN. While we are awaiting more details about the plans from the new cabinet, we will continue with our strategy of investing in affordable and sustainable homes.

Residential real estate market

Vesteda's Housing Market Indicator (HMI) remained steady at around 7.2 in the first three quarters of 2021, driven by positive economic developments and strong market fundamentals for the housing market. Price levels on the owner-occupied and rental market continued to rise, mainly as a result of the scarcity. We also saw high (post-pandemic) economic growth in combination with low unemployment. However, the HMI dropped significantly to 6.5 in Q4 2021, due to the sharp increase in inflation, mainly driven by high energy price, which will have an impact on the affordability of housing and is reflected in the negative consumer confidence.

Operational highlights

Overall tenant satisfaction declined slightly to 7.0 in 2021 from 7.1 in 2020, but still outperformed the benchmark, which also declined by 10 basis points. We managed to get the occupancy rate back at pre-COVID-19 levels (98.8%), despite a higher turnover rate, especially in the high rental segment.

The construction of pipeline projects continued during the pandemic, mostly as planned, and we added five new complexes and the 3D-printed Milestone home to our portfolio. We signed contracts for four new-build projects and we sold two complexes and several individual homes. We completed several large renovation and sustainability projects, reducing the carbon footprint of our portfolio, while at the same time maintaining affordable product with above average value growth potential. GRESB again awarded Vesteda a five-star rating, and our overall score put us 4th in the European real estate sector.

Our organisation showed its flexibility and we made investments to support hybrid working. We would like to thank our employees for their continued hard work during sometimes difficult circumstances and we are proud that we scored a higher HPO score in such a challenging period. However, we do need to pay more attention to employee engagement and collaboration between teams. And finally, the resilience of our funding structure was rewarded with a rating upgrade by S&P to A- from BBB+.

Financial performance

Realised result came in at €212 million in 2021, compared with €191 million in 2020, driven by the inflow of new-build homes as well as increased result on property sales due to higher sales prices and the sale of two complexes. The realised return as a percentage of time weighted average equity increased to 3.2% in 2021 from 3.1% in 2020. Strong market fundamentals and continued housing shortages also resulted in strong revaluations of the portfolio. As a result, the total return on time-weighted average equity was 22.0% in 2021, compared with 7.6% in 2020.

Russian invasion of Ukraine

On 24 February 2022, we were shocked by the tragic news about the war in Ukraine. While the fighting continues, many Ukrainians flee their country, looking for a safe place elsewhere in Europe. Together with the other IVBN members, we are investigating how we can help refugees in the Netherlands. The first step is that we allow our tenants to accommodate refugees in their homes. Furthermore, we are identifying opportunities to provide temporary housing. Vesteda does not have a direct exposure to Ukraine or Russia. However, the war in Ukraine does impact our tenants, for example due to the rising energy prices.

Outlook

COVID-19 was an unexpected event and showed us that forecasting market developments remains difficult. We consider two developments as very important to us for the coming years: affordability and climate change. The affordability of housing is under pressure, primarily due to the housing shortage that is driving up house prices, plus the increased cost of living, driven in part by rising energy costs. We expect continued attention from the government and municipalities to solve this problem. This is expected to lead to additional housing sector regulations, also for the mid-rental segment. Vesteda is committed to keeping rental homes affordable and will moderate its rents increase in 2022, as in previous years. Finally, to mitigate the impact of climate change and to achieve its Paris Proof goal in 2050, the government is planning to raise national sustainability targets. Mitigating any threats and building on opportunities will make us stronger in the long run.

We will continue our strategy and aim to be the best landlord in the Netherlands. We are proud of what Vesteda accomplished in 2021 and we want to thank our stakeholders for their continued commitment and support. Our reappointments give us the trust and confidence to continue to pursue our long-term goals together.

Vesteda Management Board

Gertjan van der Baan (CEO) and Frits Vervoort (CFO)

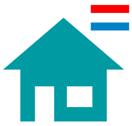
Vesteda at a glance

About Vesteda

Leading institutional residential investor

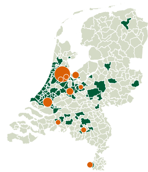
Vesteda is a service-oriented institutional residential investor with a large and varied portfolio of homes in attractive neighbourhoods in the Netherlands. With a portfolio of 27,570 residential units, we are the largest Dutch independent institutional residential investor. Vesteda is internally managed, is cost-efficient and has its own in-house property management.

Key characteristics



Dutch residential rental market

Mid-rental sector



Primary regions

Fund

- Established in 1998 as a spin-off of the residential portfolio of Dutch pension fund ABP.
- Single fund manager.
- Internally managed: no management fee structures and no carried interest arrangements.
- Open-ended core residential real estate fund.
- Broad institutional investor base with a long-term horizon.
- Attractive risk profile.
- Limited use of leverage (target <30%); S&P credit rating A-.
- Active investor relations policy.
- In-house property management since 2003.
- Governance in accordance with best practice guidelines, including INREV, with the emphasis on transparency and alignment of interests.
- AIFMD (Alternative Investment Fund Managers Directive) licence obtained in 2014.
- Transparent for tax purposes: fund for the joint account of participants (Dutch FGR fund structure).
- GRESB five-star rating and ranking 4th in a peer group of 10 investors in the Netherlands.

Assets

- Well-diversified portfolio consisting of nearly 500 residential complexes in economically strong regions.
- All in the Netherlands, all in residential and related properties.
- Focus on the mid-rental segment with monthly rents between €763 and €1,200.
- Vesteda offers sustainable housing and operates in a socially responsible manner.

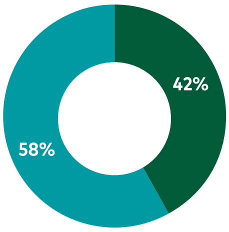
Targets

- Tenant satisfaction: Outperform the Customeyes benchmark.
- ESG performance: 99% green energy labels (A, B or C) by 2024.
- Financial performance: Outperform the three-year MSCI IPD Netherlands Residential Benchmark.

Portfolio overview

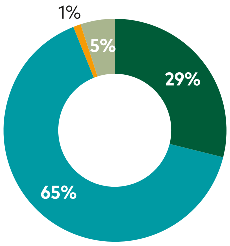
Number of residential units	Investment portfolio value	Occupancy rate	Gross rental income
27,570	€9.5 bln	98.8%	€347 mln

Portfolio by type of residential unit (weight in value)



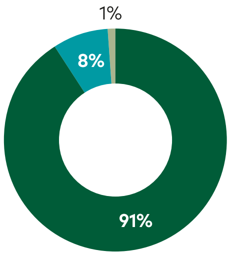
- Single-family
- Multi-family

Portfolio by rental segment (weight in value)



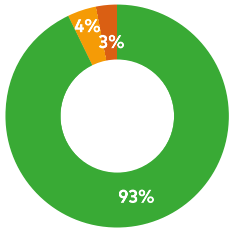
- High
- Mid
- Regulated mid
- Regulated

Portfolio by region (weight in value)



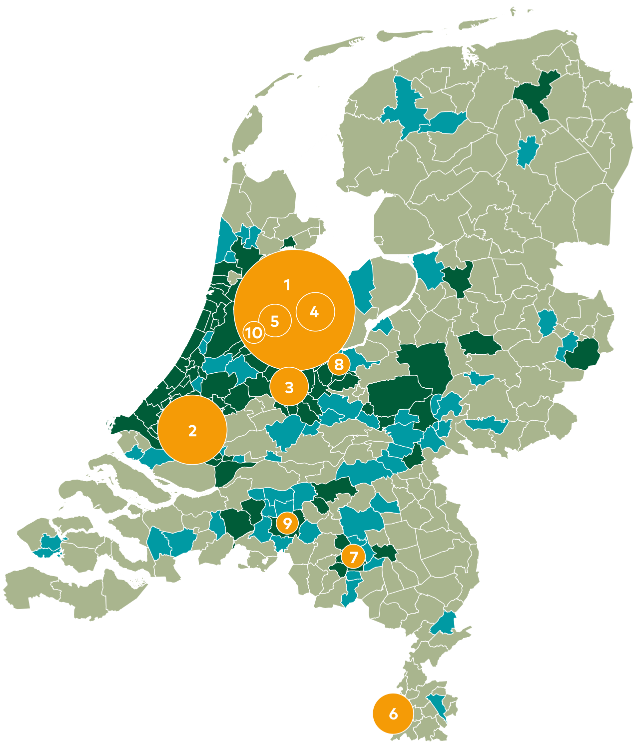
- Primary
- Secondary
- Other

Portfolio by energy label (weight in units)



- ABC
- D
- EFG

Portfolio distribution (value at year-end 2021)



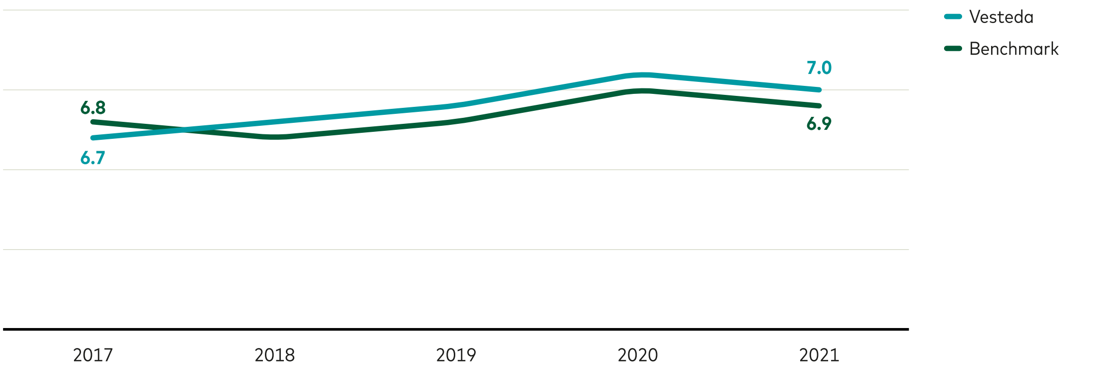
		€ million	% of total portfolio
1.	Amsterdam	2,011	21%
2.	Rotterdam	717	8%
3.	Utrecht	416	4%
4.	Almere	402	4%
5.	Diemen	322	3%
6.	Maastricht	299	3%
7.	Eindhoven	248	3%
8.	Amersfoort	233	2%
9.	Tilburg	230	2%
10.	Amstelveen	220	2%

Vesteda focus regions

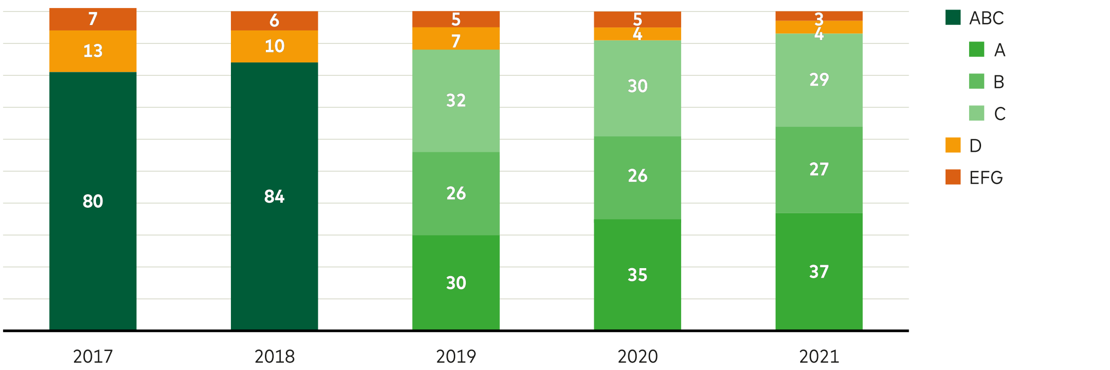
- Primary
- Secondary
- Other
- Top 10 region by portfolio value

Key figures

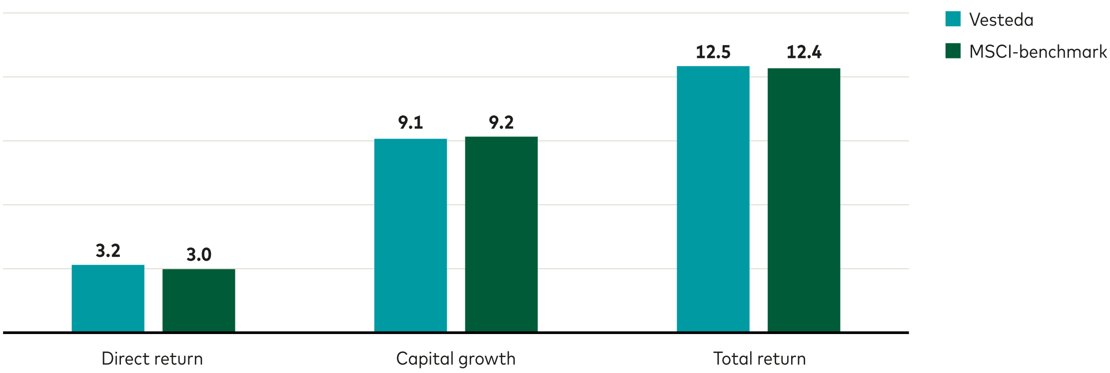
Tenant satisfaction (score out of 10)



Energy labels (%)



Performance Vesteda vs MSCI benchmark (%, three-year average)



Note: Direct return and capital growth might not add up to total return as a result of time weighted averages on a monthly basis.

Management Report

Strategy and long-term objectives

Our purpose
Vesteda invests the pension savings and insurance premiums entrusted to it by institutional investors, such as pension funds and insurance companies, in sustainable Dutch residential real estate for middle-income tenants. As such, we contribute to future income security for retirees, affordable living for Dutch middle-income households and to the continued improvement of the quality of urban communities.

Our mission
At home with Vesteda. This applies to our tenants, the investors who invest in our fund and the employees who work at our company. Our mission is to make sure our key stakeholders feel at home with Vesteda. And we want to be the best landlord and residential fund in the Netherlands by outperforming on tenant satisfaction, sustainability and stable financial performance.

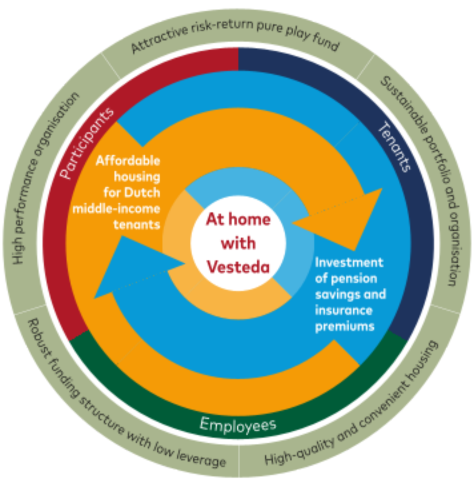
Our vision
Vesteda is the expert in residential living. We have direct contact with our tenants. This is why we know their current and future living requirements better than anyone. We use our knowledge to constantly improve our services and our existing residential portfolio. We also add residential complexes that are tailored to the living requirements of our tenants now and in the future and we do so in a sustainable and innovative manner. Together with our tenants, we create an environment in which they feel at home.

Our core values

Service-oriented	Ambitious	Entrepreneurial	Trusting	Cooperative

At Vesteda, our tenants, investors and employees are our highest priority. This requires service-oriented and entrepreneurial employees. We listen and learn and look for the best solutions. We see and seize opportunities and accept our responsibility. Vesteda is ambitious. We make the most of everything. And do better every time and with total conviction. We trust our people and give them a great deal of freedom and responsibility. We cooperate with each other across various disciplines and come from a wide variety of backgrounds.

Vesteda vision framework



Our strategic ambitions

Based on our vision framework and developments in society and the housing market, we have formulated our strategic ambitions for the coming years. Our strategic ambitions include:

Tenants: "Provide middle-income tenants with good-quality, sustainable and affordable housing in urban areas. We want them to rate us as the best landlord in the Netherlands".
Our tenants should feel at home with Vesteda. We are convinced that satisfied tenants are less likely to move and more likely to contribute to the well-being of other tenants, which in turn enhances social cohesion among our tenants and the long-term performance of our assets. Our in-house property management enables us to respond more quickly than our competitors to the future housing needs of current and future tenants. In short: we add value for our tenants.

Adding value goes beyond the home itself. The total customer experience encompasses the quality of the surroundings, the sustainability of our homes, renting from a socially responsible company, effortless customer service, flexibility in the choice of services that fit personal needs, access to community living, transparency, and easy and fast communications.

Portfolio: "Improve the quality and sustainability of our portfolio, offer value-for-money homes to our tenants, ensuring satisfied tenants, stable rental income growth and MSCI outperformance".
We maintain our focus on improving the quality and structure of our portfolio, focusing on our selected primary regions, the (regulated) mid-rental segment and green energy labels. This provides the basis for keeping our tenants satisfied, for long-term outperformance and for stable low-risk rental income growth.

Our current portfolio is well diversified, offering homes to mainly middle-income households in economically strong regions in the Netherlands. Our goal is to improve our portfolio by investing in our existing complexes and by acquiring new high-quality assets in the (regulated) mid-rental segment in primary regions.

Participants: "Provide long-term investors with an attractive risk-return profile in a pure-play Dutch core residential property fund".
Vesteda strives to provide its participants with an attractive risk-return investment, transparency and a high level of service. Participant satisfaction is one of our key performance indicators. We measure this according to objective criteria, including financial performance, transparency and our strategy. We seek to continuously improve the dialogue with all our participants, and invest in establishing relationships with potential new participants.

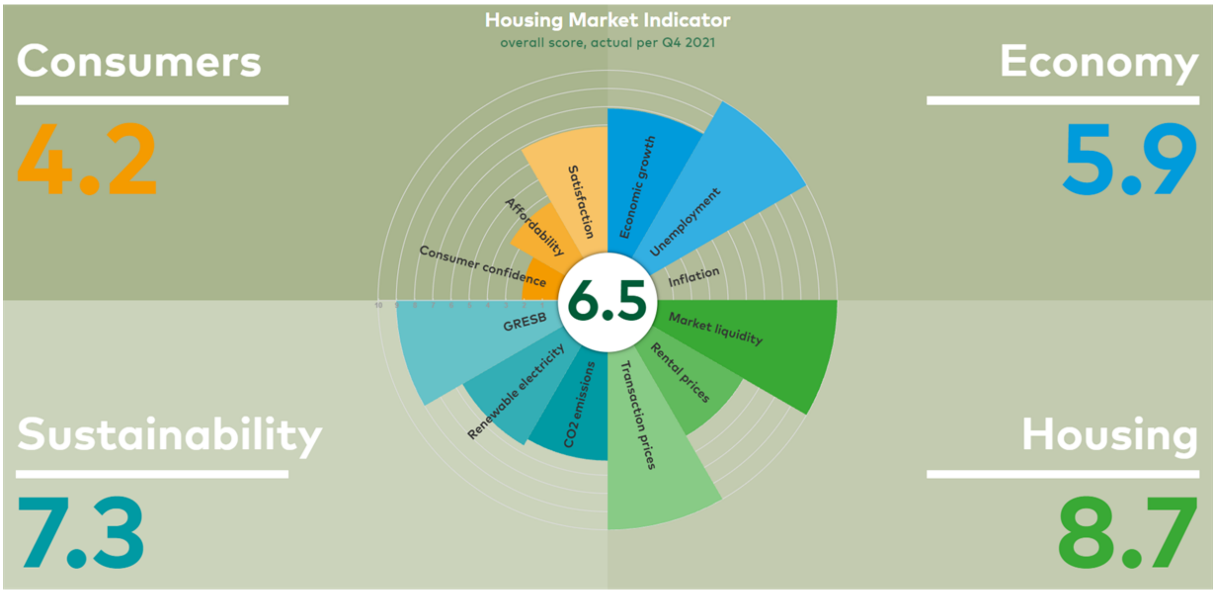
Organisation & staff: "Being a service-oriented organisation, supported by smart technology. Operated at attractive cost levels and regarded as an employer of choice".
Vesteda's goal is to become a High Performance Organisation (HPO), which requires us to focus on those elements that will help us up our game and ultimately outperform our peers. Our employees are key to achieving our ambitions and strategic goals. We will continue to train our staff and focus on our customer journey, which will help us achieve our ambition to be the best landlord in the Netherlands. Our IT system, with more integrated processes, will help us to improve our efficiency and collaboration across the company.

Funding: "Provide a robust and well-diversified, flexible, and green funding structure with low leverage and low cost of largely fixed-rate debt".
Vesteda continues to diversify its funding sources and to improve its maturity profile, while maintaining low leverage and lowering our cost of debt. We continue to align our funding structure with our ESG strategy. We actively use debt for the sustainable financing of our portfolio and acquisitions, at attractive terms, to reduce our cost of debt and improve our return on equity. We will assess the impact of regulations on sustainable financing, and continue to advance our reporting on sustainable financing.

Market developments

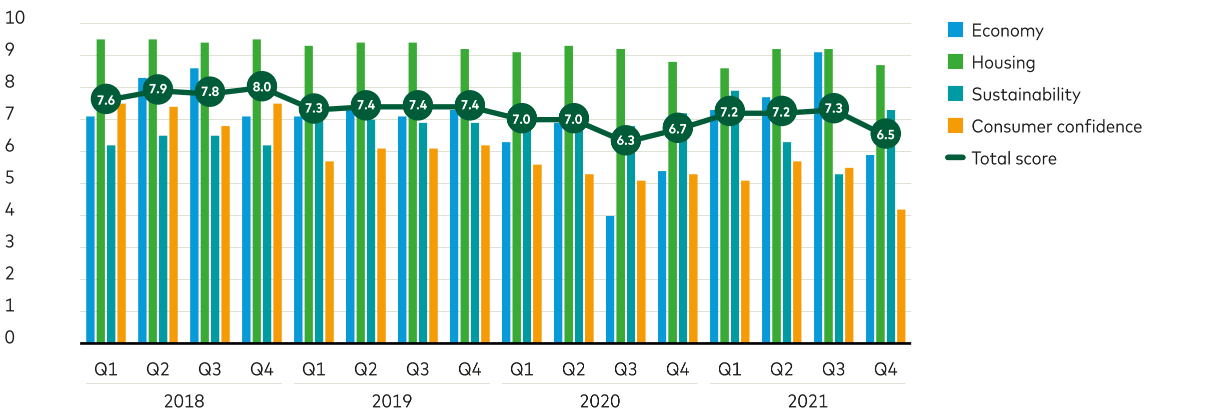
In 2021, society faced the second year of dealing with the consequences of COVID-19 pandemic. The impact of government measures and high levels of uncertainty resulted in fragile market conditions. However, despite this uncertainty, the Dutch economy recovered strongly and the unemployment rate remained low. At the same time, the housing market remains tight. The price levels of owner-occupied homes reached new highs and the prices on the rental market continued to rise. The strong market fundamentals for the residential investment market are driving high investment volumes. Meanwhile, the affordability of housing is under increasing pressure and consumer confidence remained negative in 2021. Given the pressure on affordability and the increasing shortages, the housing market remained high on the political agenda.

Vesteda Housing Market Indicator, actual as per Q4 2021



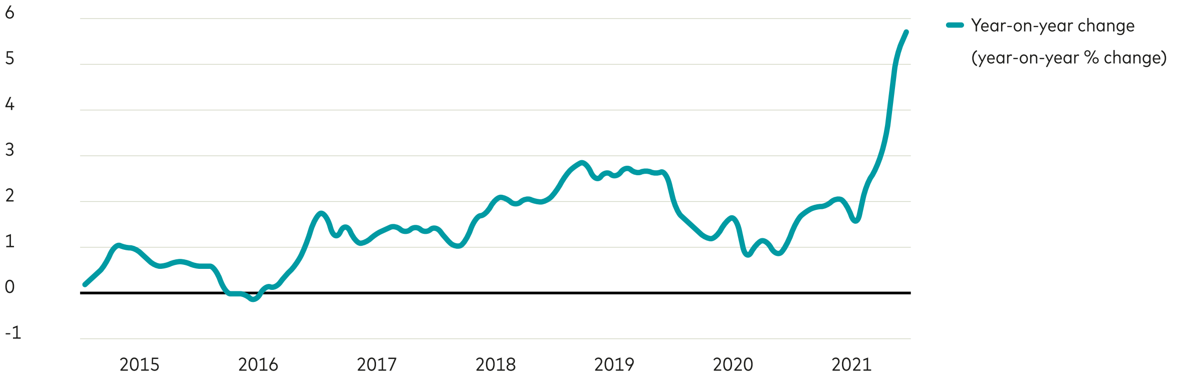
Source: Vesteda

Vesteda Housing Market Indicator, Q1 2018 - Q4 2021



The average score of Vesteda's Housing Market Indicator (HMI) in 2021 reflected the robustness of the Dutch economy and the housing market. The HMI remained steady at around 7.2 in the first three quarters of 2021. However, the HMI dropped significantly to 6.5 in Q4 2021. The sharp increase in inflation to 5.7% in December had a significant impact on the economic driver of the HMI. Energy price developments in particular contributed to higher inflation at the end of 2021, which resulted in a total annual inflation rate of 3.8% relative to 2020 (CBS).

Consumer Price Index the Netherlands, 2015-2021



Source: Statistics Netherlands

Following a historical contraction in gross domestic product (GDP) of 3.7% in 2020, the Dutch economy recovered strongly and rapidly, as GDP growth came in at 4.8% in 2021. Support measures, both nationally and internationally, had a positive impact, together with the (partial) re-opening of society. GDP growth was even higher in 2021 compared to pre-COVID-19 levels. The lack of resources and staff is limiting growth. Furthermore, consumer sentiment about the economy remained negative throughout the year.

Despite the pandemic-related uncertainty in 2021, the unemployment rate remained at a historical low in 2021. By the end of the year, unemployment had declined to 3.8% of the labour force, the lowest monthly rate since the start of measurements in 2003.

The housing market remains tight and the affordability of housing continues to decline. At year-end 2021, the prices of owner-occupied homes stood 20% higher than at year-end 2020, which was the largest price increase since 2000 (CBS). Prices on the rental market also continued to rise, although at a more moderate pace. We did see a temporary easing in the high rental segment, due to lower demand from expats and self-employed tenants.

The current housing shortage will probably not improve in the short term. The supply of new development locations remains limited, there are long lead times for developments and there is limited capacity to scale up building processes. In a reaction to this, national and local governments are now looking for ways to intervene and we expect to see a continuation of the trend towards more regulation in the liberalised rental sector in the coming years.

Given the ongoing demand for rental homes, appetite among investors remains high. The attractiveness of the Dutch residential investment market, in combination with the availability of Dutch and international capital and low interest rates, has led to yield compression over the past few years. Moreover, the investment market remained strong, both for residential complexes and individual unit sales. The investment volume is expected to reach another record in 2021: €4.8 billion in new-build rental homes, resulting in a total of 16,700 homes (Source: Capital Value).

Tenants

Focus on tenant satisfaction

Investing in sustainable relationships with our tenants

Our goal is to be seen as the best landlord in the Netherlands. Therefore, we listen to the feedback from our tenants, to make sure that they feel at home with Vesteda. A pleasant home, a smooth customer journey and clear and transparent communications all contribute to this effort.

A service-oriented organisation

One fan a day

A key priority for Vesteda is to deliver high quality service and we are creating a truly service-oriented culture within Vesteda to improve this. We strive to make one fan a day, by exceeding our tenant's expectations and by providing extra personal attention, keeping tight controls on our sub-contractors, our after-sales service or by sending a card or flowers. In this way, we aim to provide a seamless customer journey.

Affordability

Pro-active tenant communication regarding payment problems

Thanks to the cooperation between the various Vesteda departments and our in-house property management, we can identify impending payment problems among our tenants at an early stage. This gives us the opportunity to contact tenants and offer them a payment plan or a more affordable home in the neighbourhood. In 2021, we made around 1,000 individual arrangements.

Home sharing for special target groups

The increases in house and rental prices relative to incomes is making housing unaffordable for many segments of the Dutch population. This includes special target groups, such as healthcare staff, teachers and other public sector workers. This group faces challenges in finding a home near their job, mainly in city centres. To increase the possibilities of finding an affordable living accommodation, we allow home sharing in specific buildings. This gives two friends or colleagues the opportunity to rent a home together.

Nibud calculation tool

In November 2021, we started a pilot in cooperation with the Nibud (National Institute for Family Finance Information), a well-known and respected independent foundation in the Netherlands that gives information and advice on the financial affairs of private households. During the registration process, we offer home seekers access to the Nibud calculation tool. This gives potential tenants the opportunity to gain a better understanding of their future financial situation. The Nibud's underlying data represents different types of household, which makes the tool a reliable source of information. We consider this a first step towards a deeper collaboration with the Nibud to help make the cost of living more transparent and calculable for our (future) tenants.

Renovations and energy use

Affordability is not only affected by housing costs, but by a wider range of criteria that influences a household's quality of life. We believe that there is also a link with sustainability. This is why we invest in large-scale renovations in our portfolio. These renovations help to reduce energy consumption, which in turn leads to lower energy bills for our tenants. In addition to this, we continue to stimulate the sustainable use of our homes by our tenants. In 2021, we started a pilot project with the SlimWonen App, which helps tenants make smarter and more sustainable choices in their energy consumption.

Continuing cap on annual rent increase

As market rents continue to rise faster than renter incomes, in 2021 we once again capped the annual rent increase for our liberalised sector rental contracts to CPI plus 1%, in line with new government regulation.

Communication and digitalisation

New and improved web care and social media strategy

In 2021, we started working with a new social media management system. This enabled us to schedule social media activities, make quick changes to current media content and quickly respond to tenant questions and complaints. We share relevant information about our company via our website, social media and our online tenant portal. Social media marketing aims to actively inform our stakeholders about our mission, vision, goals and activities. This also gives us the opportunity to connect with home seekers.

We actively monitor and reply on the comments on Google Review, which helps us optimise our service. We believe that a combination of technology and the human touch will help us deliver the best customer experience.

LED TV screens

In 2020, we started a pilot with LED TV screens in the entrances of five complexes spread across our portfolio. The screens feature relevant information about the complex, contact details for the caretaker and Vesteda's own 'how-to videos' about My Vesteda. In 2021, we sent a questionnaire to the tenants in these complexes to evaluate this pilot. The results showed that tenants in an existing complex did not value the screens as much as tenants in newly built complex. We will assess these results and decide how to move forward in 2022.

Tenant satisfaction surveys

Our tenant satisfaction surveys are a valuable indicator for us and we use the outcome to improve our services and homes. Once a year, we measure our tenant satisfaction through a benchmark survey conducted by Customeyes. We participate in this survey with other institutional investors in the Netherlands. The Customeyes data consists of a representative sample drawn from all Vesteda's tenants. We share the results of this survey with our tenants and employees. Together with the Vesteda Management Board, all managers involved evaluate the results to identify potential improvements.

Benchmark tenant satisfaction

The score for overall tenant satisfaction is comparable to the Net Promoter Score. The Net Promoter Score is a method used to measure client loyalty. Our current tenant satisfaction score is 7.0, which is above the benchmark score of 6.9. We believe that our outperformance compared with the benchmark, also in previous years, reflects the importance of in-house property management as part of our business model and the need to gather direct feedback from our tenants to make them an integral part of our business model.

Our score of 7.0 in 2021 was slightly lower than the 7.1 we scored in 2020. The Customeyes benchmark provides us with detailed information on how our tenants experienced our homes, the living environment and our service levels in 2021. Key areas for improvement in 2022 are waiting times on the phone, maintenance of certain complexes and our response time on repair requests. We continue to focus on improving tenant satisfaction based on the information from this survey, with the goal of outperforming the benchmark again this year.

Survey on the impact of COVID-19

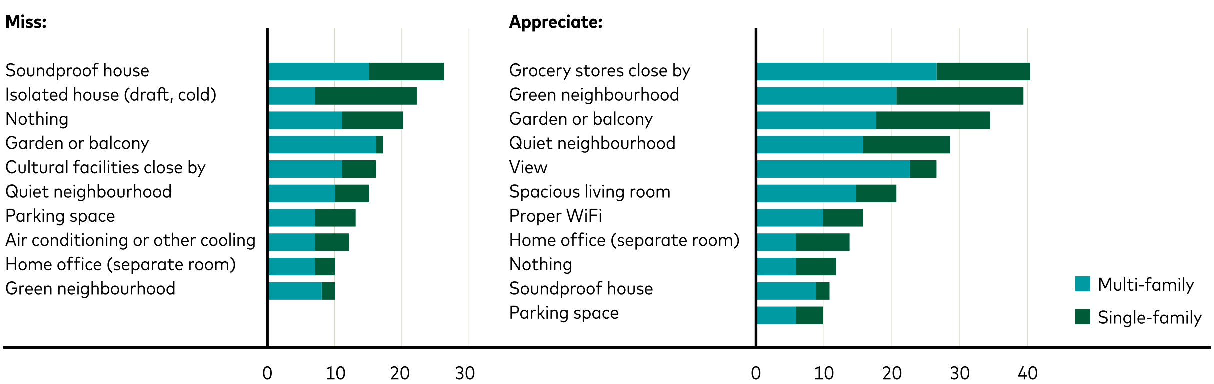
The slightly lower score for both Vesteda and the benchmark may be linked to the situation related to COVID-19 restrictions. In 2021, many people were at home more often and saw any defects in their homes and nuisances in or around their homes as more urgent than they had previously.

In March 2021, we conducted a second COVID-19 survey to help us gain insight into the impact of the prolonged pandemic. Around 500 tenants participated and provided us with insights into their experiences with respect to their homes and living environments since the outbreak of COVID-19.

The most noticeable difference between the first and the second survey was nuisance. Although nuisance was also an issue in the first survey, in the second survey it was much more significant. For 37% of the respondents, nuisance had increased since the outbreak of COVID-19. Most frequently mentioned nuisances were neighbours, for example their talking, cooking, home repairs, children or dogs. Other frequently mentioned types of annoyance were around the home, such as building sites, parties, garbage on the streets or parking issues.

We are also pleased to report that many tenants indicated that they are happy with their homes and their living environment, as they recognise more than ever the importance of a safe place and a pleasant living environment. Gardens or balconies, nearby grocery stores and a green neighbourhood are especially appreciated.

Since the outbreak of COVID-19, what did you miss or appreciate in your house or living environment, more than before? (%)



Source: Vesteda Survey 2021. Note: Excludes answers given by less than 10% of tenants.

Conclusion

The improvement of our services for tenants remains important. We believe that satisfied tenants are less likely to move and that they contribute to the well-being of other tenants, which in turn enhances social cohesion and the performance of our assets. From the tenant satisfaction surveys, we learned what areas of the services we provide require extra attention. We would like to thank all the respondents from last year for sharing their thoughts and insights with us.

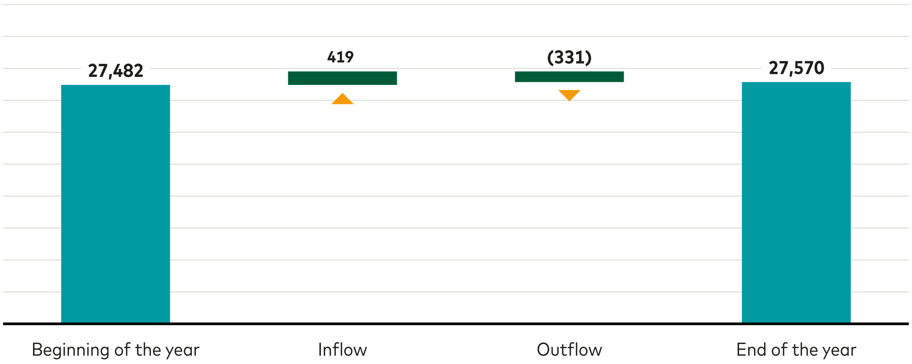
Please refer to the Management agenda 2022 of this report for our plans to improve our tenant services in 2022.

Portfolio

Units

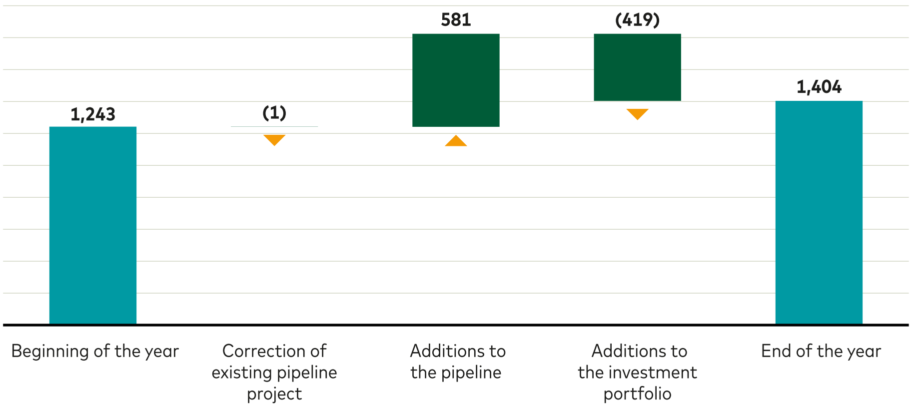
The total number of residential units stood at 27,570 at year-end 2021, an increase of 0.3% compared with year-end 2020. In 2021, we added a total of 419 homes to our investment portfolio. We sold 331 units, consisting of 169 individual unit sales and two complex sales totalling 162 units.

Investment portfolio development in 2021 (number of units)



The total committed pipeline stood at 1,404 units at year-end 2021. We signed contracts for four new-build projects, adding 581 units to the committed pipeline.

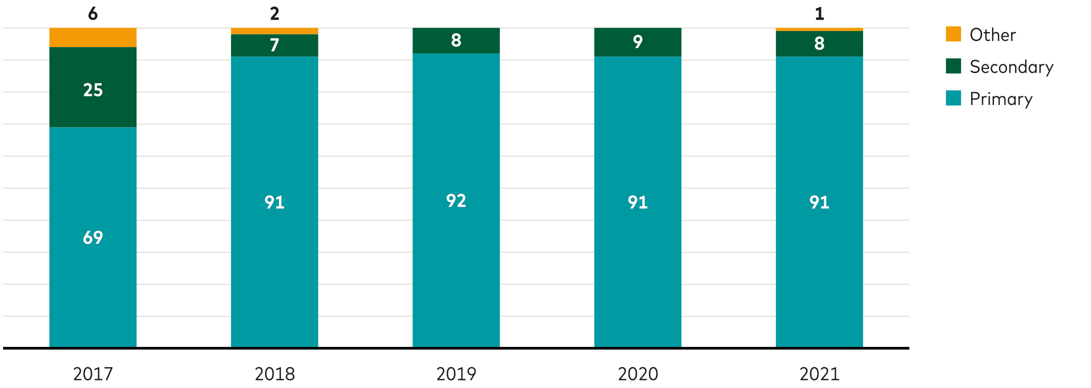
Acquisition pipeline development in 2021 (number of units)



Segmentation

At year-end 2021, 91% of the investment portfolio was located in Vesteda's primary regions, in line with the previous year. In 2021, we reviewed our segmentation which has led to some small reclassifications of cities with very limited impact on our total portfolio segmentation.

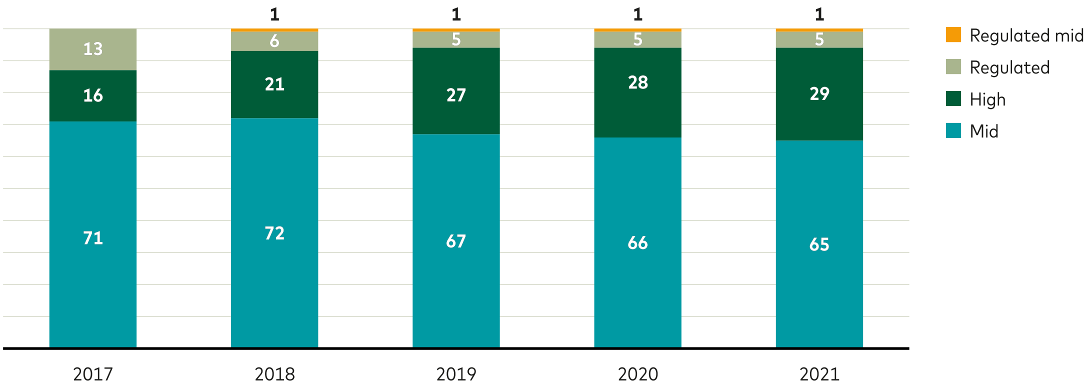
Composition of the investment portfolio by region (%, weight in value)



Vesteda is playing its part in delivering affordable homes in the mid-rental segment. We believe that the only way to solve the housing shortage, including all the knock-on effects this has, is to build more homes. Increasing the supply of mid-rental homes will help to create a balanced housing market and attractive and liveable cities. In line with our strategy, our pipeline consists of mid-rental and regulated mid-rental segment homes.

We saw a slight shift in our overall portfolio from the mid-rental segment to the high rental segment. The main drivers for this were the annual rent increase, the revisionary potential and the investments in our assets causing units to shift from the mid to high rental segment. The threshold amount for our high rental segment remained unchanged at €1,200 rent per month. The regulated segment consists of rents up to €752 per month and the mid rental segment consists of rents between €752 and €1,200 rent per month.

Composition of the investment portfolio by rental segment (%, weight in value)



Acquisitions and property sales

The residential (investment) market turned out to be a safe haven for investors in uncertain times after the start of the pandemic. This fuelled demand and competition for residential investment product, from both national and international investors. The supply of new product remains limited, lead times to make projects feasible and getting projects to the start of construction are prolonged due to limited capacity at municipalities, objections to permits from third parties, regulation, high (sustainability) ambitions and cost uncertainties due to the extreme rise in construction costs.

As a result, and on the back of ongoing low interest rates, initial yields for residential investment product compressed further last year. GIY for Vesteda's existing portfolio declined from 4.4% at year-end 2020 to 3.8 % at year-end 2021.

Portfolio inflow

The following table provides an overview of the new-build additions to the investment portfolio in 2021.

New-build additions to the investment portfolio in 2021

Residential building	Location	Number of units	Type	Region	Rental segment	Quarter of completion
De Generaal	Rijswijk	120	Multi-family	Primary	Mid	Q1
Punt Sniep	Diemen	202	Multi-family	Primary	Mid	Q1
Zuidpoort	Veenendaal	34	Multi-family	Primary	Mid	Q1
Tromppark	Dordrecht	40	Single-family	Primary	Mid	Q2/Q3
Willemsbuiten	Tilburg	22	Single-family	Primary	Mid	Q1
Milestone	Eindhoven	1	Single-family	Primary	Mid	Q2
Total		**419**				

Acquisition pipeline

Vesteda continues to prefer quality above volume in acquisitions: quality in terms of residential product, affordability, sustainability, location, return and risk profile. We added a total of four new-build projects to our pipeline in 2021, totalling 581 residential units. The total committed pipeline stood at 1,404 units at year-end 2021, with an estimated market value of €534 million at completion. All projects are in line with our portfolio strategy in terms of region, rental segment and energy label. The majority of the projects are located in urban expansion sites of larger cities in the Netherlands, where Vesteda can benefit from the promising and ongoing development of the areas.

Committed acquisition pipeline at year-end 2021

Residential building	Location	Number of units	Type	Region	Rental segment	Completion
Westerwal	Groningen	171	Multi-family	Primary	Mid	2022
Goudshof	Gouda	72	Multi-family	Primary	Mid	2022
The Ox	Amsterdam	168	Multi-family	Primary	Reg Mid/Mid	2023
Regent II	Den Haag	98	Multi-family	Primary	Mid	2023
Waterburcht	Helmond	70	Multi-family	Primary	Mid	2023
Grote Beer	Rotterdam	193	Multi-family	Primary	Reg Mid	2023
Frank is een Binck	Den Haag	205	Multi-family	Primary	Reg/Reg Mid/Mid	2024
De Weverij	Enschede	109	Multi-family	Primary	Mid	2024
Imagine	Rotterdam	133	Multi-family	Primary	Mid	2024
CZAN Singelblok	Amsterdam	185	Multi-family	Primary	Mid	2025
Total		**1,404**				


1 Westerwal, Groningen


2 The Ox, Amsterdam


3 CZAN Singelblok, Amsterdam


4 De Weverij, Enschede


5 Regent II, The Hague


6 Frank is een Binck, The Hague


7 Goudshof, Gouda


8 Imagine, Rotterdam


9 Grote Beer, Rotterdam


10 Waterburcht, Helmond

Upgrades & (re)development pipeline

In order to improve the quality of our portfolio and achieve our sustainability targets, we actively pursue and execute opportunities to create value in existing assets through renovations and measures to improve sustainability. This generally involves outdated, but attractive product at a good location, which we convert into a future-proof, sustainable and affordable product. Value creation emerges from increasing reversionary potential, lower capital and operational expenditures going forward and a lower risk profile. In 2021, we upgraded a total of 295 units.

Completed renovations in 2021

Residential building	Location	Number of units	Type	Quarter of completion	Previous energy label	New energy label
Churchilllaan	Rijswijk	215	Multi-family	Q4 2021	E	B
Kapittelweg	Hilversum	80	Multi-family	Q4 2021	D	B
Total		**295**				

Moreover, we are currently renovating or approaching the renovation phase for 14 projects, totalling over 1,300 homes.

Committed renovation pipeline at year-end 2021

Residential building	Location	Number of units	Type	Current energy label	New energy label	Completion
Westkapellelaan	Den Haag	96	Multi-family	G	B	Q1 2022
Schuilenburg	Amersfoort	116	Single-family	E	A	Q1 2022
New Amsterdam	Amsterdam	171	Multi-family	A	A	Q1 2022
Klaverhof	Alphen aan den Rijn	85	Multi-family	D	B	Q1 2022
Egelantierstraat	Badhoevedorp	71	Single-family	D	A	Q3 2022
Total		**539**				

In addition to the committed renovation pipeline, another 9 projects are in the initiative or design phase to upgrade approximately 800 homes.

Portfolio outflow

Vesteda sold two assets in Almere and Rijswijk in a controlled auction process. These two complexes were sold because they did not contribute to Vesteda's portfolio strategy.

Performance

Rental income

The total theoretical rent stood at €362 million at year-end 2021, an increase of €11 million compared with year-end 2020. This was mainly driven by the inflow of new-build homes into the portfolio, the annual rent increase in July, and by rent increases due to investments in quality and sustainability in selected assets in the portfolio. The total market rent at year-end 2021 was 6.5% higher than the theoretical rent and leads to an increase of reversionary potential in comparison with the previous year.

Market rent and theoretical rent

(€ million, year-end)	2021	2020	2019	2018	2017
Market rent	385	364	337	350	264
Theoretical rent	362	351	330	332	260

The average monthly rent at year-end (residential only) increased by 2.6% in 2021, due to the like-for-like growth of our standing portfolio and changes in composition of the portfolio due to new inflow.

Average monthly rent per unit

(€, year-end)	2021	2020	2019	2018	2017
Average monthly rent	1,042	1,016	986	945	910

The table below shows the impact of the rent increase, reletting and portfolio inflow/outflow on the like-for-like rental growth.[1]

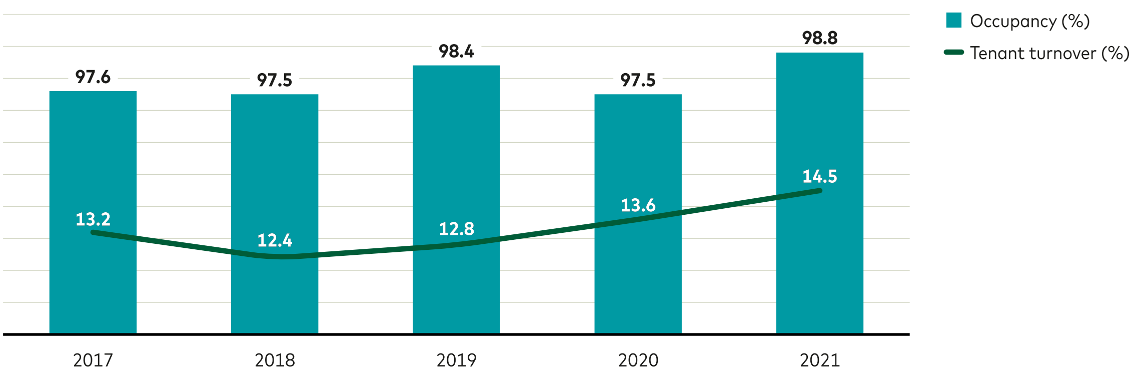
Development of total theoretical rent of residential units

(%)	2021	2020
Average rent increase for current tenants	1.6	2.3
Re-letting	0.6	0.3
Other	0.2	0.1
Total like-for-like rent increase	**2.4**	**2.7**

Occupancy

The occupancy rate (in units) increased to 98.8%. Because of more challenging market conditions, mainly in the high rental segment, we made additional efforts in reletting, and as a result we saw vacancy levels decrease. Tenant turnover in the residential portfolio increased to 14.5% in 2021, compared with 13.6% in the previous year.

Occupancy (%, year-end) and tenant turnover (%)



Rental income

The gross rental income and net rental income of the portfolio increased last year, driven by inflow of new build homes, which more than offset higher vacancy levels. We experienced higher operating expenses, largely caused by higher costs of tenant renewals and higher letting fees due to increased tenant turnover, and a general increase of maintenance costs. This resulted in an increase of the gross/net ratio to 25.4% in 2021, compared with 24.9% in 2020.

Rental income

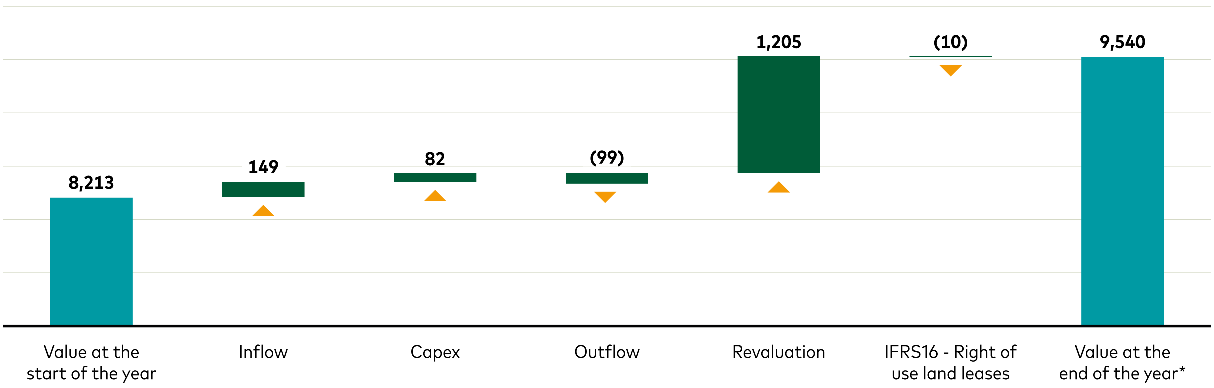
(€ million, unless otherwise stated)	2021	2020	2019	2018	2017
Gross rental income	347	335	329	281	247
Net rental income	260	251	252	210	184
Gross/net ratio (%)	25.4	24.9	23.4	25.1	25.6

Market value

The table below shows the market value development of the investment portfolio. The value increased to €9.5 billion at year-end 2021 (including IFRS 16). This is 16.2% higher than at year-end 2020, driven by high revaluations of the residential portfolio due to strong market conditions and the inflow of six new residential buildings. Despite COVID-19 uncertainties, the market values of the residential portfolio kept on rising, in line with the increase of vacant possession values. The expected effects of the increased Real Estate Transfer Tax (RETT) did not occur, and the residential investment market remained an attractive investment. This strong market development was noticeable across the whole portfolio.

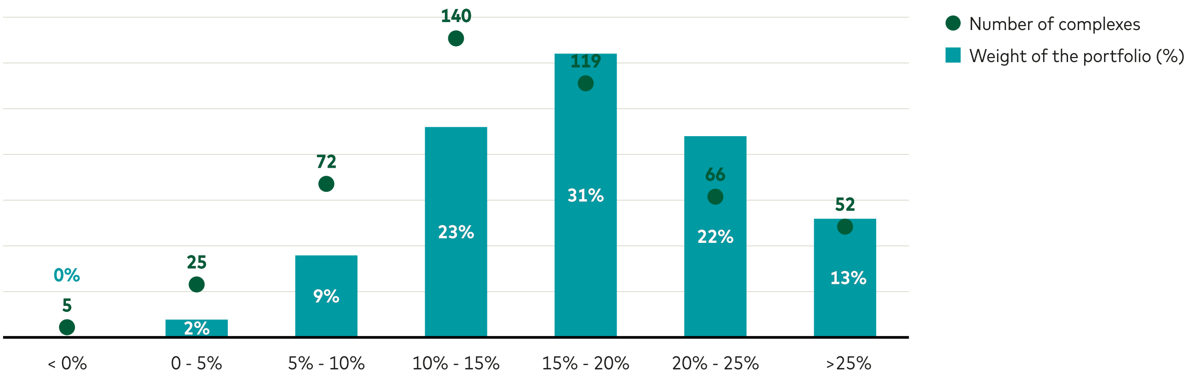
1 Theoretical rent is measured at a single point in time (year-end) and therefore does not correspond with the increase in theoretical rent in 2021 compared with 2020, which you will find in Note 5 of the consolidated financial statements in this report.

Changes in market value in 2021 (€ million)



* excluding head office of Vesteda in Amsterdam (De Boel)

Revaluation in 2021



Average value per residential unit
The average value per residential unit in the portfolio had increased by 16.3% to €340 thousand at year-end 2021. This increase was largely driven by the strong revaluation and inflow of residential units in primary regions.

Average market value per unit

(€ thousand, year-end)	2021	2020	2019	2018	2017
Average value per residential unit	340	292	278	244	213

Gross initial yield
The gross initial yield on the portfolio, defined as the theoretical rent at year-end divided by the value of the portfolio at year-end (excl. IFRS 16), changed significantly from 4.4% in 2020 to 3.8% in 2021. The strong market resulted in a drop, with several investment transactions that underwrite this development. The development of vacant possession values was an important driver. The ratio between market values and vacant possession values remained broadly in line.

Gross initial yield

(%)	2021	2020	2019	2018	2017
Gross initial yield	3.8	4.4	4.3	4.7	5.4

Participants

Vesteda has a strong and supportive investor base with a long-term horizon, largely consisting of pension funds and insurance companies. At year-end 2021, Vesteda's participant base consisted of the following institutional investors (in alphabetical order):

- Allianz Benelux
- APG Strategic Real Estate Pool
- AZ Jupiter 10
- Deutsche Annington Acquisition Holding GmbH
- Euler Hermes
- Nationale-Nederlanden Levensverzekering Maatschappij
- Non-disclosed Asian institutional investor
- PGGM Private Real Estate Fund
- REI Diaphane Fund
- Stichting Bedrijfstakpensioenfonds voor de Media PNO
- Stichting Pensioenfonds ABP
- Stichting Pensioenfonds Delta Lloyd
- Stichting Pensioenfonds ING
- Stichting Pensioenfonds PGB
- Stichting Pensioenfonds Rail & Openbaar Vervoer
- Stichting Pensioenfonds voor Fysiotherapeuten
- Stichting Pensioenfonds Xerox
- Stichting TKPI European Real Estate Fund
- VCRF Holding

Number of issued participations

The total number of issued participation rights remained unchanged in 2021 at 35,897,595.

Distribution to participants

Policy: 60% of budgeted distribution is paid out in three instalments in the course of the year, each time within two weeks after quarter end. The fourth instalment takes place shortly after fourth quarter end, in January, for another 20% of budgeted distribution. The final distribution payment takes place after the adoption of the distribution proposal in April, based on audited results.

In 2021, a total amount of €186 million was distributed to participants, including €68 million consisting of the Q4 2020 interim distribution paid out in January 2021 and the 2020 final distribution paid out in April 2021. A total of €118 million was paid in three instalments as an interim distribution for 2021.

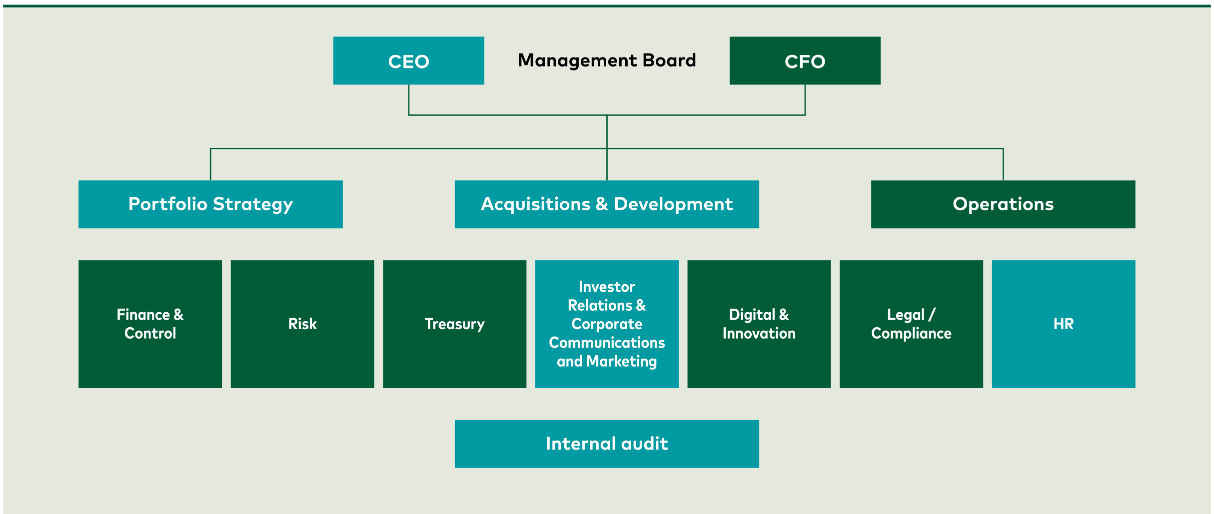
In 2022, the Q4 2021 interim distribution of €39 million was paid out in January. Vesteda will propose to the General Meeting of Participants on 6 April 2022 a final distribution payment for 2021 of €39 million.

Distribution payments (2021-2012)

(€ million, unless otherwise stated)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Distributable income	186	195	182	151	206	121	107	100	74	120
Capital repayment related to portfolio sale	-	-	162	264	-	-	-	-	-	-
Total distribution	**186**	**195**	**344**	**415**	**206**	**121**	**107**	**100**	**74**	**120**
Distributale income as % of time weighted average equity	*2.8*	*3.2*	*3.2*	*3.4*	*6.1*	*4.4*	*4.4*	*4.4*	*3.1*	*4.7*
Total distribution as % of time weighted average equity	*2.8*	*3.2*	*6.0*	*9.3*	*6.1*	*4.4*	*4.4*	*4.4*	*3.1*	*4.7*

Organisation and staff

Organisational structure



Vesteda is an internally managed fund with in-house property management. The organisational structure consists of the Portfolio Strategy, Acquisitions & Development and Operations departments and several staff departments and functions. The Acquisitions & Development and Operations departments are led by Pieter Knauff (CIO) and Astrid Schlüter (COO) respectively, who are part of the Management Team. The HR Director is responsible for Human Resources and is part of the Management Team. At the moment, this position is vacant and we expect to fill this position in the second quarter of 2022. The Portfolio Strategy department is led by the Head of Portfolio Strategy, Una Buning, who reports to the CEO. Vesteda's Management Board remained unchanged and consists of Gertjan van der Baan (CEO) and Frits Vervoort (CFO).

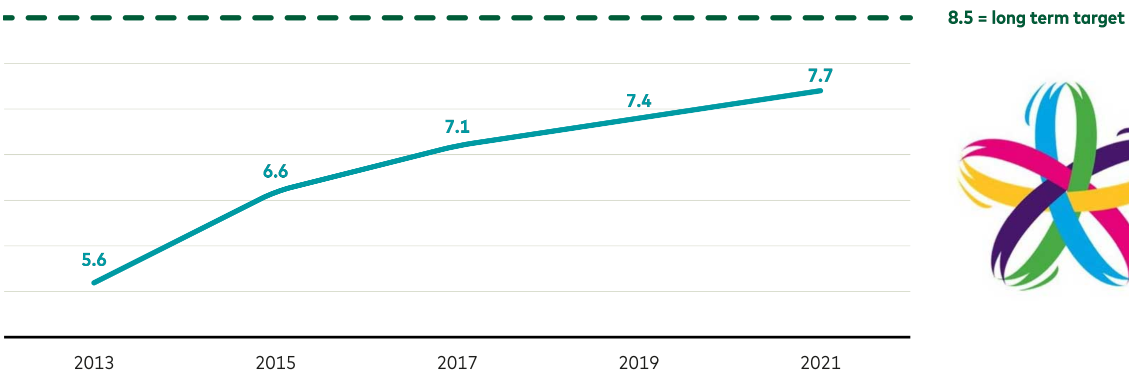
Our Portfolio Strategy department is responsible for the portfolio development, monitoring and continuous optimisation of the quality and value growth of our portfolio. Our Acquisitions & Development department is responsible for the execution of the portfolio strategy through the purchase and sale of residential complexes and portfolios and is also responsible for the improvement and redevelopment of existing complexes. Our Operations department is responsible for the quality of our services, the maintenance of our portfolio, individual unit sales and technical and operational asset management.

Workforce

Organisational developments

Our journey to become a High Performance Organisation (HPO) continued in 2021. The chart below shows the scores from our bi-yearly surveys and the target of 8.5 that we have set ourselves.

HPO survey scores



The HPO survey took place in December 2021. In January 2022, the HPO centre conducted interviews to gain more information about the answers from the survey. The HPO centre presented these results to Vesteda at the end of January 2022.

The total score improved to 7.7 in 2021 from 7.4 in 2019. In the face of the COVID-19 pandemic and with all its challenges, this was a good result. Moreover, the individual results for the five success factors were also higher than they were two years ago. We see little difference in the scores between employees with low or high number in service years.

Two years ago, the results of the Finance & Control department were lower than the other departments. F&C is now more in line with other departments, driven by the actions that we have taken. Also, the scores on points for attention that emerged from the previous survey have all improved.

The survey also identified new points of attention, which we will address in 2022 and 2023. Topics include collaboration and connection, vision and focus to become the best landlord, working in projects, personal development and the continuous improvement our organisation and processes.

In 2021, due to the measures taken in connection with COVID-19, we were forced to work from home and only a limited number of people were allowed into our offices. Fortunately, we were able to keep our offices open for employees who were unable to work from home. We have evaluated the homeworking policy and updated it where necessary. At the end of 2021, 107 employees had made use of the homeworking budget.

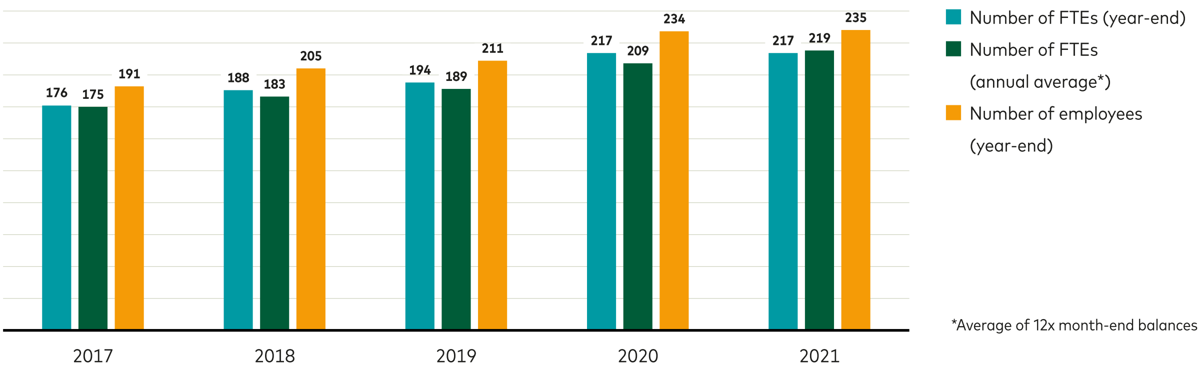
In the spring of 2021, we conducted an employee engagement survey together with BusinessWise. The main question was how do we work together, despite working remotely. The results were quite positive, with some recommendations to be included in the policy document 'working at the office and elsewhere'. One of the principles in this is that we give our managers the freedom to assess how often they can work elsewhere. We maintained a minimum requirement that every employee is present at the office at least two days a week, to stimulate bonding within and between teams. Due to the COVID-19 restrictions, this policy has not yet been applied. We will evaluate this policy sometime after implementation.

Vesteda continues to believe that the health of our employees is important, and that includes achieving a healthy work-life balance. To achieve this, Vesteda has teamed up with SmartVitaal and OpenUp. SmartVitaal is an innovative platform with personal vitality plans and a range of vitality professionals (Vitalents) in the fields of healthy nutrition, exercise, sleep and stress. Every employee has a personal budget in the platform to encourage the use of the vitality professionals. OpenUp provides a platform that allows employees to work on their mental well-being. Via OpenUp, employees will have unlimited 1-on-1 access to on-demand coaching, consultations with psychologists and other mental resources. This is a preventative measure aimed at tackling mental health challenges in their early stages.

In 2021, we continued the implementation of Lean in our Finance & Control department. Eleven employees have obtained a Lean Green Belt certification. In 2022, another two groups of employees will be trained and certified. Multidisciplinary teams are going to work on improving processes that focus on the needs of our tenants. This means that we will also start to implement Lean in other parts of the organisation.

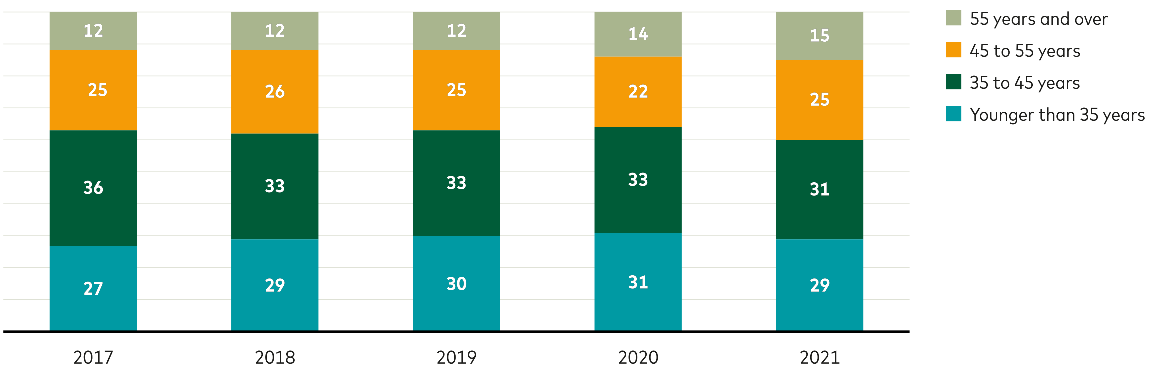
To promote collaboration, we continued with the roll-out of RealDrives. The entire HR department has now been certified, as well as two employees from the Shared Service Centre. Various employees have taken an individual preference-drives test and a number of teams have already participated in a RealDrives team session. We want to roll this out further within the organisation in 2022.

Employees (number of FTEs / employees)



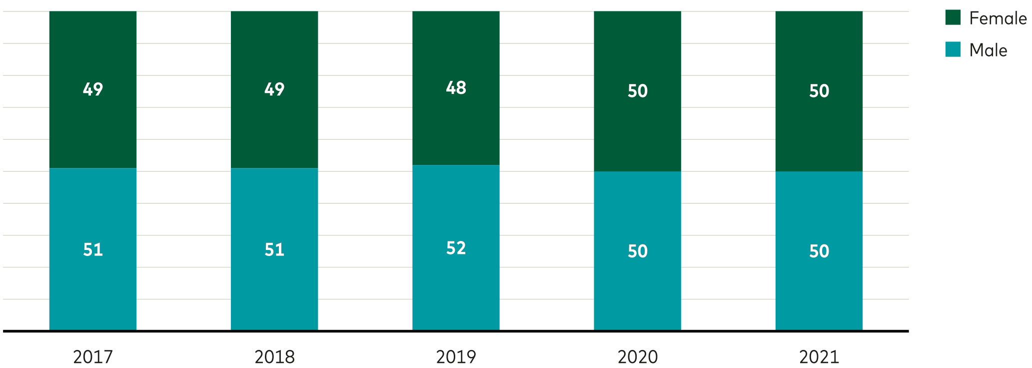
At year-end 2021, Vesteda employed 217 FTEs, in line with the previous year. The number of employees slightly increased by one person to 235 at year-end 2021. Our population of flex workers fell by 10 FTEs to 13 FTEs.

Workforce by age (%)



The average age of Vesteda employees rose to 42.1 years of age in 2021, from 41.1 years of age in the previous year. The largest portion (31%) of the workforce remains between 35 and 45 years of age (2020: 33%). The representation of the group older than 45 years of age increased to 40% in 2021, compared with 36% in the previous year.

Workforce by gender (%)



The male/female ratio at year-end remained in balance at 50% male and 50% female, similar to the previous year.

In 2021, 40 new employees joined Vesteda (58% female/42% male) and 39 employees left the company (62% female/38% male). The employee turnover rate in 2021 was 17%, significantly higher than in 2020 (10%).

The male/female ratio within the Management Board is 100/0 and the male/female ratio within the Management Team, including Management Board, is 75/25. We expect the position of HR Director to be filled by a woman, given the candidates in the process. This would bring the ratio in the Management Team back to 60/40. In 2021, Vesteda's Supervisory Committee consisted of five members: three male and two female. Vesteda recognises the importance of an equal distribution of male and female members of its Management Board and Supervisory Committee, taking into account that the candidate's qualification and suitability for the function are always the leading principle.

At year-end 2021, 83% of our employees (98 males and 96 females) had indefinite contracts and 17% had definite contracts (20 males and 21 females). At year-end 2020, this ratio was 82%/18%.

At year-end 2021, 34% of Vesteda's employees worked part time (66 females versus 15 males). Most full-time Vesteda employees are male (103 males versus 51 females). The average FTE is 0.98 for males and 0.87 for females. In addition, a total of 11 employees took unpaid parental leave in 2021.

The percentage of total employees covered by collective labour agreements was 93% at year-end 2021.

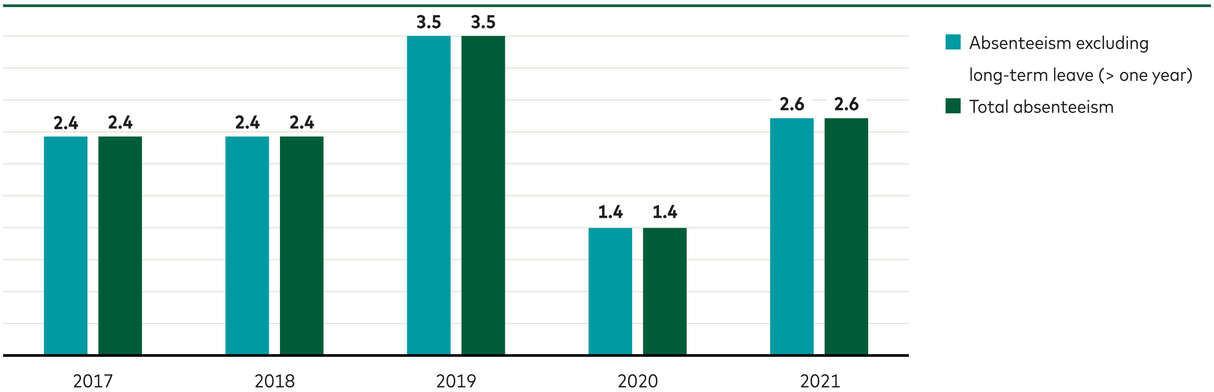
Training and development

In 2021, Vesteda invested €367,000 or 2.5% of the gross payroll in the education and development of individual employees, the teams, new employee council members, trainee development and the 'Vesteda Verbetert' programme. This was a slight increase compared with 2020 (2.3% of the gross payroll), when many training courses were postponed or cancelled.

Absenteeism

Absenteeism increased to 2.6% in 2021 from 1.4% in 2020, more in line with the years prior to the COVID-19 pandemic.

Sick leave (%)



Remuneration

Please refer to the Remuneration report for information about the remuneration of the Management Board and other Identified Staff and the Supervisory Committee.

Works Council

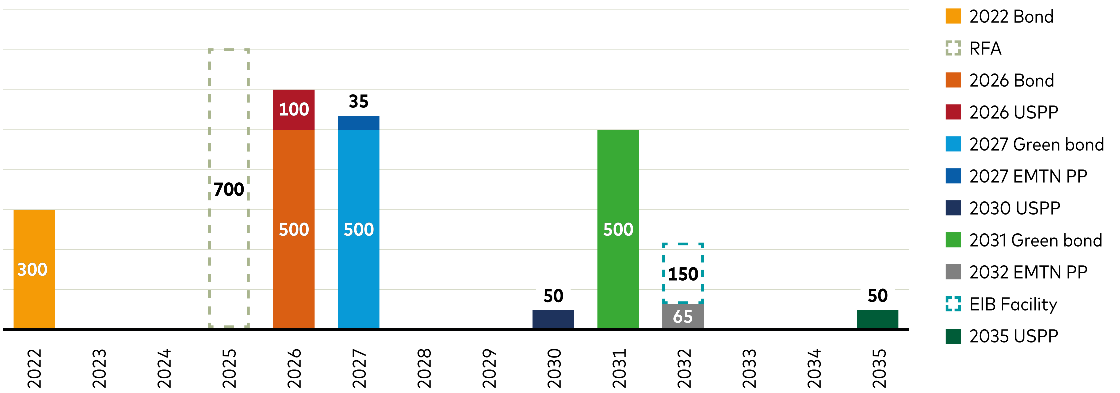
During the course of the year, the Works Council and the Management Board met on a regular scheduled basis. These meetings were constructive and subjects included but were not limited to employee communications during COVID-19, HPO, SmartVitaal, the ERP system, funding, the home working policy and the 'working from the office and elsewhere' policy.

Funding

Vesteda has a well-diversified fully unsecured funding structure, consisting of a combination of bank debt, euro commercial paper (ECP), private placements, public bonds, and financing from the European Investment Bank (EIB). This unsecured debt profile enables Vesteda to secure debt funding through various debt markets at any point in time. This is supported by a strong credit rating by Standard & Poor's (S&P), which was upgraded to A- in April 2021.

Over the past few years, Vesteda has aligned its funding structure with its sustainable profile. In 2019, Vesteda issued its inaugural green bond, followed by the second green bond in October 2021. In 2020, we added EIB financing for affordable housing, arranged a green private placement, and in April 2021 we changed our Revolving Facility Agreement (RFA) into a sustainability-linked RFA. These transactions underpin Vesteda's sustainable and social profile and help to diversify Vesteda's funding structure and to improve its cost of debt.

Debt maturity schedule



Vesteda has a €150-million financing agreement in place with the EIB. The proceeds of this loan agreement will be used to fund projects in (regulated) mid-rental housing and to improve the sustainability of Vesteda's existing portfolio, up to 50% of the total investments. This agreement has a tenor of 10 years and allows fixed-rate and floating-rate funding. At year-end 2021, this facility was not used. In March 2022, the drawdown period was extended from May 2022 to May 2023.

In April 2021, Vesteda agreed with its banks to amend the €700 million RFA, to make it a sustainability-linked RFA. For the purposes of this amendment, the financing embeds four KPIs that measure Vesteda's sustainability performance. The KPIs are GRESB score, solar panel installation, percentage of green energy labels and the reduction of the emissions from our fleet of cars. These KPIs incentivise Vesteda to improve its sustainability performance. If the majority of these KPIs are met, Vesteda obtains a reduction in the interest margin. On the other hand, the interest margin will be increased if Vesteda fails to meet these KPIs.

In September, we welcomed JP Morgan (JPM) as a new lender in the sustainability-linked RFA. JPM replaced a lender that did not make use of the extension option. As JPM extended its participation to 2025, we now have a €700-million sustainability-linked RFA up to 2025. At year-end 2021, the remaining legal term was 3.4 years, and the facility was undrawn.

S&P upgraded Vesteda's credit rating to A- in April 2021. This is based on Vesteda's strong financial discipline, with a sustained low leverage, and supported by its conservative financing policy. S&P assessed Vesteda based on several specific ratios. Vesteda will monitor these ratios and report on them internally each quarter.

In October 2021, Vesteda successfully issued its second green bond. The €500-million bond has a term of 10 years and a coupon of 0.75%. The bond was four times oversubscribed. Vesteda updated its Green Finance Framework to issue green bonds and this is now based on the EU Taxonomy. Under this framework, Vesteda can also issue other green debt instruments, such as loans, private placements, and Euro Commercial Paper. The proceeds of the green bond will be allocated to homes with a minimum EPC label A, homes that have seen an improvement of primary energy demand of at least 30% up to a minimum EPC label of C, and new-build homes that have an energy performance coefficient of 0.4 or better.

Vesteda will report on the allocation of the proceeds, on the estimated energy savings and greenhouse gas emission avoidance of this green bond. This will be reviewed by an independent verifier and will also be published (post-issuance verification). We will seek to meet the requirements of the EU Taxonomy. This means that for the acquisition of new buildings, we plan to acquire newly developed houses where the primary energy demand is 10% less than the NZEB standard (BENG 2 standard -10% in the Netherlands).

Our funding strategy is based on the following funding targets:

1. Leverage of ≤ 30%.
2. Total fixed-rate and hedged floating rate exposure of ≥ 70%.
3. Weighted average maturity of ≥ four years.
4. Diversified funding profile, with at least three funding sources.
5. Sufficient liquidity headroom: to refinance debt, finance committed pipeline, and to accommodate redemption requests (Redemption Available Cash).
6. Maturity calendar ≤ 35% maturing in a single year.
7. Asset encumbrance ≤ 15% long term.

At year-end 2021, we met all our funding targets.

Vesteda's average weighted maturity of debt was six years, above our long-term minimum target of four years. The average total debt interest rate improved to 1.8% in 2021 from 1.9% in 2020. The loan-to-value ratio stood at 20.8% at year-end 2021, compared with 23.3% at year-end 2020. The interest cover ratio was 7.0 at year-end 2021, compared with 6.7 at year-end 2020.

Vesteda's main financial covenants, as part of its financing agreements, are a maximum loan-to-value ratio of 50% and a minimum interest cover ratio of 2.0. We comfortably met all the financial covenants of our financing arrangements in 2021. Vesteda's funding targets contribute to its robust, well-diversified and flexible funding structure. Within this funding structure, Vesteda is always looking to further optimise its average cost of debt by making use of different funding instruments at different maturities.

Debt portfolio at year-end 2021

Committed instrument	Size (€ million)	Drawn (€ million)	Weight	Maturity	Tenor
Bond 2.50%	300	300	14.3%	2022	0.8 yr
Bond 2.00%	500	500	23.8%	2026	4.5 yr
Green Bond 1.50%	500	500	23.8%	2027	5.4 yr
Green Bond 0.75%	500	500	23.8%	2031	9.8 yr
EMTN PP 1.93%	35	35	1.7%	2027	6.0 yr
EMTN PP 2.50%	65	65	3.1%	2032	11.0 yr
Pricoa USPP 1.8%	100	100	4.8%	2026	5.0 yr
AIG Private Placement 1.03%	50	50	2.4%	2030	9.0 yr
NYL Private Placement 1.38%	50	50	2.4%	2035	14.0 yr
Syndicated RFA	700	0	0.0%	2025	3.4 yr
EIB Facility*	150	0	0.0%	2032	10.0 yr
Total	**2,950**	**2,100**			

* EIB Facility of €150 million is fully assigned to committed projects.

Uncommitted instrument	Size (€ million)	Drawn (€ million)	Weight	Tenor
SMBC Uncommitted Facility	200	0	0.0%	0.5 yr
Euro Commercial Paper programme	1,000	0	0.0%	0.1 yr
Total	**1,200**	**0**		

Notes to the results

Income statement

(€ million)	2021	2020
Theoretical rent	360	347
Loss of rent	(13)	(12)
Gross rental income	**347**	**335**
Service charges income	12	10
Other income	1	-
Revenues	**360**	**345**
Property operating expenses (excluding service charges)	(84)	(79)
Service charges	(16)	(15)
Net rental income	**260**	**251**
Result on property sales	16	7
Management expenses	(25)	(26)
Interest expenses (including amortisation of financing costs)	(39)	(41)
Realised result before tax	**212**	**191**
Unrealised result	1,233	276
Result before tax	**1,445**	**467**
Tax	(1)	(1)
Result after tax	1,444	466
Settlement pre-hedge contracts	1	1
Revaluation of Property Plant and Equipment (PPE)	-	-
Total comprehensive income	**1,445**	**467**

Gross rental income
The total theoretical rent increased by €13 million to €360 million in 2021. The average monthly rent had increased to €1,042 at year-end 2021, from €1,016 at year-end 2020. The like-for-like rent increase was 2.4% in 2021, while the loss of rent increased to 3.6% in 2021, from 3.4% in 2020. Overall, this resulted in an increase in gross rental income of €12 million to €347 million in 2021.

Net rental income
Property operating expenses amounted to €84 million in 2021, €5 million higher than in 2020, mainly due to higher maintenance costs, more costs of tenant renewals and more reletting fees due to higher vacancy. Operating expenses, including non-recoverable charges, amounted to 25.4% of gross rental income in 2021 (2020: 24.9%). This resulted in a net rental income of €260 million in 2021, compared with €251 million in 2020.

Result on property sales
In 2021, Vesteda sold a total of 331 homes from its investment portfolio, consisting of 169 individual unit sales and two complex sales totalling 162 units. The net result on property sales amounted to €16 million (2020: €7 million).

Management expenses
Management expenses amounted to €25 million in 2021, €1 million lower than in 2020. This was mainly due to higher recharged rental expenses offset with higher personnel costs and higher IT costs in 2021. The Total Expense Ratio (TER) fell to 29 basis points over GAV in 2021, from 32 basis points over GAV in 2020.

Interest expenses
Interest expenses declined by €2 million to €39 million in 2021, mainly due to lower debt, a one-off gain, and a lower average cost of debt, which declined to 1.8% in 2021 from 1.9% in 2020.

Interest expenses and EBITDA

(€ million, unless otherwise stated)	2021	2020
Interest expenses (excluding amortisation of financing costs)	37	39
Interest expenses (excluding amortisation of financing costs and IFRS 16)	32	34
EBITDA including result on property sales	253	235
EBITDA excluding result on property sales	237	228
Interest cover ratio	7.0	6.7

Realised result

Vesteda recorded a realised result of €212 million in 2021, compared with €191 million in 2020. The increase was driven by the inflow of new-build homes, adding gross rental income, as well as increased result on property sales, mainly due to higher sales prices and the sale of two complexes. The realised return as a percentage of time weighted average equity increased to 3.2% in 2021 from 3.1% in 2020.

Excluding the result on property sales, the realised result increased to €196 million in 2021 from €184 million in 2020. Excluding the return from property sales, the realised return was 3.0% in 2021, in line with the previous year.

Unrealised result

Strong market fundamentals and continued housing shortages resulted in strong revaluations of the portfolio. The unrealised result amounted to €1,233 million in 2021, compared with €276 million in 2020.

Total comprehensive income

Vesteda's total comprehensive income increased to €1,445 million in 2021 from €467 million in 2020, primarily due to strong revaluation results in 2021. The total return on time-weighted average equity (ROE) was 22.0% in 2021 (2020: 7.6%), 3.2% of which was realised return (2020: 3.1%) and 18.7% was unrealised return (2020: 4.5%).

Statement of financial position

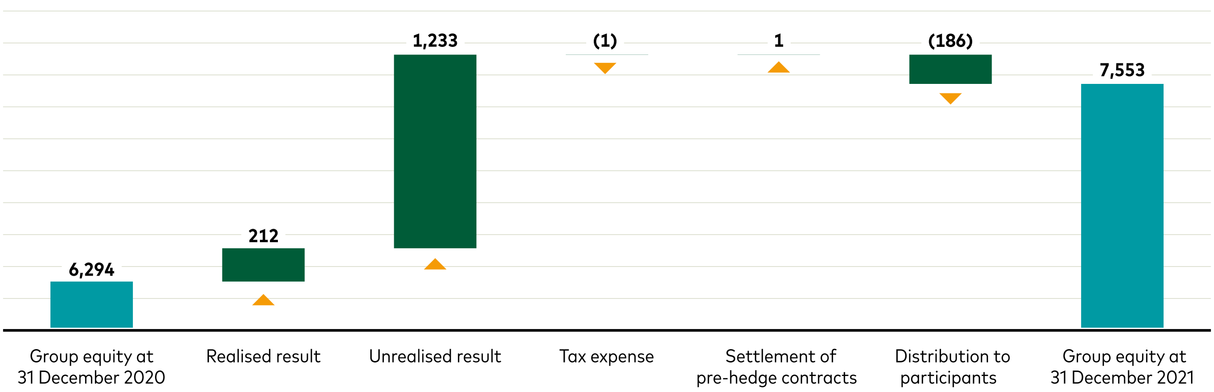
(€ million, unless otherwise stated)	31 December 2021	31 December 2020
Total assets (excl. IFRS 16)	9,714	8,285
Equity	7,553	6,294
Net debt	1,991	1,916
Leverage ratio (%, excl. IFRS 16)	20.5	23.1

At year-end 2021, the leverage ratio excluding IFRS 16 stood at 20.5% (year-end 2020: 23.1%). Including IFRS 16, the leverage ratio stood at 21.7% at year-end 2021 (year-end 2020: 24.5%).

Changes in equity

At 31 December 2021, group equity amounted to €7,553 million, compared with €6,294 million at 31 December 2020. The €1,259 million increase in equity was the balance of a realised result of €212 million, an unrealised result of €1,233 million, a €1 million income tax expense, a €1 million settlement gain on pre-hedge contracts, and distributions to participants totalling €186 million.

Changes in equity (€ million)



Return on equity

(% of time weighted average equity)	2021	2020
Realised return	3.2	3.1
- return from letting	3.0	3.0
- return from property sales	0.2	0.1
Unrealised return	18.7	4.5
Total return	21.9	7.6
Return from other comprehensive income	0.1	-
Total comprehensive return	22.0	7.6
Total comprehensive income in € per participation right (based on number of participations at year-end)	40.0	13.0
Proposed distribution over the financial year (% of time weighted average equity)	3.0	3.0

Performance compared with MSCI benchmark

In 2021, Vesteda outperformed the MSCI IPD Netherlands Residential Benchmark by 2.6%. The outperformance on direct return of 0.2% was in line with the previous two years. The capital growth in 2021 was considerable for both the benchmark and Vesteda. Despite the high growth for the benchmark, Vesteda outperformed on capital growth with 2.4%. This was driven by a higher yield compression than the benchmark.[2]

2 Direct return and capital growth might not add up to total return as a result of time-weighted averages on a monthly basis.

Vesteda Residential Fund versus MSCI residential benchmark

	2021	2020	2019	2018	2017	3 yr average	5 yr average
Direct return							
Vesteda	3.1	3.1	3.3	3.5	4.1	3.2	3.4
MSCI-benchmark	2.9	2.9	3.2	3.4	3.8	3.0	3.2
Outperformance	*0.2*	*0.2*	*0.2*	*0.0*	*0.2*	*0.2*	*0.2*
Capital growth							
Vesteda	14.9	3.5	9.2	15.9	13.5	9.1	11.2
MSCI-benchmark	12.2	5.3	10.1	14.7	12.6	9.2	10.9
Outperformance	*2.4*	*(1.7)*	*(0.8)*	*1.0*	*0.8*	*(0.1)*	*0.2*
Total return							
Vesteda	18.4	6.8	12.8	19.9	18.1	12.5	15.0
MSCI-benchmark	15.4	8.3	13.6	18.6	16.9	12.4	14.5
Outperformance	*2.6*	*(1.4)*	*(0.7)*	*1.1*	*1.0*	*0.1*	*0.4*

Non-financial figures

	31 December 2021	31 December 2020
Number of residential units	27,570	27,482
- multi-family	15,180	15,171
- single-family	12,390	12,311
Number of residential units inflow	419	426
Number of residential units outflow	331	234
- individual unit sales	169	165
- portfolio sales	-	-
- residential building sales	162	69
Occupancy rate (% of units)	98.8	97.5
Tenant satisfaction (rating out of 10)	7.0	7.1
Number of employees (FTE, at year-end)	217	217

For more information, please see the sections consolidated and company financial statements of this report.

Outlook and management agenda

The outlook for 2022

The COVID-19 pandemic was an unexpected event that had a huge impact on a global scale. Economically, the housing market proved to be a safe haven. At the same time, we realised the importance of being prepared to manage unforeseen events. Forecasting market developments remains difficult and is subject to uncertainties. This is why we usually work with various scenarios. There are a number of trends that have been around for a number of years and will continue to be relevant in the years ahead. These are: Affordability, Climate change, Shift in demographics, Urbanisation and transit-oriented development and Proptech. The majority of developments in the housing market can be traced back to these trends.

Vesteda identifies the following key trends

- Affordability
- Climate change
- Shift in demographics
- Urbanisation and transit-oriented development
- Proptech

We believe affordability and climate change are currently the most relevant topics. The affordability of housing is under pressure, primarily due to the housing shortage that is driving up house prices and increased cost of living, driven by rising energy costs, which recently accelerated due the Russian invasion in Ukraine. In a reaction to this, the government is looking for ways to intervene and we expect to see a continuation of the trend towards more regulation in the liberalised rental sector in the coming years. To mitigate the impact of climate change and to comply with the goal of being Paris proof in 2050, the government is planning to raise national sustainability targets.

These ongoing challenging market conditions, increased inflation, higher ESG standards and potential additional regulation of the liberalised rental sector are developments that could impact the performance of our existing portfolio. At the same time, most of these developments come with an upside. Mitigating any threats and building on opportunities will make us stronger in the long term. The figure below shows the impact of the key developments on our financial results and asset values.

↓		↑
Cap rent increase Cap market rent	**Income**	Higher reversionary potential Lower vacancy Lower churn Inflation linked income stream
Higher level of inflation	**Opex**	Lower reletting costs Reduced landlord levy
Higher investments due to increased sustainability goals	**Capex**	Available subsidies for sustainability
Lower net cashflow growth	**Indirect return**	Yield compression
Increased costs for: • IT • Compliance • Staff	**Organisation**	Higher level of control Improved performance and flexibility
High demands on meeting the ESG- and reporting criteria	**Funding**	Sustainable funding opportunities Lower cost of debt

Long term effect

- ✓ Continuous stable returns against lower risk
- ✓ Organisation with a scalable platform

Rental growth will be reduced due to the potential regulation, but will remain inflation linked. Vesteda is committed to keeping rental homes affordable and will moderate its rent increase in 2022, as in previous years. Regulated leases are increased by a maximum of 2.3% and liberalised leases by a maximum of 3.3%. For pensioners, we will offer the possibility to request a remission of the rent increase, should they not be able to pay the rent increase and meet the criteria of this arrangement. Property values are expected to remain steady due to a higher reversionary potential and the underlying high demand for affordable homes. We also expect to see some positive developments with regard to reletting costs, subsidies and a reduction of the landlord levy.

We expect to see an increase in our operating expenses, investments and management expenses. Increasing requirements with respect to quality, governance, IT and sustainability, in combination with a rise in general cost levels, are driving up our expenditures and investments.

The additional investments will increase the quality of the portfolio and result in a future-proof organisation, which will in turn reduce our overall risk levels. By complying with higher ESG standards and scoring better on affordability and sustainability, we can attract more green and social funding under attractive terms.

Our organisational structure and in-house property management enable us to exploit economies of scale. We can accommodate the expected growth of our portfolio relatively easily with limited additional overhead, thanks to our pipeline of new-build acquisitions in the liberalised and regulated mid-rental sectors, and the possible acquisition of existing portfolios. We are seeing a trend in M&A of asset managers in all categories lacking the size to respond cost efficiently to increasing regulatory, compliance and IT requirements. Vesteda has this scalability and is therefore an attractive partner and well-equipped for continued growth.

Overall, we expect to realise ongoing stable realised returns and more normalised unrealised returns at relatively low risk. We will remain an attractive proposition to the benefit of all our stakeholders.

Management agenda 2022

Tenants

Mapping the customer journey

Feedback from our tenants enables us to continuously adapt and improve the mapping of different customer journeys. In 2022, we will start a number of projects to improve the customer journey related to repair requests and renovation projects. We will start measuring tenant satisfaction at each step of the process and we will make changes to unify these processes and make them more efficient, which will improve our services and increase tenant satisfaction.

Digitalisation combined with a human touch

We believe that we can deliver the best customer experience through a combination of two equally important things: technology and the human touch. Improving our digital platform will enable us to automate certain parts of processes, which will reduce waiting times and lighten the administrative burden on our employees. This allows them to focus on more value-adding activities that focus on improving our services and complaints handling.

Home sharing for keyworkers

Healthcare staff, teachers and other public sector employees are essential for others to do their jobs. We will continue our efforts to allow key workers to share homes in specific complexes, enabling them to share costs and make their homes more affordable.

Nibud calculation tool

To help current and future tenants gain better insight into their financial situation, we will continue the pilot using the Nibud calculation tool for total living expenses. For 2022, we are also considering the use of the calculation tool to identify and help elderly tenants who are experiencing payment problems, because their pensions lag inflation.

Optimising dashboards and reporting

Big data and data science developments offer us ways to know who our tenants are and what is important to them. Using advanced data analytics enables us to gain a better understanding of where to improve our services and how to improve tenant satisfaction. We can also identify trends and proactively anticipate to them to prevent complaints.

Portfolio

Maintain our focus on improving the quality and sustainability of the portfolio
We continue to improve the quality and structure of our portfolio, focusing on our selected primary regions, the (regulated) mid-rental segment and green energy labels. This provides the basis for keeping our tenants satisfied, for long-term outperformance (GRESB, MSCI residential three-year total return) and for stable low-risk rental income growth.

Our current portfolio is well diversified, with housing solutions for middle and higher-income households in Vesteda's chosen economically strong primary regions. Our goal is to improve our portfolio by investing in our existing portfolio and focusing on acquiring affordable (regulated) mid-rental product for middle-income tenants in our primary regions in the Netherlands.

Respond to challenging market developments
Ongoing challenging market conditions, with high prices, high demand and low supply is putting pressure on finding affordable and high-quality product.

We take an active role in the discussions regarding regulation of the rental housing market with government authorities and other stakeholders. We recognise that our focus on offering good quality, sustainable, attractive (regulated) mid-rental homes in primary locations and our investments in improving the quality of our existing portfolio mitigates the risks of the potential impact of these developments. We have prepared ourselves to respond adequately to these changes.

Acquisitions and dispositions
In our acquisition process, we focus on sustainability and use a comprehensive scoring framework to assess the sustainability impact score of our projects, covering all aspects of ESG, including bio-based building techniques and materials.

The supply of new development locations remains limited. In addition, making projects financially feasible and getting projects started is challenging. The reasons for this are high construction costs and limited construction capacity, high land costs, high quality and sustainability requirements, rental regulation and challenges in communication, capacity and coordination with and between parties involved in the development process.

Vesteda embraced the regulated mid-rental segment in 2020 as a new lower-risk investment category to provide middle-income tenants with affordable homes, while maintaining long-term value growth potential beyond the restrictive period. This ties in well with our social objectives and long-term investment horizon.

We plan to add approximately 1,100 new homes to our pipeline annually. We handle development risks in a disciplined manner within the given frameworks. We explore investment opportunities earlier in the development process and cooperate with our business partners on this front. This increases our influence on the quality and pricing of the developed product, as well as our access to the product. We are also aiming to invest in temporary housing, as this is a clear answer to short-term housing demand, while it provides Vesteda with access to the permanent product to be realised at the location.

We do not foresee large residential portfolio sales in 2022, although our ongoing asset management process may lead to selective sales of individual assets from time to time.

Large renovation projects
In our asset management process, we continuously identify opportunities where we can create value and simultaneously improve the quality and sustainability of the product. We focus on long-term value creation for these assets. We use data-driven models to support our decision-making in this regard. We also continue to select and work on opportunities within our existing portfolio, aimed at combining densification with renewal and improving the sustainability of our existing portfolio.

Amsterdam leasehold
We continue our programme to change to the perpetual leaseholds at the favourable conditions that Amsterdam's city council offered. After finalising the first two transfers in 2021, we expect to finalise all transfers in 2023.

Participants
Vesteda strives to provide its participants with an attractive risk-return investment, transparent communication and high-quality service. Participant satisfaction is one of our key performance indicators. We seek to continuously improve the dialogue with our participants, communicating pro-actively about our strategy, operations, financial and non-financial results. We also invest in establishing relationships with potential new participants to increase the liquidity of the fund. And finally, we take our social responsibility seriously and we have set clear ESG targets that represent the importance of this topic for our organisation and participants. For more information, please see the CSSR section of this report.

Funding
Vesteda has aligned its funding structure with its sustainable profile. As part of our funding strategy, we continue to diversify and improve our maturity profile. We actively use debt for the sustainable financing of our portfolio and acquisitions, as it gives attractive terms and will improve our return on equity. We aim to use our increasing share of eligible assets that comply with these terms to increase this type of funding and reduce our cost of debt.

Organisation and staff
We continue to invest in employee development and the improvement of our processes. We are devoting attention to the creation of an inclusive and inspiring culture to ensure that we remain an attractive employer. We will continue to evaluate and where necessary adjust our home-working policy. This will enable us to both build towards our goal of being a high performance organisation and keep our employees engaged.

One of our strategic goals is to be an employer of choice. To attract, engage and retain talent, we will continue to develop our personal branding and market position, offer competitive salaries including equal pay, and stand out due to our HPO culture, with a strong focus on diversity, inclusion and work-life balance. Furthermore, employee engagement is an important part of being an employer of choice; we focus on this by telling our corporate story to our (new) employees and find alternative and creative ways to recruit them. This year, we will devote additional attention to health and well-being.

Corporate Sustainability and Social Responsibility
We tightened our sustainability goals and implemented a CO_2 Roadmap to be Paris Proof by 2050. Our goal for 2030 is a 50% energy reduction in kWh/sqm compared with 1990. Part of the roadmap is to continue renovations to reduce energy demand and have 99% green energy labels by 2024. We will certify our portfolio with BREEAM in-use in 2022, and these certificates will help us to define the next steps in improving our existing portfolio. We also actively involve our tenants to increase awareness and motivation to reduce energy use.

Our recent climate studies provided insights into the future potential impact of climate risks on our portfolio. The risks to our total portfolio are low, and we will address and mitigate these effects on the few high-risk properties. We have integrated this in the assessment for our acquisitions.

We will continue our strategy of investing in affordable and sustainable homes in order to provide high-quality homes to middle-income households in the Netherlands.

Remuneration report

General

Total remuneration for all staff members amounted to €14.9 million (94% fixed and 6% variable) in 2021, an increase on the previous year (€14.3 million), driven by a higher average number of FTEs. Due to the COVID-19 pandemic, the Management Board decided not to index the salaries of all employees in 2021.

The variable bonus scheme has a collective component that includes criteria such as the realised operational result, GRESB score, tenant satisfaction score and increase in gross rental income. It also includes an individual component and in some cases a team component. Variable remuneration is only paid, in full or in part, if the targets are met. In 2021, 3 out of 4 targets were met.

The average ratio of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual) was 8.7 in March 2021 (March 2020: 9.0).

Remuneration of Management Board and other Identified Staff

Vesteda adheres to the Alternative Investment Fund Managers Directive (AIFMD) and the Dutch Financial Supervision Act, pursuant to which Vesteda has implemented a balanced remuneration policy in relation to the remuneration of Identified Staff. The Management Board together with the Management Team members are considered Identified Staff, as well as the Compliance Officer and the Internal Audit Manager.

Vesteda's remuneration policy is clear and transparent and aims to be closely aligned with its strategy, business targets and the overall interests of Vesteda. It is also aligned with and a contributing factor to adequate and effective risk management. It aims to prevent management from taking risks that are not compatible with Vesteda's risk profile. In addition, the remuneration policy is constructed in such a way that it avoids financial incentives that may encourage irresponsible risk taking in Vesteda's operational and financial policies.

The remuneration policy aims to contribute to the integrity and solidity of the company and to the long-term objectives of the company and the interests of Vesteda's stakeholders. In this light, it is deemed essential that Management is focused on achieving concrete and ambitious targets and take into account sustainability risks in the day-to-day operations. The remuneration of the Identified Staff is aimed at preventing the taking of irresponsible risks for personal gain.

The total remuneration comprises a fixed and a variable component. The variable component consists of 60% direct and unconditional and 40% indirect and conditional remuneration. The variable component is paid 50% in cash and 50% in phantom shares. The phantom shares are subject to a retention period of one year after the unconditional granting. Vesteda does not grant guaranteed variable remuneration.

The indirect component can be subject to a correction by the Supervisory Committee for three years. After this period, the indirect component is converted into an unconditional granting. The purpose of this retention period is to ensure that the focus of Management is directed towards Vesteda's business continuity and long-term objectives, which include sustainability objectives. If the Supervisory Committee believes that Vesteda faces undesirable results due to, for example, irresponsible risk taking on the part of the grantee, it could decide to apply a significant downwards adjustment of the indirect component.

The aforementioned variable remuneration entitles:

- The CEO to 26.6% of base salary for 'on-target' performance, with a maximum of 40%.
- The CFO to 20% of base salary for 'on-target' performance, with a maximum of 30%.
- The Management Team to 20% of base salary for 'on-target' performance, with a maximum of 30%.

The overall remuneration of Identified Staff is not disproportionately dependent on achieving certain individual targets, which mitigates the risk that unsound business decisions are taken to the detriment of (sustainability) targets in the interest of personal gain.

The variable part of the remuneration depends on whether set targets are met.

The following principles are applied:

- The targets should reflect a fair balance between:
  - Long-term and short-term goals.
  - Company goals and individual goals.
  - The interests of the various stakeholders of Vesteda.
  - Financial and non-financial criteria.
  - Qualitative and quantitative criteria.

- Individual targets should have limited impact on the total remuneration.
- A material qualitative part of the variable component is at the discretion of the Supervisory Committee.
- Part of the variable remuneration will be invested in Vesteda and has a lock-up period of three years.

The targets that are related to the overall performance of the company should represent 70% of the target setting. The targets should be ambitious and promote outperformance. Underperformance on a specific target means no allocation of that variable remuneration component will take place.

The targets are closely linked to the goals that are set in Vesteda's current Business Plan and are reviewed on a quarterly basis by the Nomination and Remuneration Committee. The Supervisory Committee shall make the final assessment on whether the set targets have been achieved or not. Qualitative target achievements are based upon 360 degree interviews, self assessments and observations of all supervisory committee members. Quantitative targets are calculated and verified by Vesteda's business control department.

The table below provides an overview of the total remuneration of the Management Board and other Identified Staff. The remuneration is divided into three components: base salary, variable bonus and social security charges & pension contributions. The Compliance Officer and the Internal Audit Manager do not receive a variable remuneration.

Remuneration of the Management Board and other Identified Staff

(€ thousand)	2021		2020	
	Management Board	Other Identified Staff*	Management Board	Other Identified Staff*
Base salary	710	572	708	661
Variable remuneration charges 2021 (for future cash or shares)	170	76	170	86
Social security charges & pension contributions	81	126	78	144
Subtotal	**961**	**774**	**956**	**891**
Release of variable remuneration provided for in 2019	-	-	(186)	-
Total	**961**	**774**	**770**	**891**

*Other Identified Staff as per year-end.

Please refer to Note 28 of the consolidated financial statements for more information about the remuneration of the Management Board and other Identified Staff.

Remuneration of the Supervisory Committee

The total remuneration for the five Supervisory Committee members was €186 thousand in 2021 (2020: €218 thousand). The compensation of the Supervisory Committee members remained unchanged, being €44 thousand for the chairman and €31 thousand for the other members. In addition, each member received an expense allowance of €2,500. The total charges were lower in 2021 when compared with the previous year due to the implementation of the VAT opting-in scheme for Supervisory Committee remuneration, which started in the course of 2021.

Report of the Supervisory Committee

Chairman's Statement

The year 2021 was a year to focus on business continuity after COVID-19 rocked the world in 2020. Supported by a strong economic recovery in 2021, Vesteda continued its operations in a steady fashion and managed to minimise the impact on vacancy and rental income. If anything, the pandemic has shown that Vesteda is a resilient and flexible organisation with a strong basis. Thanks to this, 2021 was a solid year for Vesteda, with an increase in both the realised and unrealised result.

Meanwhile, it was business as usual on other fronts, such as acquisitions and divestments, amid continued pressure on affordability of housing and related increase of governmental and local regulation. Despite challenging market conditions, Vesteda managed to lock in several projects, predominantly in the regulated mid-rental segment, which is a good fit with the current investment strategy. The Supervisory Committee approved several investment proposals, including those for the Grote Beer and Imagine projects in Rotterdam and the Singelblok project in Amsterdam.

As sustainability has become a factor that permeates all aspects of doing business, the Supervisory Committee is very pleased with the progress Vesteda once again made in 2021. Vesteda has introduced a sustainability impact score that is applied to all new investment proposals, and which scores both the impact of a new project on sustainability factors and the potential sustainability risks for the project. In addition, Vesteda converted the Revolving Facility Agreement into a sustainability-linked facility and issued another green bond. The fact that the issuance was four times oversubscribed shows that the financial markets see Vesteda as a reliable party that delivers on its sustainability goals. Last but not least, Vesteda, once again achieved five stars on the Global Real Estate Sustainability Benchmark (GRESB). The Supervisory Committee will continue to monitor Vesteda's sustainability efforts and will continue to challenge management on Vesteda's goals in this respect.

In 2021, Mr. Van der Baan was, at the recommendation of the Supervisory Committee, re-appointed by the participants as CEO for another term of four years. I am sure that Vesteda will, under his leadership, continue to be one of the leading residential real estate funds in the Netherlands, and I am pleased to see that he has the support of our entire investor base.

The composition of the Supervisory Committee remained unchanged in 2021. The members of the Supervisory Committee were at all times able to operate independently and critically, towards each other, as well as towards the Management Board and the Management Team.

Finally, I would like to mention that I am very pleased that both my colleagues on the Supervisory Committee and the participants have expressed their trust in me by nominating and reappointing me. It has been a pleasure so far to be on the Supervisory Committee and I look forward to some interesting years ahead.

I would like to thank my fellow Supervisory Committee members for their dedication last year. On behalf of all of them, I conclude by thanking the company's Management Board, Management Team and all other Vesteda employees.

Jaap Blokhuis, Chairman of the Supervisory Committee

Supervisory Committee

Focal points

The main task of the Supervisory Committee is to supervise the management carried out by the Manager and the general course of the fund's business, as described in more detail in the Governance and risk management section of this report.

Last year, the Supervisory Committee and its separate committees discussed a range of topics. The separate committees regularly convened and reported back on their activities to the full Supervisory Committee. The following topics will be set out in more detail below:

- Investing in a tightening market
- Funding
- Financial reporting
- Organisation

Meetings and attendance record

The Supervisory Committee comprises Mr. Jaap Blokhuis (Chairman), Mr. Hans Copier, Mrs. Seada van den Herik, Mr. Theo Eysink and Mrs. Eva Klein Schiphorst, all of whom are deemed independent in the sense described in the Supervisory Committee's by-laws.

In 2021, the Supervisory Committee met nine times, either in person or via Teams meetings. The Management Board and (members of) the Management Team attended most of these meetings. Three of these meetings were dedicated to specific topics, including Vesteda's entering into a sustainability-linked Revolving Facility Agreement, the issuance of a new green bond and the approval of several investment proposals. In addition, the Supervisory Committee met once in the absence of the Management Board to discuss the renewal of Mr. Van der Baan's tenure. Also, the Supervisory Committee always met in the absence of the Management Board ahead of regular scheduled meetings.

Below you will find an overview of the attendance record per member of the Supervisory Committee

Overview of attendance record Supervisory Committee

Name	Supervisory Committee	Audit Committee	Nomination & Remuneration Committee
Jaap Blokhuis	9/9	n.a.	n.a.
Hans Copier	8/9	7/7	n.a.
Seada van den Herik	9/9	n.a.	4/4
Theo Eysink	9/9	7/7	n.a.
Eva Klein Schiphorst	9/9	n.a.	4/4

Attendance is expressed as the number of meetings (including Teams meetings) attended out of the number of meetings the members were eligible to attend. In the event of absence, the members discussed the topics in advance and provided powers of attorney.

The activities of the Supervisory Committee and its separate committees in 2021 are summarised in the following schedule:

Supervisory Committee activities 2021 (including committees)

Q1	Q2	Q3	Q4
• Q4 2020 report	• Q1 2021 report	• Q2 2021 report	• Q3 2021 report
• Buy-off land lease in Amsterdam	• Investment proposal	• Investment opportunities	• Redevelopment proposal
• Report external auditor 2020	• Assessment of executed acquistions	• Audit plan external auditor	• Investment proposals
• ISAE report 2020	• Selection process new projects	• Re-appointment CEO	• Divestment proposal
• Investment Property Report 2020	• Cyber security	• Green bond	• Cyber security
• MSCI score	• ERP project	• Treasury	• Business Plan 2022-2026
• COVID-19 update: impact on business and workforce	• Internal audit charter	• Report of depositary (Intertrust)	• ERP project
• Financial statements, annual report and allocation of net income 2020	• Tax update external advisor	• Update targets 2021	• Cost allocation
• Internal audit plan 2021	• High performance finance function	• Compliance, Risk and Internal Audit	• Update targets 2021
• Management expenses and peer review	• Pension scheme	• Permanent education	• Treasury guidelines
• Sustainability linked RFA	• Reappointment CEO		• Compliance, Risk and Internal Audit
• Targets and bonus Management Board and Management Team 2020	• Update targets 2021		• Composition Management Team
• Targets management board and management team 2021	• Compliance, Risk and Internal Audit		• Succession planning key personnel
• Risk charter			
• Fraud risks			
• Reappointment CEO			
• Results operational due diligence executed by two participants			
• Participants' satifaction survey			
• Compliance, Risk and Internal audit			

You will find additional information on the role and functioning of the Supervisory Committee and its committees in the Corporate Governance section of this report.

Investing in a tightening market

While COVID-19 caught the world by surprise in 2020, it was a more embedded reality in 2021. And while it was still uncertain in 2020 what the (mid/long-term) effects would be for the real estate market, 2021 was marked by strong economic recovery. As a result, the Dutch housing market continued to rise to records heights. Affordable housing has become scarce and on top of that energy costs and overall inflation have risen substantially. The Dutch government and local municipalities are searching for solutions to build more homes and to keep them affordable, especially for middle-income households. In 2021, for example, a one-off rent freeze was imposed in the regulated segment, as well as a three-year maximum rent increase of inflation +1% in the liberalised segment. Local municipalities have also set up several initiatives to help specific target groups in the housing market, which has effectively created a new segment, the regulated mid-rental segment.

While said measures are the result of the overall public debate on affordability, they can have an impact Vesteda's return rates. On the other hand, regulated (mid-) rental product provides a mitigated risk/return profile due to expected stable cash flows and potential for value creation.

The Supervisory Committee has discussed the pressure on the housing market regularly with management and particularly in relation to new investments. In addition, the Supervisory Committee took note of the inflation of construction and material costs, which also had an impact on investment proposals and existing agreements.

Despite the market circumstances, Vesteda managed to lock in several projects that fit well into Vesteda's investment strategy and in which the regulated mid-rental segment is well represented. The Supervisory Committee approved several investment proposals, such as for the Grote Beer and Imagine projects in Rotterdam and the Singelblok project in Amsterdam. As sustainability has become a permanent factor in investment decisions, the Supervisory Committee was pleased with the introduction of a sustainability impact score in investment proposals: Vesteda will score a project's sustainability risks and impact on sustainability factors by benchmarking the project against its ESG Framework. Once Vesteda has assessed all the items in the ESG framework, this will result in an overall sustainability impact score for the project.

The Supervisory Committee has also been able to give its views on multiple envisaged acquisitions at a relatively early stage of the acquisition process.

To improve Vesteda's exclusive access to attractive residential product and to gain more control in terms of price, quality and process, the Supervisory Committee has discussed a potential cooperation with a large developer, to jointly invest in land positions with the aim of developing residential units, including rental units for Vesteda's portfolio. The Supervisory Committee supports new initiatives to acquire additional projects. It will follow the developments closely and will monitor processes to ensure that the additional development risk that may be taken falls within the scope of Vesteda's fiscal and fund framework.

Vesteda has also older, but good quality assets in its portfolio. It is part of the portfolio strategy to create value by renovating and improving the sustainability of selected assets. Although these investments are in most cases not immediately reflected in Vesteda's external appraisals, sometimes leading to a lag in MSCI performance in the short term, the Supervisory Committee fully supports management in this strategy, focusing on long-term returns; short-term lagging should not be a reason not to make such investments. The Supervisory Committee has discussed redevelopments regularly. Whenever the investment amount requires this, redevelopments will be submitted to the Supervisory Committee for approval, in the same way as a regular investment.

Funding

After the successful issuance of a Euro Green Bond in 2019 and a green private placement in October 2020, Vesteda continued to attract green financing. In January 2021, the Supervisory Committee approved converting an existing loan facility with a banking syndicate into a sustainability-linked Revolving Facility Agreement. By adding sustainability KPIs to the agreement, Vesteda has an additional incentive to meet its sustainability targets; if it meets its targets, this will lead to a reduction of the interest margins. The Supervisory Committee supports this approach, which incentivises Vesteda to meet its sustainability goals. As part of its oversight, whenever a new funding proposal is submitted for approval, the Supervisory Committee will assess how the proposed new funding fits into Vesteda's overall funding programme in terms of tenure and total costs of debt and whether the KPIs are aligned with Vesteda's sustainability KPIs. In September, the Supervisory Committee approved the issuance of another green bond under the existing EMTN programme for the amount of €500 million.

Financial reporting

In early 2021, the Supervisory Committee discussed the preliminary results for 2020 and audit matters with the external auditor (Deloitte). The committee discussed the 2020 financial statements and the 2020 annual report in the presence of the Internal Audit Manager, who indicated that the audit process went well.

The Supervisory Committee discussed the fund's performance versus budget on a quarterly basis. In doing so, the Supervisory Committee gave special attention to the revaluations and vacancy rates. The one-off market value correction due to a change of the transfer tax regime as of 1 January 2021 did not have the expected negative impact on the price development in 2021 and was completely offset by a positive market performance. The vacancy rates improved throughout the year to pre-COVID-19 levels due to the major efforts of particularly the rental team in the Amsterdam area. As sustainability of Vesteda's portfolio becomes more and more important, Vesteda's sustainability targets are now reviewed by the Supervisory Committee on a quarterly basis.

The first quarter of the year started with a higher realised return than budgeted and a substantially higher unrealised return than budgeted. This positive trend continued throughout the year, largely driven by higher income from individual sales, lower interest costs and higher valuations.

The Supervisory Committee devoted considerable time and attention this year to Vesteda's total expense ratio and management expenses. Management presented the Supervisory Committee with a peer review, to the extent data were comparable. Vesteda scores better than average on all applied metrics, has the second lowest total costs and the lowest TER when compared to its Dutch peers. Even so, the Supervisory Committee finds it very important that management keeps a close eye on the expenses and is realistic in its projection of cost-saving measures. That said, the Supervisory Committee understands that regulatory requirements, sustainability efforts, digitalisation and substantially increased costs of supervision, insurances and IT license fees do increase staff costs.

Organisation

The composition of the Supervisory Committee remained unchanged in 2021. The tenure of Mr. Blokhuis, the Chairman of the Supervisory Committee, was extended by the participants for a term of four years.

At Management Board level, Mr. Van der Baan was reappointed as CEO for a term of four years, starting 1 January 2022.The Nomination and Remuneration Committee followed a structured process to arrive at its recommendation and assessed Mr. Van der Baan's performance, reviewed the CEO profile, benchmarked the remuneration package and assessed the composition of the Management Board as a whole. As a result, the Supervisory Committee resolved unanimously, at the recommendation of the Nomination and Remuneration Committee and the endorsement of the CFO, to propose the reappointment. Vesteda's extraordinary meeting of participants unanimously approved the reappointment, reconfirming their confidence in Vesteda's management.

One of the Supervisory Committee's recurring tasks is determining the bonuses of the Management Board and the Management Team and setting targets for the year ahead. In terms of the 2020 bonuses, the Supervisory Committee focused on ensuring a balanced remuneration for all relevant positions eligible for the bonus schemes. With regards to the 2021 targets, the Supervisory Committee decided to maintain the structure of 2020. This is strongly linked to Vesteda's broad set of KPIs as set out in de Business Plan and gives the Supervisory Committee more discretion in assessing qualitative targets. The Supervisory Committee determined the individual variable bonus of the Management Board and the Management Team for 2020.

In light of its 'permanent education', the Supervisory Committee members individually attended events on topics such as corporate governance, energy transition and circularity. Jointly, the Supervisory Committee members attended Vesteda's permanent education day, which included subjects such as elements of long-term value creation, financial outperformance and market trends.

The Supervisory Committee conducted a self-assessment, facilitated by a third party. The main conclusions of the self-assessment have been shared with the Management Board.

Miscellaneous

Throughout the year, the Supervisory Committee addressed various other topics.

A major topic was the buy-off of land leases in Amsterdam. Various scenarios and sensitivity analyses were presented by management and discussed with the Supervisory Committee. While acknowledging that the buy-off may not be fully reflected in higher valuations in the short and mid-term, the Supervisory Committee agreed with the Management Board (which consulted all participants beforehand) that it would be in the interest of Vesteda to go ahead with the buy-off, as by doing so Vesteda ensures certainty and clarity on its long-term commitments.

The Supervisory Committee took note of the outcome of the annual participants' satisfaction score. Again, the scores were good, which confirms that the relations with the participants are well managed.

With respect to acquisitions, the Supervisory Committee discussed the process of selecting projects that are or are not eligible for acquisition. In addition, it has assessed various acquisitions that were completed to see to what extent the (financial) projections for these acquisitions materialised. There were no material negative deficiencies in the projections. The Supervisory Committee was informed that management ensures that 'lessons learned' are implemented in processes going forward.

The members of the Supervisory Committee held meetings in the absence of management, including meetings with the Internal Audit Manager and the external auditor. On various occasions, individual members of the Supervisory Committee met with senior officers of Vesteda to gain information on ongoing matters.

The Management Board engaged the Supervisory Committee early on in setting out the strategy in the Business Plan 2022-2026. Vesteda held a separate Business Plan meeting that involved the Management Board and the Supervisory Committee and others. The Supervisory Committee focused on, among other things, the required rates of return and the level of the management expenses. This resulted in the Supervisory Committee recommending the participants to approve the Business Plan.

The Management Board informed the Supervisory Committee about actual or suspected instances of irregularities within the company and other matters through the quarterly compliance update. The Supervisory Committee expressed its appreciation for the transparency throughout the year.

Audit Committee

The Audit Committee consists of Mr. Eysink (Chairman) and Mr. Copier. The Committee met seven times in the year under review. Generally, the CFO, the CEO, the Internal Audit Manager, the Company Secretary and the external auditor also attended these meetings. Mr. Blokhuis attended several meetings as an observer.

In line with its tasks, the Audit Committee discussed in detail the periodic financial statements and the 2020 annual financial statements and annual report. The Audit Committee discussed the audit process, preliminary and key audit findings and principal assumptions, judgements and valuations, and the external auditor reported its preliminary and final audit findings. The external auditor gave an extensive presentation on the audit process of the valuation of the investment property and the property under construction, in accordance with IFRS principles, which includes both qualitative and quantitative analyses. The external auditor considered the market value of the investment property at an aggregate portfolio level to be reasonable and informed the Audit Committee that there were no indications that the valuers or the valuation reports did not comply with applicable valuation standards.

As part of the yearly audit process, the external auditor presented the Audit Committee with its findings in light of the ISAE 3402. The Audit Committee was pleased to learn that the external auditor issued an unqualified opinion in this respect. The external auditor discussed with the Audit Committee the scope and materiality of the external audit plan.

The Audit Committee reviewed the fund's financial reports on a quarterly basis. In doing so, the Audit Committee asked the Management Board to provide full insight into its financials. The Audit Committee was informed that the anticipated negative impact of the increase of the Real Estate Transfer Tax (RETT) on valuations did not materialise and that, in fact, the revaluations of the portfolio were substantially higher throughout the year. The increase of the total expense ratio was addressed, and at the request of the Audit Committee a further breakdown of the increase in management expenses over the last five years was presented to the Supervisory Committee later in the year. Other topics that were discussed in light of the quarterly reports were the capitalisation of costs related to renovation projects, the vacancy rates and IT costs. As part of its general duties, the Audit Committee approved the audit plan of the external auditor.

Each quarter, the Internal Audit Manager reported to the Audit Committee on their deliberations and findings regarding internal risk management and controls. In addition, the Internal Audit Manager presented various material internal audit investigations that took place in 2021, such as the letting process and the embedding of sustainability topics within the organisation. The Audit Committee reviewed the conclusions and discussed follow-up actions with the Internal Audit Manager and management. Furthermore, the Audit Committee reviewed the Internal Audit plan and discussed the balance between consulting and assurance while maintaining objectivity and independence. Further the Audit Committee approved an update of the Internal Audit Charter.

The Chairman of the Audit Committee met and spoke with the external auditor on several occasions in the absence of the Management Board, to remain directly informed. The Chairman also met and spoke with the Internal Audit Manager. The Chairman updated the Audit Committee on the outcome of all such meetings.

During the year, the Audit Committee also monitored and discussed Vesteda's debt funding strategy, as set out in more detail in the Funding section of this report. In addition, the Audit Committee discussed and provided the Supervisory Committee with a positive recommendation on the issuance of a green bond to the amount of EUR 500 million.

A subject that was discussed two times in 2021 was cyber security. The Digital and Innovation Manager presented the outcome of a penetration test, security measures taken and to be taken and a cyber assessment executed by the fund's insurance broker. While having good security measures in place is key, the Audit Committee agreed that at the same time attention should be devoted the awareness and behaviour of employees. The only way to ensure a robust security basis is to cover both the technical and human sides.

The Audit Committee also discussed other topics within its purview, including risk management and an annual update on Vesteda's tax framework by Vesteda's tax advisor, PwC. Other topics that were addressed are: the development of the Finance & Control department into a High Performing Financial Function, the buy-off of ground leases in Amsterdam, the outcome of an operational due diligence by two of the fund's participants, fraud risks, the report of the fund's depositary Intertrust and updates on the status of post-ERP implementation related activities.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NR Committee) consists of Ms. Van den Herik and Ms. Klein Schiphorst. The Committee met four times in the year under review. Generally, the CEO, the CFO, the HR Director and the Corporate Secretary also attended these meetings. Mr. Blokhuis attended several meetings as an observer.

As part of its annually recurring tasks, the NR Committee discussed the outcome of the Management targets for 2020 and the targets for the Management Board and Management Team for 2021, in line with the target structure that was set up in 2019. The NR Committee monitored the progress towards meeting these targets throughout the year on a quarterly basis.

In 2021, the NR Committee was involved in several (re)appointments; the NR Committee prepared the re-nomination of Mr. Blokhuis as a member of the Supervisory Committee as well as the reappointment of Mr. Van der Baan as the CEO. As Mr. Van der Baan's second term was due to expire per 1 January 2022, the NR Committee reassessed the performance of Mr. Van der Baan against an updated CEO profile, benchmarked the remuneration package and assessed the composition of the Management Board as a whole. It conducted various discussions with Mr. Van der Baan, and agreed on certain business focus points for the coming four years. The NR Committee reported its findings to the Supervisory Committee, which resulted in the Supervisory Committee recommending the reappointment of Mr. Van der Baan. The participants unanimously reappointed Mr. Van der Baan as CEO.

The NR Committee also discussed the departure of the HR Director with the Management Board and conducted an exit interview with the HR Director. The Committee also discussed the composition of the Management Team going forward and the profile of the new HR Director.

Part of the standing agenda of the NR Committee meetings was discussing the impact of the ERP system that was implemented mid-2020 on the workforce and processes. Other recurring topics were the impact of working from home on the workforce and Vesteda's ongoing ambition to become a high performing organisation and the interaction of the Management Board with the Work's Council.

The NR Committee discussed Vesteda's Policy on ESG and remuneration. Since the EU Regulation on sustainability-related disclosures in the financial services sector came into force in March 2021, Vesteda is obliged to disclose on its website how it integrates ESG targets into its remuneration policy. The NR Committee is of the opinion that ESG elements are represented adequately in the targets of the Management Board and Management Team but will continue to monitor that these targets remain ambitious and focused on making an actual difference.

The NR Committee received quarterly updates from the Compliance Officer, focusing on reported integrity incidents, their potential impact on Vesteda's business and follow-up, plus compliance with regulatory requirements.

As it did the previous year, the NR Committee conducted 360-degree feedback reviews on the CEO and the CFO by interviewing several employees in preparation for the year-end review meetings.

Meeting of Participants

Vesteda convened two regular Participants' Meetings in the year under review. These included the annual meeting in April, in which the financial statements and the annual report were discussed and adopted, and the execution of the Business Plan was evaluated. In the bi-annual meeting in December, the participants discussed and unanimously approved the Business Plan 2022-2026.

Furthermore, Vesteda convened one extraordinary Participants' Meeting to approve the buy-off of land leases in Amsterdam, which was approved unanimously. A shareholders' meeting of Vesteda Investment Management B.V. was held to reappoint Mr. Van der Baan as CEO.

In addition, participants attended the annual informal Participants' Day in September, during which they visited new and renovated projects in The Hague area.

Amsterdam, 16 March 2022

Supervisory Committee

Jaap Blokhuis, Chairman
Hans Copier
Seada van den Herik
Theo Eysink
Eva Klein Schiphorst

Corporate Sustainability and Social Responsibility

General

Vesteda sees Corporate Sustainability and Social Responsibility (CSSR) as vitally important for the long-term value development of our portfolio, our organisation as a whole and the society in which we operate. We believe that our efforts in the field of CSSR improve and strengthen Vesteda, both directly and indirectly, that they result in future-proof returns on our investments, and that they help us to create value for all our stakeholders. Our CSSR targets are an integral part of our Business Plan and are therefore firmly embedded in our business operations. Our sustainability programme manager is responsible for the strategic planning and implementation of our CSSR policies.

Vesteda is required to provide disclosures under Regulation (EU) 2019/2088 (the Regulation on sustainability-related disclosures in the financial services sector, or SFDR). Vesteda Residential Fund qualifies as an ‘article 8’ product under the SFDR and, as such, promotes Environmental/Social (E/S) characteristics and whilst it did not have sustainable investment as its objective, it had a proportion of 41% sustainable investments (at half-year 2021) with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy, of which 6% partially aligned.

Vesteda’s sustainable investments contributed to the environmental objective ‘mitigation of climate change’. In light of Vesteda’s Green Finance Framework (GFF), which is set up to attract green financing, third party expert Sustainalytics has assessed the alignment of Vesteda’s portfolio with each of the EU Taxonomy’s three sets of requirements. The results of this assessment are as follows:

- Technical Screening Criteria (TSC): out of the three eligible green criteria outlined in the GFF, which are associated with three activities within the EU Taxonomy, one activity was aligned with the TSC and two were found to be partially aligned.
- Do No Significant Harm (DNSH) Criteria: the three activities assessed have a total of ten individual DNSH criteria (across all environmental objectives) applicable to them and are aligned with eight and partially aligned with two; no individual DNSH criteria were found to be not aligned.
- Minimum Safeguards: based on a consideration of the policies and management systems applicable to Framework criteria, as well as the regulatory context, Sustainalytics is of the opinion that the EU Taxonomy’s Minimum Safeguards requirements will be met.

The ‘Do No Significant Harm (DNSH)’ principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

In recent years, Vesteda has published the progression on its sustainability policies and results on its website and in its annual report. The reporting on sustainability in the annual report was in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. In 2021, we are official supporter of the TCFD and we refer to Annex 5 for an overview with references of the alignment with the TCFD recommendations.

To shape our CSSR strategy, we use the three pillars of the ESG model: Environmental, Social and Governance.

Environmental – Improve sustainable performance

As a fund, we seek to constantly improve our performance in the field of sustainability. We believe that this helps us safeguard the attractiveness of the fund and optimise our long-term risk return ratio. Our objective is to reduce our consumption of energy and water, and cut CO_2 emissions as much as possible. We also aim to use materials that have no harmful effect on the environment, and we want to work with business partners who share our own high standards in terms of sustainability.

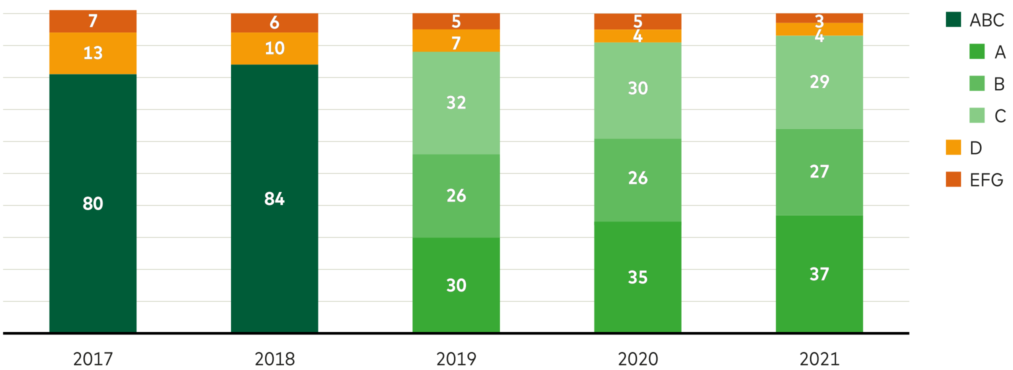
Strategic project: portfolio sustainability improvement

In 2015, Vesteda's participants approved a plan to improve the energy performance of Vesteda's buildings. Our ambition for the future is to have green energy labels (A, B or C) for 99% of our portfolio by 2024. The technical state of city centre buildings and historical buildings, as well as local government regulations, make it nearly impossible to achieve 100% green labels by 2024.

In 2021, we invested €35 million and improved the energy performance of at least 465 residential units. Since 2016, we have invested a total of €63 million in energy performance measures.

The percentage of homes in our portfolio with a green energy label (A, B, or C) increased to 93% in 2021, from 91% in the previous year. The labels are updated according to energy-related measures and based on expiry dates (ten years). Vesteda continues to invest in the improvement of the homes in our portfolio that do not yet meet our energy performance target. The ambitious package of improvements includes building insulation, the replacement of installations with energy-efficient variants and the generation of sustainable energy through the placement of solar panels. We aim to realise the improvements on a building-by-building basis and in phases to reach our goal of 99% green energy labels in 2024.

Energy labels development 2017-2021 (%)



Overview of energy performance measures

In 2021, Vesteda introduced the following measures to improve the energy performance of the homes in our portfolio:

Measure (number of properties, unless otherwise stated)	2021	2020	2019	2018	2017
High efficiency boilers	366	781	509	822	1,010
DC ventilators	699	609	19	1,670	481
High efficiency glazing	539	507	662	442	891
Roof insulation	138	201	141	24	-
Cavity-wall insulation	110	324	-	318	64
Under-floor insulation	74	289	-	92	23
LED lighting (complexes)	7	11	9	13	5
Solar panels (complexes)	7	10	19	2	2

In 2021, Vesteda installed a total of 5,644 solar panels of which 3,747 panels were on existing single family homes. This was done in a pilot with Zonneplan in which we offered 502 homes free solar panels. The pilot was a succes which we will continue in 2022. At year-end 2021, Vesteda had installed a total of 17,319 solar panels in its portfolio, generating approximately 3.7 million kWh annually.

Healthy and safe homes

Our aim is to provide our tenants with safe and healthy homes. A safe and healthy home is just as important as a pleasant home and living environment. This implies that our homes are free of high-risk asbestos, that central heating boilers are checked regularly, lifts are checked regularly, that combined heat and power installations are provided with new filters if necessary. In addition to this, Vesteda has drawn up risk maps for every residential building. Although these measures are of a more technical nature, their impact can have a positive impact on the lives and well-being of our tenants. To ensure the health and safety of our homes as effectively as possible, we have taken a number of precautionary measures that are monitored or executed by our Operations department. These measures are described below.

Asbestos

Up until 1994, the use of materials containing asbestos was common in the construction industry. Currently, there is no legal obligation for asbestos-related inspections, beyond roofs and in the event of any plans for demolition or renovation work. However, Vesteda has conducted asbestos inspections at almost all complexes in its portfolio that could have asbestos present based on its construction year. If any asbestos or any signs of asbestos were found during these inspections, Vesteda took appropriate action, including clean-ups and providing information for tenants and third parties.

Central heating installations

We see timely maintenance as highly important, also from a preventive point of view, to ensure that all our individual central heating installations work properly and are safe. We aim to inspect all central heating installations once every two years. For open combustion devices, we aim for an inspection every eighteen months. Over the course of two years, 71% of the central heating systems where inspected.

Combined heat and power installations

The same applies to combined heat and power installations. Here, too, we set our own goal to inspect the installations every two years and place new filters if this is necessary. In 2021, 68% of the installations were inspected. The remaining installations will be inspected in 2022.

Lifts

Legislation stipulates that lifts must be inspected and certified once every eighteen months. Vesteda has a contract with a certified lift inspection firm, which conducts periodic inspections and issues inspection reports. Since 2016, 384 lifts of a total of 396 lifts have been approved. A total of twelve lifts were scheduled for re-inspection after the first inspection.

Vesteda engaged a Dutch specialist firm in the field of lift safety. This company tests the operation of the emergency audio connection in our lifts every three days. In 2021, 277 lifts with emergency audio connection units were inspected and tested.

Fire safety

In 2021, Vesteda had a total of 90 complexes surveyed for fire safety by an organisation specialised in building safety and regulations. In additional, four of Vesteda's own regional offices were surveyed, but these complexes were excluded from the outcome of the survey. We incorporated the outcomes in the maintenance plans and the maintenance budgets for those complexes. This survey was additional to Vesteda’s annual fire safety maintenance and checks. This includes annual visual inspections of fire extinguishing equipment, water pipes and emergency lighting. On top of this, we pressure test the dry risers every five years. In 2021, we carried out 100% of the planned fire safety maintenance and checks, compared with 96% in 2020. Furthermore, following upcoming new regulation, we started installing smoke detectors in all our complexes.

Sustainability in the chain

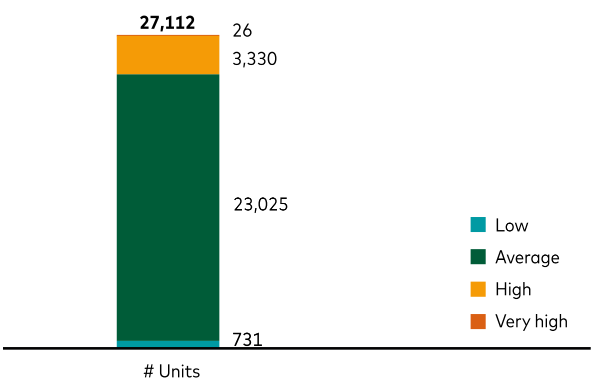
Since 2016, we ask our largest suppliers to sign the IVBN sustainability declaration for suppliers. By signing the declaration, our suppliers endorse IVBN's vision on sustainability and corporate social responsibility. Although signing is voluntary, it does give Vesteda the opportunity to start a constructive dialogue and it enables us to promote our core values and influence our suppliers. The next step will be to improve our impact, by rolling-out of a sustainability scan with questions on policies, targets and results. In collaboration with IVBN and its members, we conduct an annual survey which addresses a number of issues, covering the topics environmental, social, and governance (ESG). The response to these questions gives us a good understanding of sustainability in the chain.

Physical climate risks

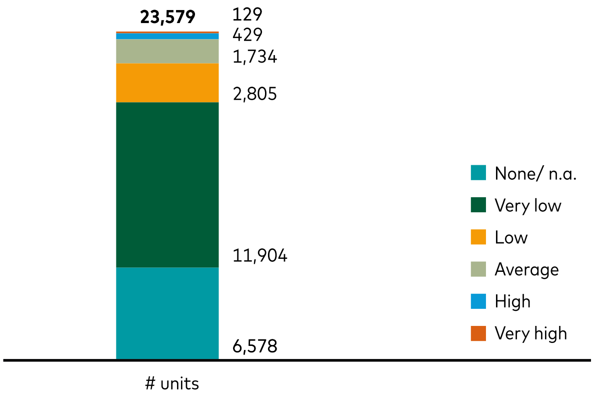
Due to the changing climate, we and our tenants are faced with physical climate risks such as heat stress and flooding. In 2021, together with Climate Adaptation Services and Sweco, we created an innovative in-house tool to provide us with effective insight into the physical climate risks of our portfolio. The tool is unique because we combined the environmental risks with building-specific characteristics. It will be used as main KPI to monitor Vesteda's physical climate risks.

Integrating building-specific information in the risk score gives specific and valuable information that provides us with potential measures to mitigate the physical climate risk. We combined the outcome of the environmental risk and building-specific characteristics for two types of risk (heat stress and flooding due to extreme rainfall) and we are focusing on taking mitigating measures for these two risks. On the heat stress front, in our portfolio we only have 26 units with a very high risk, while approximately 3,300 units have a high risk. The risks of flooding are even lower. We are focusing specifically on mitigating the high-risk and very high-risk units.

Climate risks heat stress



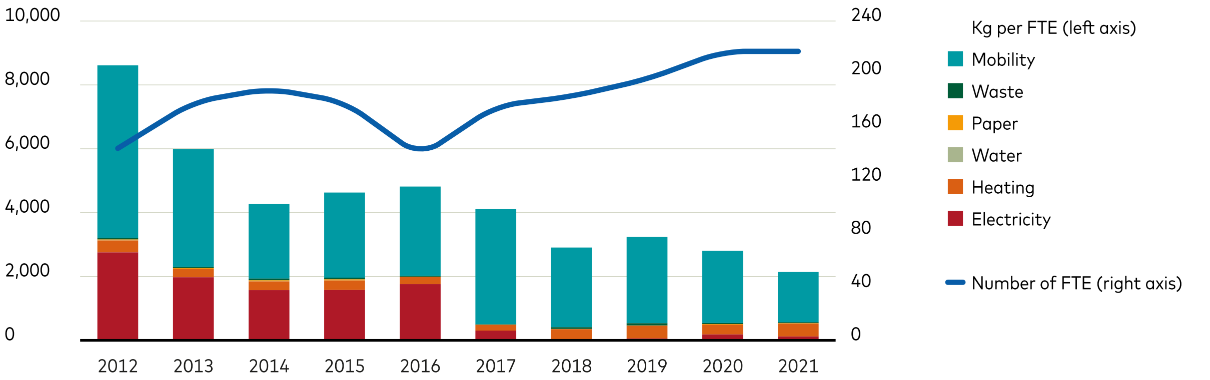
Climate risk flooding



CO_2 footprint

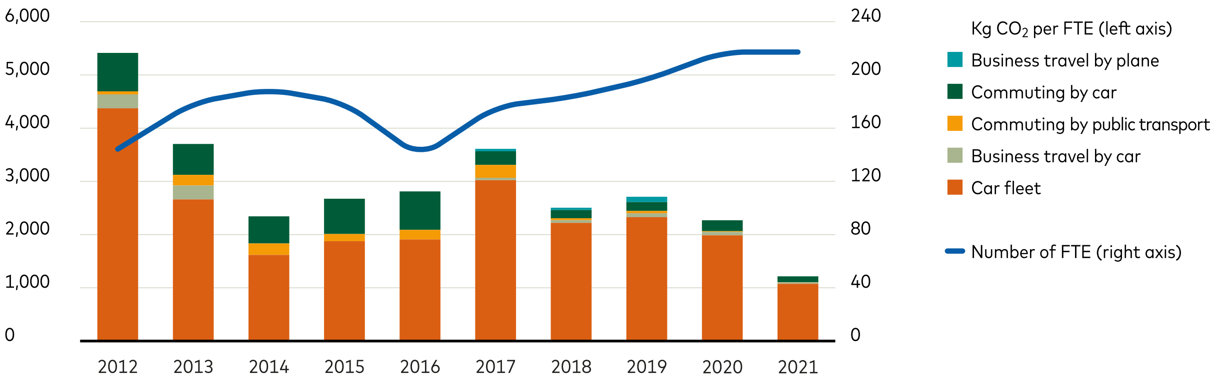
Vesteda aims to reduce the CO_2 emissions of the organisation. In 2021, the total CO_2 footprint of our organisation was 462 tonnes of CO_2, or 2,126 kg per FTE. This includes nine of our ten regional offices from which data is available. The carbon footprint of 2021 is a reduction of 24% per FTE compared to last year. Scope 1 with 69% accounts for the majority of the total emissions, compared to 5% scope 2 and 26% scope 3. Due to the lower travel movements, however proportionally more by car than before, the COVID-19 pandemic remains to have impact on the CO_2 footprint.

CO_2 emission per FTE



The CO_2 generated by mobility still accounts for the majority of our total CO_2 footprint. In 2021, we continued to reduce the emissions from mobility by making our car fleet more sustainable. In 2019 we started choosing more sustainable cars, such as fully electric vehicles, which resulted in 34% fully electric vehicles in the car fleet at the end of 2021. The CO_2 of our car fleet reduced by 58% and the total CO_2 emissions of our mobility was 46% lower compared to 2020. This is mostly due to a more sustainable car fleet and the procurement of renewable energy for the fully electric vehicles. Employees are stimulated to choose a fully electric vehicle and are facilitated to make fully electric driving more practical applicable, i.e. installing charging stations at the home of employees. More charging facilities will be installed at Vesteda offices in 2022. We will continue to create a more sustainable car fleet to maintain this reduction. The figure below shows the transport-related CO_2 emissions between 2012 and 2021 per FTE.

Transport-related CO_2 emissions per FTE



Circularity

Vesteda, together with a third party, made a calculation of the consumption data in 2020 and gained more insight into our current performance. Vesteda and this third party then drew up an action plan to improve circularity. For Vesteda, the greatest gains can be made from waste and purchasing.

We will actively monitor the waste figures in 2022 and make adjustments if necessary to achieve circular results. Vesteda cleans its offices with sustainable cleaning products (European Ecolabel) and, furthermore, employees are offered refurbished furniture for their home workplace. We will continue to do this in 2022 and we will explore new developments together with our suppliers with the aim of only purchasing office-related items that are FSC certified.

Vesteda is a participant in the Zuidas Green Business Club, an impact organisation with more than fifty participants that focuses on concrete results by initiating sustainable projects. By signing the Zero Waste Zuidas, Vesteda is committing itself to a Zuidas without residual waste by 2030. Vesteda also intends to exchange knowledge with other participants and to work together on topics such as energy and mobility, including shared transportation initiatives and the ‘Zuidas turns the lights off’ project to switch off unnecessary lights.

Measuring and managing resource consumption

Our goal is to manage and reduce our use of resources (energy, water) and to reduce the production of greenhouse gases. We aim to structurally reduce the energy consumption in our investment portfolio. We started this project in 2016, when the focus was initially on common areas. Due to collaboration with grid operators it is now possible to also measure the energy consumption of our tenants.

Common areas

In 2021, our electricity use for common areas decreased with 2.2% and gas consumption with 6.1%. We increased the portfolio's green electricity to 93% of the portfolio. The remaining non-sustainable energy have existing energy contracts that cannot be changed to sustainable energy yet or are operated by residents associations where we have no influence on the type of energy purchased. Since not all utility providers have finalised their annual statements yet, the coverage in 2021 is lower than 2020.

In like-for-like, the consumption is compared for areas for which the consumption is available for twelve months in 2020 and 2021. The square metres of the common areas are calculated based on a representative sample in which we measured that the actual common area square metres on average represent approximately 14% of a complex.

	Absolute		Like-for-like	
Common areas	**2021**	**2020**	**2021**	**2020**
Key figures				
Portfolio's green electricity (%)	93%	73%	92%	92%
Portfolio's green gas (%)	89%	88%	81%	88%
Energy consumption				
Consumption from electricity (kWh)	8,049,841	9,977,413	7,092,173	7,251,325
Consumption from gas (m3)	5,122	3,169	2,975	3,169
Greenhouse gas emissions				
Total indirect emissions (metric tonnes CO_2, electricity) - Gross	293	1,390	293	297
Total direct emissions (metric tonnes CO_2, gas) - Gross	11	6	6	6
Total indirect emissions (metric tonnes CO_2, electricity) - Net	293	1,390	293	297
Total direct emissions (metric tonnes CO_2, gas) - Net	1	1	1	1
Water				
Total water usage (m3)	43,250	53,614	29,127	38,075
Coverage sqm				
Coverage % electricity - based on sqm	81%	88%	71%	
Coverage % gas - based on sqm	100%	69%	69%	
Coverage % water - based on sqm	55%	62%	50%	

Tenants

In 2021, the tenant consumption increased with 3.8% for electricity, 0.5% for gas and 3.7% for district heating. In like-for-like the consumption is compared for areas for which the consumption is available for twelve months in 2020 and 2021. Data available for ten months or more is extrapolated and included for twelve months in the overview. The increase in consumption is most likely caused by the COVID-19 pandemic as tenants spent more time in their homes due to lockdowns.

	Absolute		Like-for-like	
Tenants	**2021**	**2020**	**2021**	**2020**
Energy consumption				
Consumption from electricity (kWh)	68,489,184	64,777,007	66,856,065	64,384,229
Consumption from gas (m3)	21,628,546	21,405,920	21,379,833	21,281,997
Consumption from district heating (GJ)	27,491	77,869	27,491	26,514
Greenhouse gas emissions				
Total indirect emissions (metric tonnes CO_2, electricity) - Gross	19,348	18,300	18,887	18,189
Total direct emissions (metric tonnes CO_2, gas) - Gross	45,096	40,329	44,577	40,095
Total indirect emissions (metric tonnes CO_2, electricity) - Net	19,348	18,300	18,887	18,189
Total direct emissions (metric tonnes CO_2, gas) - Net	45,096	40,329	44,577	40,095
Water				
Total water usage (m3)	20,157	1,483,186	16,611	16,063
Coverage sqm				
Coverage % electricity - based on sqm LFA	99%	98%	97%	
Coverage % gas - based on sqm LFA	97%	96%	95%	
Coverage % water - based on sqm LFA	1%	76%	1%	
Coverage % district heating - based on sqm LFA	23%	57%	23%	

Note: the methodology for calculating the emissions for tenant consumption from electricity has changed in 2021. The 2020 electricity emissions are adjusted accordingly.

Total

The total energy consumption of our total portfolio including intensity measures was as followed.

	Absolute		Like-for-like	
Total	**2021**	**2020**	**2021**	**2020**
Energy consumption				
Consumption from electricity (kWh)	76,539,025	74,754,420	73,948,238	71,635,554
Consumption from gas (m3)	21,633,668	21,409,089	21,382,809	21,285,166
Consumption from district heating (GJ)	27,491	77,869	27,491	26,514
Greenhouse gas emissions				
Total indirect emissions (metric tonnes CO_2, electricity) - Gross	19,641	19,690	19,180	18,485
Total direct emissions (metric tonnes CO_2, gas) - Gross	45,106	40,335	44,583	40,101
Total indirect emissions (metric tonnes CO_2, electricity) - Net	19,641	19,690	19,180	18,485
Total direct emissions (metric tonnes CO_2, gas) - Net	45,097	40,329	44,578	40,096
Water				
Total water usage (m3)	63,407	1,536,800	45,738	54,138
Solar energy				
Generation solar energy (kWh)	3,721,359	2,701,294		

Besides reduction in energy consumption the generation of solar energy increased. In 2022, Vesteda will try to further increase the annual generation of solar panels by installing more solar panels on single-family homes.

Intensity performance indicators

	Absolute		Like-for-like	
	2021	**2020**	**2021**	**2020**
Intensity from buildings per sqm - common areas				
Electricity intensity (kWh/year/sqm)	49.37	55.79	49.18	50.28
Gas intensity (m3/year/sqm)	0.46	0.42	0.39	0.42
Green House Gas emissions intensity (kg CO_2/year/sqm) - Gross	2.77	8.56	2.85	2.85
Green House Gas emissions intensity (kg CO_2/year/sqm) - Net	1.90	7.87	2.19	2.15
Water intensity (m3/year)	0.55	0.61	0.41	0.54
Intensity from buildings per sqm - tenants				
Electricity intensity (kWh/year/sqm)	24.67	23.71	24.57	23.66
Gas intensity (m3/year/sqm)	10.52	10.49	10.55	10.50
Green House Gas emissions intensity (kg CO_2/year/sqm) - Gross	28.90	26.46	28.94	26.47
Green House Gas emissions intensity (kg CO_2/year/sqm) - Net	28.90	26.46	28.94	26.47
Water intensity (m3/year)	0.56	0.81	0.48	0.46
Intensity from buildings - per tenant				
Electricity intensity (kWh/year)	1,174.72	1,128.87	1,170.09	1,126.83
Gas intensity (m3/year)	500.91	499.42	502.43	500.13
Water intensity (m3/year)	26.90	38.44	22.66	21.91

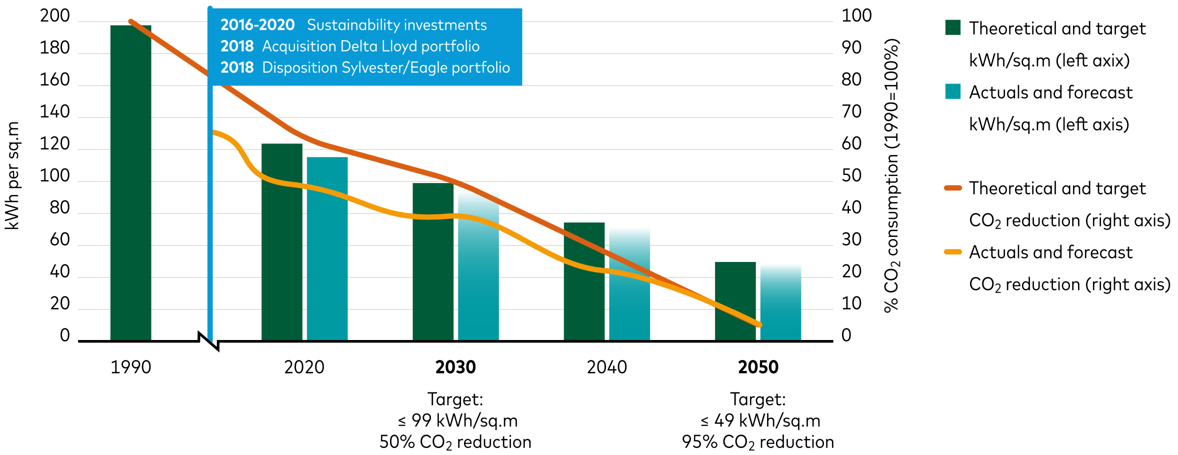
Paris Agreement

As part of our focus on climate change mitigation, we created our new CO_2 roadmap, in which we commit to the Paris Agreement by reducing our carbon footprint. In the CO_2 roadmap, we focus on two main KPIs, which are kWh/square metres and CO_2/square metres of our portfolio.

Our goal for 2030 is to reduce our CO_2 emissions by 50% compared with 1990 and by 95% in 2050. Using the 'Trias Energetica principle', at first we will focus on reducing the energy demand of our homes by investing in our assets. Our first focus is a reduction of energy consumption of 50% in 2030. Simultaneously, to realise a 95% reduction in CO_2 emissions by 2050, we will also focus on switching to sustainable 'green' energy sources to ensure that the energy consumption that remains is mostly CO_2 emission free.

As a result of our continued focus on sustainability, we are well on our way to reducing our energy consumption by 50% in 2030. Our current reduction is over 40% in energy consumption and over 50% in CO_2 emissions compared to the consumption in 1990.

Paris Proof in 2050 - CO_2 Roadmap



Social - Engaged stakeholders and a socially engaged organisation

We believe it is important to engage in sustainable relationships with our tenants, our participants and our other stakeholders. We communicate openly and transparently about our activities in the field of CSSR and consider it a part of our social responsibility to encourage and increase the awareness, engagement and responsibility of both our employees and our other stakeholders in the field of sustainability. In addition, as a fund we want to contribute to society in general and to the neighbourhoods where our properties are located in particular.

Strategic project: stakeholder engagement

In 2021, we launched various initiatives with and for our stakeholders:

- We are JINC partner and help young adults to prepare for and start their working life by giving job application training.
- We upgraded several entrances to our complexes, improving the overall quality and stimulating communities within complexes.
- We started a pilot in three complex renovation projects, involving our tenants in the creation of more sustainable homes and reducing carbon emissions. The pilot will continue in 2022 and after reviewing the outcome of the pilot we want to implement social involvement in all future renovations.
- Due to COVID-19 it was not possible to organise community activities.

Strategic project: health & well-being

Our aim is to have a positive impact on the health and well-being of our tenants and employees. As part of our efforts on this front, last year we continued a number of initiatives:

- In 2020, we introduced a personal vitality budget for employees. In 2021, employees could spend this budget on a wide variety of professional services related to health and well-being. We consider this especially important, considering the ongoing COVID-19 pandemic. Employees can use this budget to improve or maintain their healthy lifestyle and for personal development.
- Together with our partner, the Dutch Society of the protection of Birds (Vogelbescherming), we are looking at how we can improve the biodiversity around new acquisitions and renovations by installing bird and insect houses to increase the biodiversity in and around our complexes. We also put together a special welcome package for the tenants of one of our newly built complexes, providing information on how to make their new garden bird and insect friendly.
- We believe that keeping the homes of our tenants affordable, so they do not have to worry about the costs, helps to improve the health and well-being of our tenants. To help them take responsibility for their financial situation, we will make use of the Nibud (National Institute for Budget Information) calculation tool when registering new tenants. The Nibud's underlying data represents a range of households, which makes the tool a reliable source of information. We consider this a first step towards a deeper collaboration with the Nibud, to help make the cost of living more transparent and calculable for our tenants.

Governance - Responsible business and transparent organisation

Our aim is to act and be perceived as a sustainable investment by our participants. We are open and transparent about our progress on our sustainability targets, and we strive to meet the highest possible standards in reporting on CSSR-related activities.

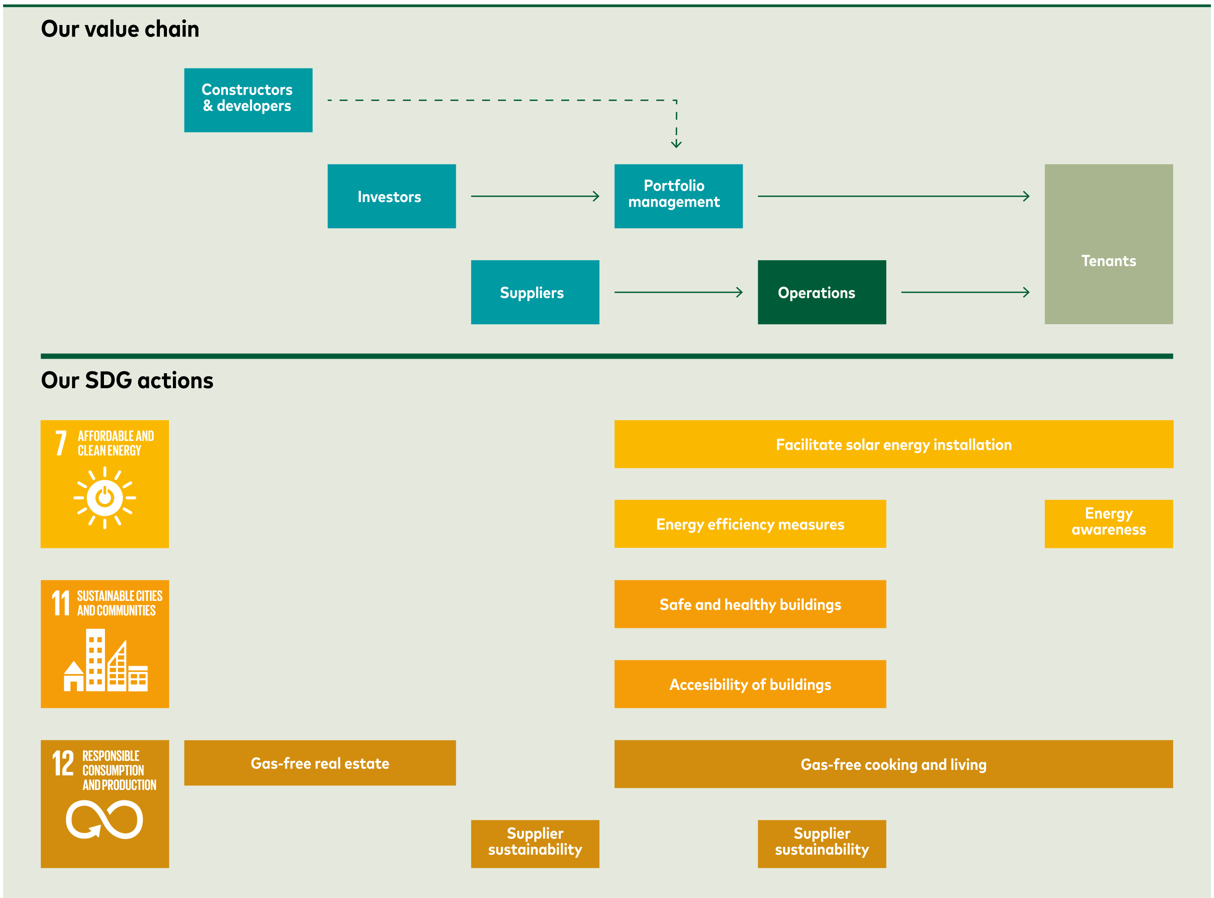
Our impact on the Sustainable Development Goals

In 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs), defining global sustainable development priorities and aspirations for 2030. This common set of 17 goals and 169 sub-targets calls for worldwide action from governments, business and civil society to end poverty, ensure prosperity for all, and protect the planet. Vesteda has decided to embrace the UN's Sustainable Development Goals.

We conducted an analysis to determine which of the SDGs are the most relevant to our activities, based on what we do and our ambitions. We consider the SDGs Affordable and clean energy (7), Sustainable cities (11) and Responsible consumption and production (12) the most relevant to our activities.

SDGs along our value chain

We have mapped our SDG actions along our value chain.



Global Reporting Initiative (GRI)

Since 2015, Vesteda has used the GRI-G4 standards to report on its CSSR policy in its annual report. In 2021, Vesteda once again reported on the basis of GRI Standards. For more information, please see the About this report section of this report.

GRESB

Since 2010, the Global Real Estate Sustainability Benchmark (GRESB) has provided a tool to compare the sustainability of property investment funds. The GRESB survey is designed to identify the sustainability performance of the real estate sector and is now a widely-recognised and well-respected initiative. The environmental benchmark rates environmental management practices and their implementation, making it possible to compare the ratings of different real estate investments with both their national peer group and the GRESB global average. Vesteda has been a part of the benchmark since its inception. Vesteda believes that GRESB is helping to increase transparency in terms of the sustainability of real estate funds. To contribute to the continued evolution of the benchmark, Vesteda joined GRESB as a member in 2013.

In 2021, Vesteda was awarded five out of five stars and remained part of the global top 20% for its sustainability performance for the fourth time in a row. Vesteda was ranked fourth out of ten in the Netherlands, and also fourth out of 106 in Europe. Vesteda is committed to remaining a top player in the field of sustainability at a national and international level.

ESG breakdown GRESB 2021

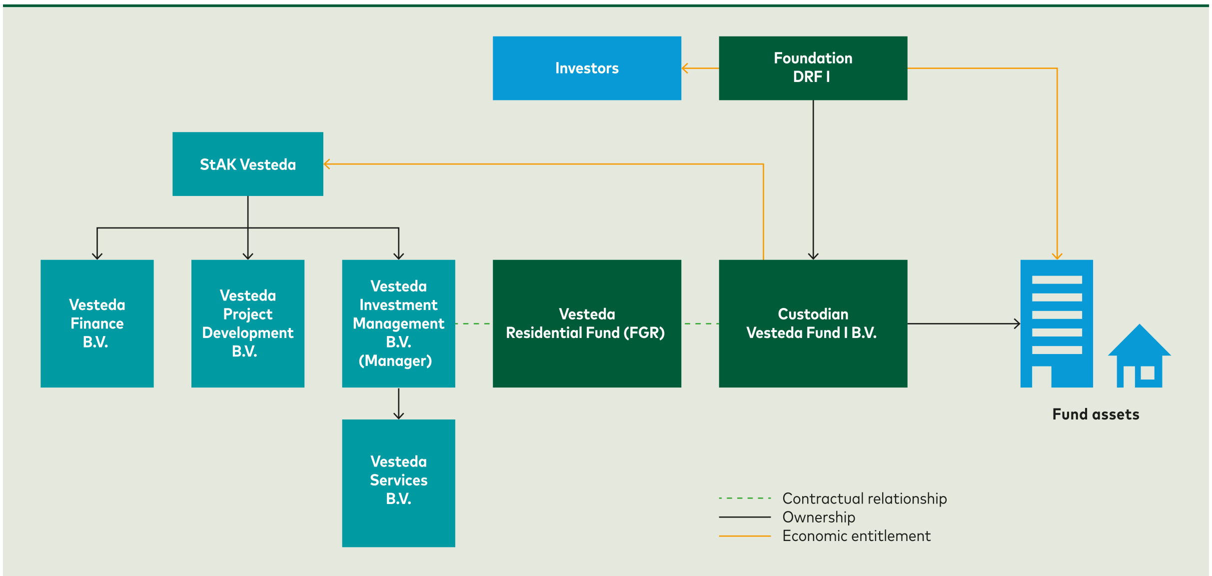
	Vesteda	Peer group	GRESB average	Max score
Environment	53	52	40	62
Social	18	18	16	18
Governance	19	19	17	20
Total	**90**	**90**	**73**	**100**

GRESB score 2021

Governance and risk management

Legal structure

Vesteda has the legal structure shown below.



Vesteda Residential Fund

Vesteda is a mutual fund for the joint account of the participants. Investors may join the fund by taking an interest in the fund. The fund is transparent for tax purposes. For this reason, participants can participate in Vesteda via an entity with its own legal and fiscal structure. Participants always join or exit the fund via a request to the fund Manager: Vesteda Investment Management B.V. The rights and obligations of the Manager, the Supervisory Committee and the participants are set out in the fund's Terms and Conditions.

StAK Vesteda

Participants' rights and obligations in respect of the fund Manager, Vesteda Project Development B.V. and Vesteda Finance B.V., are exercised through Stichting Administratiekantoor Vesteda (StAK Vesteda). Participants are granted a power of attorney to attend and exercise voting rights in the general meeting of shareholders of these three companies by StAK Vesteda at their request.

Vesteda Investment Management B.V. (the Manager)

The fund's Terms and Conditions instruct the Manager to manage the fund under the conditions specified therein. The Manager is responsible for day-to-day operations and implementation of the strategy. The Management Board and the staff are employed by the Manager.

Vesteda Finance B.V., Vesteda Project Development B.V. and Vesteda Services B.V.

Vesteda Finance B.V. undertakes Vesteda's (unsecured) financing activities on behalf of the fund. Vesteda Project Development B.V. is responsible for development projects in the committed pipeline and certain selected acquisition projects. Vesteda Services B.V. acts as an intra-group service provider.

Custodian
Custodian Vesteda Fund I B.V. is the legal owner of the property of the fund, while the fund is the beneficial owner. The custodian acts in accordance with all instructions regarding the fund's assets given by the Manager, and shall only be entitled to acquire, dispose of, transfer or otherwise deal with any fund assets on the instructions of the Manager.

Corporate governance

Vesteda Residential Fund
Vesteda Residential Fund is a contractual investment fund as defined in section 1:1 of the Dutch Financial Supervision Act (FSA). It is an unlisted fund for the joint account of the participants. As such, the economic title to the fund assets is held by the participants pro rata to their participation rights. The purpose of the fund is to make investments, and in particular (but not limited to) to invest capital, indirectly or directly, in property mainly designated for residential purposes located in the Netherlands, for the account and at the risk of the participants. The strategy of the fund is set out in more detail in the investment guidelines that form part of the fund's Terms and Conditions.

Vesteda Residential Fund's Terms and Conditions govern the fund and they can only be amended by a resolution of the participants. They have entrusted the Manager, Vesteda Investment Management B.V., with the management and operation of the fund. The Manager carries out its task solely in the interests of the participants and within the boundaries described in the fund's Terms and Conditions. The Manager, in its capacity as Manager and operator of the fund, is subject to the supervision of the Dutch Financial Markets Authority (AFM) and the Dutch Central Bank (DNB). The Manager obtained a licence to act as a manager of an alternative investment fund in accordance with article 2:67 of the FSA on 17 February 2014. The participation rights can only be acquired by professional investors as defined in section 1:1 of the FSA.

Participants
The participants do not take part in the operation of the fund or the management or control of its affairs and have no right or authority to bind the fund assets, or to vote on matters relating to the fund other than as set forth in or pursuant to the Terms and Conditions.

The Manager convenes at least two participants' meetings each year. If a participant, or two or more participants jointly holding at least 10% of the total participation rights, deem(s) any additional meeting of participants necessary, the Manager is required to convene such a meeting. Participants are entitled to cast a number of votes pro rata to their respective participation rights.

A participant may request that its participation rights be redeemed by the Manager in accordance with the Terms and Conditions.

Subject to the retention of reserves as reasonably deemed necessary by the Manager to meet the current and anticipated expenses of the fund, the realised result, excluding the result on property sales, shall be allocated for distribution to the participants pro rata to their respective participation rights.

Role
The participants are the beneficiaries of the fund and, as such, have a final say in material matters regarding the fund, as specified in the fund's Terms and Conditions.

Supervisory Committee
Composition and governance
The Supervisory Committee supervises how the Manager executes its task, as well as the general course of the fund, on behalf of the participants in the fund. The Supervisory Committee has established rules regarding the processes and governance in its by-laws.

The Supervisory Committee shall have at least five members, with the exact number to be determined by the participants. At present, the Supervisory Committee comprises five members, who are listed in Annex 3 of this report.

The Supervisory Committee has an Audit Committee and a Nomination and Remuneration Committee, both of which are governed by by-laws. The Supervisory Committee shall meet as often as it deems necessary, but at least four times a year, to discuss the results of the fund, the quarterly unaudited financial statements and the valuation of the fund's portfolio.

The members of the Supervisory Committee are appointed, suspended and dismissed by the participants with due observance of any nominations made and a profile as set forth in the Terms and Conditions. They are appointed for a period of four years, which term may be extended once by four years. Each participant that individually holds and each group of two or more participants that jointly holds at least 25% of the participation rights is entitled to nominate one member of the Supervisory Committee. The fund strives to achieve the best possible balance among its members in terms of gender, expertise and experience in the fields of management, compliance, risk management, financial reporting, funding, real estate and real estate funds.

All resolutions of the Supervisory Committee are adopted by a simple majority. Each member of the Supervisory Committee is entitled to one vote. In the event of a tied vote, the resolution at issue will be rejected. The Supervisory Committee may also pass resolutions in writing. A member of the Supervisory Committee will not participate in deliberations or decision-making within the Supervisory Committee, if they have a direct or indirect personal interest in the matter in question that conflicts with the interests of the joint participants.

Role
The Supervisory Committee supervises the policies and functioning of the Manager and the general affairs of the fund. The Manager is responsible for involving and informing the Supervisory Committee, ensuring that the fund is supervised in an optimal manner. The Manager holds regular consultations, both formally and informally, with the Supervisory Committee and its sub-committees on the strategy and policies of Vesteda as a whole. By attending these meetings, the members of the Supervisory Committee have ample opportunities to interact with Vesteda's executives. In addition, the members of the Supervisory Committee have individual meetings with Vesteda executives on an ad-hoc basis.

Remuneration of Supervisory Committee members
For the remuneration of the Supervisory Committee, please see the Remuneration report or Note 29 of the consolidated financial statements.

The Manager and its Management Board

Composition and governance
The Terms and Conditions entrust the Manager with the management and operation of the fund. The Manager is a private company with limited liability, incorporated and existing under the laws of the Netherlands. As such, the Manager has a Management Board, which in 2021 comprised two managing directors, the CEO and the CFO. The managing directors have the responsibilities and liabilities that derive from the Dutch Civil Code and other related legislation and the company's articles of association. The two directors acting jointly may represent the Manager.

Managing directors will be appointed, dismissed or suspended in accordance with the Manager's articles of association and its Terms and Conditions.

The Management Board is supported by a Management Team, comprising the CIO, COO and the HR Director (vacant position).

Role
The Manager has been appointed as Manager of the fund and is responsible for ensuring that the fund is always managed and operated, and that the fund assets are always managed, on a discretionary basis, in accordance with the Terms and Conditions and with due observance of the Investment Guidelines, the Business Plan and, on a best effort basis, the INREV Guidelines and the Dutch Corporate Governance Code (the latter to the extent applicable and practical in respect of the fund).

The Manager shall, subject where relevant to the Terms and Conditions, the Business Plan, any finance documentation and the prior approval of the Supervisory Committee or participants, carry out the following tasks, including:

a. Establish and implement the Investment Guidelines and the Business Plan;
b. Identify, evaluate and negotiate investment opportunities to (or to agree to) purchase or otherwise acquire, alone or together with others (in a syndicate), investments within the scope of the Investment Guidelines and the Business Plan;
c. Sell, exchange or otherwise dispose of and refinance investments within the scope of the Investment Guidelines and the Business Plan.

In light of the above, the Manager may enter into such legally binding agreements or other arrangements as the Manager may, at its sole discretion, determine in respect of any investments and divestments by the fund, to the extent permitted under the Investment Guidelines, the Business Plan and the Terms and Conditions. The Manager confirms that it adhered to the Terms and Conditions in 2021.

A Management Board member shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which they have a conflict of interest. All costs incurred by the Manager in its capacity as Manager of the fund, all normal operating expenses incidental to the day-to-day management of the Manager in its capacity as Manager of the fund, including its own overheads, any costs relating to outsourcing and the Supervisory Committee, fees payable to its members and the reimbursement of any reasonable costs incurred by members of the Supervisory Committee are reimbursed out of the fund assets.

In the Manager Rules, the Manager and the Supervisory Committee have established rules regarding decision-making processes and the working methods of the Manager.

Remuneration
The employment contracts of members of the Management Board include provisions related to severance pay. The amount of the severance pay as laid down in these contracts has been maximised at one year's fixed salary, in line with the Dutch Corporate Governance Code. The total remuneration of the Management Board comprises the base salary, the variable bonus, pension expenses and other employer charges. For a detailed overview of the remuneration of the Management Board, please see the Remuneration report or Note 28 of the consolidated financial statements.

Custodian
The duty of Custodian Vesteda Fund I B.V. is to act as the legal owner of fund assets and acquire legal title to such fund assets for safekeeping for the account and at the risk of the participants. The custodian will always acquire assets for the purpose of management and custody *(ten titel van beheer)* on behalf of the participants and will only act in the interests of the participants and shall not acquire assets or assume any obligations for its own account and risk or for the account and risk of third parties (other than the participants) and shall not carry out any business and will not be involved in any other activity that may cause it to incur liabilities that are not directly related to the fund. The custodian shall act in accordance with all instructions regarding the fund assets given by the Manager, and shall only be entitled to acquire, dispose of, transfer or otherwise deal with any fund assets on the instructions of the Manager. To safeguard this, the Management Board of the custodian comprises the Manager only.

Depositary
The Manager has appointed Intertrust Depositary Services B.V. to act as depositary for the fund and has concluded a depositary services agreement with the depositary for the benefit of the fund and the participants in accordance with article 4:37f of the FSA. The depositary is responsible for the supervision of certain aspects of the fund's business in accordance with applicable law and the depositary services agreement.

Dutch Corporate Governance Code
All listed companies with a statutory seat in the Netherlands are legally obliged to comply with the Dutch Corporate Governance Code (the Code), in accordance with the apply or explain principle. As neither Vesteda Residential Fund nor the Manager is a listed company, it is not mandatory for the fund or the Manager to apply the Code. Nevertheless, the Management Board and the Supervisory Committee endorse the Code in all material aspects, to the extent applicable and practical in respect of the fund.

Compliance and integrity

The role of compliance in the organisation

Compliance and integrity are closely related. Both acting with integrity and complying with applicable rules and regulations safeguard Vesteda's reputation and the reputation of the industry we operate in. For Vesteda, it is not enough to simply abide by laws and regulations; integrity should be embedded in day-to-day business and decision-making processes.

To ensure that compliance and integrity are and remain on top of mind in Vesteda's business activities, Vesteda has appointed a Compliance Officer. The role of the Compliance Officer is formally defined and documented in Vesteda's compliance charter. The Compliance Officer reports periodically to the Management Board and the Supervisory Committee, while reporting functionally to the General Counsel. Additionally, the Compliance Officer has a direct line to the CFO and the Supervisory Committee.

The compliance function fits into Vesteda's 'three lines model'. This model helps to identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk management within Vesteda. The first line is formed by the business; the compliance function is part of the second line and operates independently from the business. The third line is formed by the Internal Audit function, which periodically assesses the effectiveness of Vesteda's internal control framework, including compliance.

The Compliance Officer's tasks include the identification, evaluation, monitoring and reporting of and advising on compliance risks within the organisation. The Compliance Officer is part of the Risk Committee and discusses incidents, trends and (regulatory) developments that (could) have an impact on Vesteda's corporate integrity and is the first point of contact for integrity notifications within the organisation. The Compliance Officer operates at both a strategic level, advising the Management Board and senior management, and an operational level, advising the business on day-to-day compliance matters.

The Compliance Officer focuses on the areas detailed in the schedule below.

Focal points in scope of compliance function

Subject	Brief description
Market	This covers risks related to the non-compliance with laws and regulations, such as the Dutch Financial Supervision Act, including the Alternative Investment Fund Managers Directive, the Anti-Money Laundering and Anti-Terrorist Financing Act and the General Data Protection Regulation.
Employees	This covers risks related to the non-compliance with the internal code of conduct and related policies.
Business conduct	This covers risks related to non-compliance with rules related to: - Outsourcing. - Competition. - Anti-bribery.
Clients	This covers counterparty risks and the screening and monitoring of transactions of tenants and parties Vesteda does business with in accordance with Anti-Money Laundering and Anti-Terrorist Financing Act.

Vesteda's view on compliance and integrity

We strive to ensure integrity on all fronts. Vesteda employees sign a code of conduct and Vesteda has an internal reporting scheme, including anonymous reporting via a SpeakUp line, to report (suspected) compliance and integrity incidents. The Compliance Officer reminds employees of this code and the reporting scheme on an annual basis and employees are asked to confirm that they are aware of the code and the scheme and that they have complied and will continue to comply. When communicating about compliance related matters to the organisation, the Compliance Officer will to the extent relevant, always refer to the code of conduct as the guiding principles within the organisation.

The Compliance Officer keeps a register of all reported incidents. When an incident is reported, the Compliance Officer evaluates whether the reported incident should be classified as material or not. This would be the case when a) there is a considerable risk of a regulatory fine or sanction, or b) the relationship with key stakeholders could be adversely affected in a serious manner or c) it could result in substantial reputational damage.

Key performance indicators with respect to integrity are:

a. Number of incidents reported to the Compliance Officer. In this respect, Vesteda explicitly does not strive to have zero incidents reported. In addition, employees are encouraged to speak up to colleagues and management before formally reporting an incident to the Compliance Officer. Vesteda is of the opinion that the reporting of incidents can contribute to risk awareness and is a sign of a company culture in which employees do not fear repercussions for reporting an incident. Incident reporting can help to identify trends or risks. In 2021, the number of reported incidents was 27, including one material incident. A material incident could be: criminal acts, corruption, a violation of applicable laws and regulations, a breach of our internal Code of Conduct, a threat to the environment, health or safety, misleading supervisory authorities, intimidation, withholding or manipulation of data or any other act that damages Vesteda directly or indirectly. It is noted that 11 of the 27 incidents are related to illegal hemp plantations. While it is not possible to fully prevent this from happening, this issue has our ongoing attention. Most of the other incidents related to minor data breaches and (alleged) conflicts of interest. The incidents were addressed by the Compliance Officer and, depending on the severity of the case, discussed with the Management Board and reported to the Supervisory Committee.
b. Percentage of employees that confirm adherence to Vesteda's code of conduct. In 2021, 97% of all employees confirmed their compliance with Vesteda's code of conduct. The Compliance Officer contacted employees and their managers who did not confirm in a timely manner, to gain an understanding of any underlying reasons.

Vesteda's compliance with applicable rules and regulations is the foundation of its license to operate. Two of our main objectives are to incur no (monetary) sanctions and to retain our AFM license. Vesteda met both of these objectives in 2021.

Compliance focal points 2021

The Compliance Officer conducted the annual Systematic Compliance Risk Analysis (SCRA) in Q4 2021. The SCRA is an instrument the Management Board and the Management Team use to identify and analyse compliance and integrity risks in a structured manner. The analysis included an assessment of whether existing control measures were (still) sufficient to prevent or mitigate the risks identified or whether new measures were required. The outcome of the SCRA forms the basis of the Compliance year plan for 2022.

Integrity:

- The Compliance Officer recorded compliance and integrity incidents and reported on a quarterly basis to the Management Board and a subcommittee of the Supervisory Committee about these incidents and any measures taken. The number of recorded incidents was 27 in 2021.
- The Compliance Officer and Internal Audit Manager conducted an internal investigation into an integrity incident regarding fraud by an employee in 2021. Following this investigation, Vesteda took disciplinary measures, filed a report with the police and initiated civil proceedings. The Management Board and those involved in the investigation presented an online employee meeting about aforementioned incident with the aim of providing transparency and enhancing employee awareness with regard to integrity. Nearly all employees participated in the meeting.
- Following the incident, Vesteda's employment screening processes were reviewed and a formal policy was drafted to formalise i) which management positions and integrity-sensitive positions require screening and ii) which level of screening is to be applied.
- Vesteda updated and launched its Code of Conduct.
- Vesteda sent out the annual confirmation reminder of Vesteda's Code of Conduct in Q4 2021. Vesteda's goal is to have 100% of its employees confirm the Code on an annual basis. In late 2021 and early 2022, 97% of employees confirmed their compliance with the code of conduct. The Compliance Officer contacted the employees who did not confirm their adherence to the Code.

Regulatory:

- Vesteda was in contact with the Dutch Financial Markets Authority (AFM) on the rectification of the registered policy makers and parties having a qualified holding in Vesteda. The registration was finalised in Q1 2021.
- Vesteda was in contact with the AFM and Dutch Data Protection Authority (DPA) to report on the aforementioned material incident.
- The Compliance Officer gave an update session on the Alternative Investment Fund Managers Directive to all members of the Supervisory Committee.

Client integrity:

- The Compliance Officer actively advised the business on the review of (high-risk) customer due diligence (CDD) files and acts as a sparring partner for the business with regard to client due diligence procedures. The Compliance Officer also advised on the (further improvement of the) automated monitoring of potentially unusual transactions.
- As a result of its transaction monitoring, Vesteda filed various reports with the Dutch Financial Intelligence Unit.
- Following aforementioned material incident, the Compliance Officer drew up a work instruction for employees involved in client due diligence investigations and has given presentations to employees on anti-money laundering (AML) principles and recognising potential fraud.
- In Q4, Vesteda hired a dedicated CDD officer.

Privacy:

- Vesteda offered an e-learning Privacy & Security Awareness to all employees in order to maintain the level of knowledge of the GDPR.
- Vesteda arranged an in-house privacy training, provided by a law firm, on the handling of tenants' personal data and provision thereof to third parties for specific departments, such as Customer Relations and Marketing & Sales.

Risk management

Risk management is integrated in Vesteda's strategic and operational processes. We have defined our risk management policy and implemented a risk management framework in line with the core fund risk profile, as defined in the Vesteda Residential Fund's Terms and Conditions, extending to all levels of the organisation and all lines of business.

Vesteda has developed its internal risk management framework on the basis of the recommendations of the Committee of Sponsoring Organisations of the Treadway Commission (COSO), the aim of which is to create a reasonable level of assurance on the achievement of organisational targets. Vesteda's internal control systems include various measures for achieving adequate segregation of duties, prompt recording of significant transactions and data security. Internal accountability and management reports, management reviews and other internal research into the design and operation of the internal controls are an integral part of the internal control systems.

Vesteda also uses the 'Three lines model' with respect to managing risks (first line: Management, second line: Business control, Risk committee and Compliance officer, third line: Internal Audit). This model enhances the awareness of the risk culture within Vesteda and underlines and supports accountability for the management of risks and internal controls.

The three lines model emphasises that focus should be on the contribution risk management makes to achieving objectives and creating value, as well as to matters of 'defence' and the protection of value. Vesteda also supports the principles to the effect that:

- There must be regular interaction between Internal Audit and management to ensure the work of Internal Audit is relevant and aligned with the strategic and operational needs of the organisation.
- There is a need for collaboration and communication across both the first and second line roles of management and Internal Audit to ensure there is no unnecessary duplication, overlap, or gaps.

Vesteda's Internal Audit department is already providing objective assurance and advice on the adequacy and effectiveness of governance and risk management (including internal controls) to support the achievement of organisational objectives and to promote and facilitate continuous improvement.

Risk appetite

The INREV core fund risk profile implies that Vesteda has a relatively low-risk profile since it typically invests in income producing real estate investments. Vesteda employs relatively low levels of leverage and has limited exposure to real estate development. A significant and stable proportion of its returns are generated through rental income. Overall, Vesteda has a relatively low-risk appetite. We refer to Note 26 of the consolidated financial statements for a description of our financial risk management objectives and policies.

Vesteda's risk management framework

Vesteda's risk management framework is described in the section below.

Risk Committee

Vesteda's risk management activities are overseen by the Risk Committee. The Committee's tasks include, but are not limited to:

- Providing support and advice to the Management Board and Management Team with regard to the periodic identification of Strategic Risks and their assessment and management.
- Formulating policy frameworks for operational risk management and ensuring compliance with them.
- Making method(s) and techniques available that support line management in risk management of Operational Risks.
- Monitoring Operational Risks and Compliance Risks and their control.
- Stimulating risk awareness in the organisation.
- Providing insight into the risk profile of the organisation.

The Risk Committee explicitly does not focus on identifying and monitoring Strategic Risks. These are risks that could negatively affect Vesteda's strategic objectives and is formulated in the most recent Business Plan. This is the responsibility of the Management Board and the Management Team. However, should the Risk Committee identify a risk in the context of its activities that could have an impact on Vesteda's strategic objectives, the Risk Committee will immediately report its findings to the Management Board.

The Risk Committee is chaired by the CFO, who is already charged with risk management at Vesteda. Other members of the Risk Committee include the COO, the Corporate Secretary/General Counsel, the Business Control Manager, the D&I Manager and the Compliance Officer. The Internal Audit Manager also joins the meetings of the Risk Committee but is not a member of the Risk Committee. A Risk Charter defines the roles and responsibilities, the tasks, authorities and reporting requirements of the Risk Committee. The Risk Charter was approved by the Management Board in November 2020.

The scope of risk management

Vesteda distinguishes the following three main risk areas:

1. Strategic risks relating to risks with respect to Vesteda's strategic targets as defined in the Business Plan

This relates to specific risks regarding tenants, portfolio, participants (equity funding), organisation and debt funding.

The Management Board and the Management Team primarily focus on:

- Identifying and assessing the Strategic Risks annually on the basis of the most recent Business Plan;
- Quarterly monitoring of the Strategic Risks and the effectiveness of the associated control measures;
- Adjusting the control measures with regard to the Strategic Risks if these are not considered sufficient.

2. Operational risks relating to failure of systems and processes

Operational risk management is part of Vesteda's business processes and is governed by specific guidelines, policies and key controls designed to manage these operational risks, which are subject to internal reviews and external audits where appropriate.

Each year, Vesteda's external auditor provides assurance with respect to the design and effective operation of controls based on the International Standards on Assurance Engagements (ISAE), Standard 3402, type II. Vesteda selects the relevant controls to be audited and concluded upon in the assurance report and these relate to key controls within the most important business processes, primarily Acquisitions, Property and Portfolio Sales and Operations.

3. Compliance risks related to non-compliance with legislation and regulations
Vesteda has a dedicated Compliance Officer who reports on a quarterly basis to the Management Board and Supervisory Committee. The scope of the work of the Compliance Officer is set out in a Compliance Charter. Both internal and external developments, such as trends, risk-increasing developments, incidents and new or changed laws and regulations, can lead to the (partial) revision or adjustment of an established programme. The Compliance Officer constantly monitors these developments, responds to these and discusses them (where necessary) in the quarterly consultations or on an ad-hoc basis with the Management Board and/or the Supervisory Committee or addresses these matters in the Risk Committee. If necessary, the Compliance Officer adjusts these activities (advice, monitoring) accordingly. The annual compliance programme therefore has a dynamic character. It is also possible that the results of (un)planned compliance monitoring gives cause to prioritise a topic, while this was not previously planned. The compliance charter gives substance to this dynamic of compliance activities in various areas. For more detailed information, please see the section Compliance and integrity of this report.

Strategic risk analysis
Vesteda's strategic risk analysis is based on the following assessment which is executed by the Management Board and Management Team jointly:

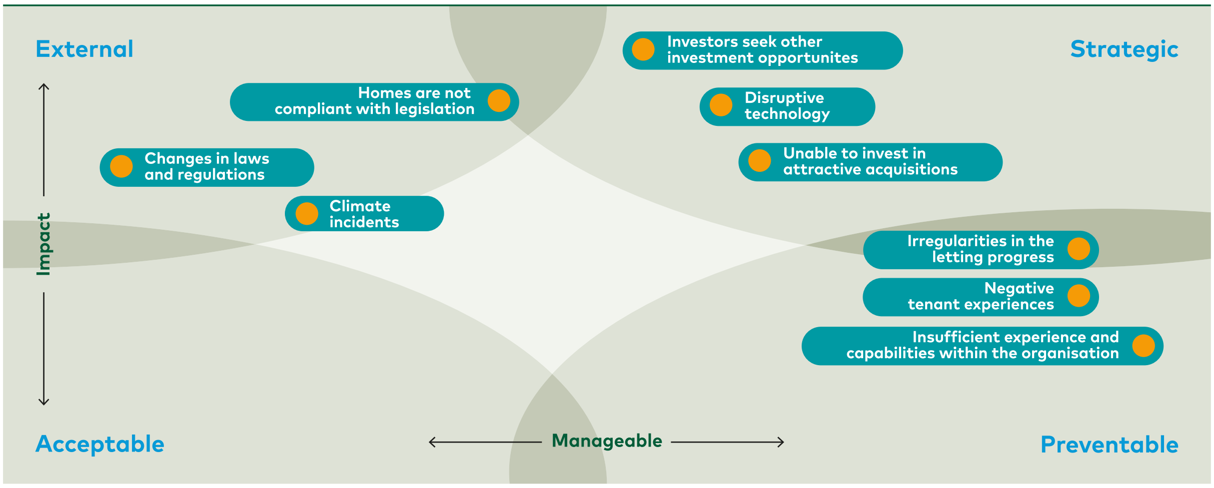
- Identification of strategic risks, based on the strategic targets and key performance indicators within the five strategic pillars: Tenants, Participants (Equity), Portfolio, Organisation and Funding (Debt). These strategic targets and risks are based on the five-year Business Plan, subject to approval each year in December by Vesteda's Participants, and actual developments.
- An assessment of the level of risk Vesteda is willing to accept in achieving its strategic targets (risk aversion) to provide guidance for decisions relating to risk and return management. The outcome of this assessment also serves as a basis for the review of the effectiveness of the nature and level of internal controls for each risk. The level of risk aversion is measured based on a scale of 1 to 5: Risk averse, Limited risk, Cautious, Flexible, Open.

In alignment with the key characteristics of Vesteda as a Core INREV fund, with a conservative funding policy focusing only on residential real estate in the Netherlands, limited risks or a cautious approach is necessary for Vesteda's strategic targets (risk aversion of mostly 2, partly 2-3).

- Classification of identified risks based on impact (high – low) and to what extent the risk is manageable (manageable to a large extent – not manageable).
- Defining the internal controls (taken or to be implemented) for each of the identified risks, the required level of effectiveness for these controls and the relevant key performance indicators to monitor effectiveness.

The outcome of this review is depicted in the 'Vesteda Risk Profile' figure below:

Vesteda Risk Profile



For each of the risks shown in the 'Vesteda Risk Profile' above, the main internal controls are:

External risks, potential high impact, no or limited controls on risk occurring

Risk: Changes in (rental) laws and regulations

Changes in laws and regulations relating to rent (increases), investments (local requirements or product-specific requirements, e.g. regulated mid-rental segment), building requirements (sustainability), fiscal laws impacting investments in real estate, etc.

Internal controls

As changes in laws and regulations are beyond Vesteda's direct control, the main focus in addressing this risk is identifying and discussing possible changes and alerting and preparing the organisation. This is realised through our multiple contacts with the sector association IVBN and contacts with city councils, politicians, developers, etc. Where relevant, we take the effect of potential changes in laws and regulation into account in our business planning, including impact analyses and stress testing, where relevant.

With respect to the risk regarding rental regulation, we take an active role in the affordability debate, together with the IVBN. We believe it is important to behave as a socially responsible investor and to highlight the role we have in responsibly investing pension savings and insurance premiums entrusted to us by our participants in residential real estate for middle-income tenants.

Risk: Homes are not compliant with legislation

Our homes cannot meet all requirements set by (EU) legislation with respect to climate mitigation and sustainability.

Internal controls

Vesteda has implemented a number of internal controls for this specific risk, the most important of which are:

An investment programme to improve the energy labels of our homes. Please refer to the section Corporate Sustainability and Social Responsibility of this report.

In March 2021, Vesteda adopted the 'Policy on the integration of sustainability risks and factors into the investment decision making process' providing insight in which potential sustainability risks Vesteda has identified and how these risks and principal adverse impacts on sustainability factors are integrated in investment decisions of new acquisitions.

Sustainability and climate risks form an important part of Vesteda's investment decision process for new acquisitions. Vesteda applies its technical standards to assess whether new (potential) investments comply with Vesteda's sustainability and technical requirements. Since the beginning of 2021, Vesteda has been using an ESG framework to determine a sustainability impact score for each project to provide for a broader scope on relevant sustainability risks and factors and to ensure new projects meet the applicable ESG requirements to be qualified as sustainable.

Please refer to the section Environmental – Improve sustainable performance on page 51 of this report and the section Acquisitions and dispositions on page 37.

Risk: Climate incidents

Climate incidents affecting our portfolio, such as flooding, heat stress, earthquakes, etc.

Internal controls

This is also a risk that is to a large extent beyond Vesteda's direct control. However, in terms of mitigating the impact of climate incidents, Vesteda has taken the following measures:

A climate risk scan for the entire portfolio. Please refer to the section Physical climate risks on page 53 of this report.

Specific attention for the risks of heat stress and flooding in our long-term maintenance programme per building complex. Please refer to the section Physical climate risks on page 53 of this report.

Strategic risks, potential medium to high impact, reasonable or high level of controls possible on risk occurring

Risk: Investors seek other investment opportunities

Investments in Vesteda (residential real estate) become less attractive for potential new and current investors (primarily as a result of an imbalance between return and risk).

Internal control

Each year, participants have to approve the Business Plan, which includes the strategy to achieve the targets as set out in the Investment Guidelines of the Terms and Conditions. For example, the outperformance of the three-year MSCI index and a target for the TER. The achievement of the targets is monitored on a monthly, quarterly and annual basis.

We have frequent meetings with participants, at which we communicate market developments and the progress of the strategy implementation. In the current market environment, with political discussions on affordability, the impact of rent increases and (potential) new legislation on rent increases, we believe it is important to discuss Vesteda's strategy as a socially responsible investor, especially when this pertains to decisions regarding tenant satisfaction, rent increases and sustainability.

Risk: Disruptive technology

Vesteda's business model is disrupted by new innovative technology.

Internal controls

Digital technology provides the residential investment industry (and adjacent sectors) in general and Vesteda in specific with new resources to create and capture value for all stakeholders. This may, for example, mean that a residential property functions as a platform for the sale of additional goods and services to its users as well, thereby increasing the tenant's perception of value and willingness to pay for it. As a result, boundaries between sectors may blur and young, agile and cost-efficient companies may become a competitor for existing players in the relatively traditional housing market. Digital technology may also be a source of optimised rental income streams and structural savings in general, operational and capital expenditures, while at the same time improving sustainability, tenant satisfaction and risk profile of the investment.

Exploiting the full potential of digital technology requires a deep understanding of the opportunities and risks associated with it and requires a holistic vision on digital technology as a key resource for strategy definition and execution. Vesteda is already applying digital technology in several parts of its business model and processes, and is working on incorporating digital technology in strategy definition and organizational design more and more. Failure to keep up with these developments may have a negative effect on Vesteda's competitive position in the longer term and access to new investment product. Vesteda mitigates this risk today by recognizing both the opportunities and the risks of digital technology and step by step improving its business model and organisation using digital technology.

Risk: Unable to invest in attractive acquisitions

Vesteda is unable to invest in new attractive acquisition opportunities.

Internal controls

Dutch residential investments are seen as a safe haven with an attractive risk/return profile, due to the scarcity in supply, high demand and low interest rates. In this high investor demand market Vesteda is active throughout the value chain: Vesteda is proactively interacting with developers, contractors and local authorities using our in-depth knowledge of local markets and developments and positioning ourselves as a solid long-term partner.

As part of our acquisition policy, we have furthermore implemented a range of internal controls, including:

- Monitoring of acquisition leads funnel and conversion of leads.
- Yearly evaluation of IRR requirements.
- Performance analyses of realised acquisitions compared with the investment proposal.
- Yearly approval by participants of the Business Plan, which includes the acquisition strategy and funding of acquisitions.

Preventable risks, medium to low impact, high level of controls possible on risk occurring

Risk: Negative tenant experiences

Vesteda's image and reputation is affected by negative tenant experiences which may result in low(er) tenant satisfaction scores.

Internal controls

Vesteda measures tenant satisfaction continuously and this is one of Vesteda's major key performance indicators. It is included in the annual targets for the Management Team, senior management, departments and employees. Please refer to the section Tenant satisfaction surveys of this report.

In the event of tenant complaints, Vesteda strives to act and communicate quickly and transparently. Vesteda makes sure that cases are evaluated and that lessons learned are shared internally in order to improve future processes.

Risk: Irregularities in the letting process.

Vesteda's image and reputation is affected by irregularities in the letting process.

Internal controls

Vesteda has implemented customer due diligence procedures to comply with anti-money laundering legislation relating to tenants and others. Vesteda provides employees who are in charge of screening tenants with additional training and reference materials. The Compliance department has been expanded, providing more support in the letting process and the assessment of new tenants. In addition, Vesteda will organise dilemma workshops in 2022 for the Digital Sales team. Please refer to the section Compliance and integrity of this report.

Risk: Insufficient experience and capabilities within the organisation

The risk that Vesteda cannot attract and retain the right talent to achieve its ambitions and the risk that Vesteda's employees are less engaged and show lack of performance (due to working from home).

Internal controls

Vesteda has a professional HR department in charge of attracting and retaining highly qualified staff, through recruitment procedures, talent management, training programmes, etc. Please refer to the section Workforce of this report.

As a result of COVID-19, with the vast majority of employees working from home, there is also a risk of less engagement between employees and the organisation. Post COVID-19, this risk may still be relevant as employees will work from home on a more structural basis. In addition to the already existing development programmes and activities related to making Vesteda a High Performing Organisation, focus is therefore also on more frequent communications, by the Management Team and by the managers, and recognition of the contribution of our employees (individually and by department) to keep our employees aligned and engaged with the organisation and vice versa.

In addition, Vesteda plans to review and update its remuneration policy, which can help in attracting and retaining staff.

Please refer to section Organisation and staff of this report.

The monitoring of the above-mentioned strategic risks and the effectiveness of internal controls, as well as identifying new strategic risks is the responsibility of the Management Board and the Management Team and will be discussed at least quarterly in 2022 as part of quarterly reporting.

Risk Committee activities in 2021

In the year under review, the Risk Committee frequently discussed Vesteda's digital organisation and the risks related to our IT systems and possible cybercrimes and attacks with the D&I Manager. The Treasury Manager reported to the Risk Committee on a quarterly basis on the compliance with Vesteda's funding targets, including stress tests on liquidity and financial covenants. The Internal Audit Manager reported to the Risk Committee on ISAE controls. Furthermore, the Compliance Officer reported on Compliance risks and the Client Due Diligence procedures, which procedures were further implemented in our IT systems in 2021.

In 2021, the Risk Committee was informed on a regular basis on the COVID-19 measures and the related risks.

Vesteda updated its Risk Management Policy in 2021.

'In control' statement

The Management Board is responsible for implementing and maintaining adequate risk management and internal control systems and for assessing the effectiveness of these systems.

In the year under review, we evaluated and monitored our risk management and internal control systems, as further described in the above Risk management section of this report. Based on this assessment, we concluded with reasonable, but not absolute, assurance that:

- The annual report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems.
- The aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies.
- Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis.
- The annual report states those material risks and uncertainties that are relevant to the expectation of Vesteda's continuity for the period of twelve months after the preparation of the report.

It is important to note that effective risk management, with embedded internal controls, no matter how well designed and implemented, provides the Management Board with only reasonable assurance regarding the achievement of Vesteda's objectives. The achievement of objectives is affected by limitations inherent in all management processes. Therefore, in this context 'reasonable assurance' refers to the degree of certainty that would be satisfactory for a prudent manager in the management of their business and affairs in the given circumstances.

About this report

Content report

This report is published on an annual basis and covers information from 1 January 2021 until 31 December 2021. Our previous Annual Report (2020) was published on 7 April 2021. The aim of this report is to inform Vesteda's most important stakeholders. By identifying the parties that Vesteda influences and the parties that exert influence on Vesteda, the company has defined the following key stakeholders: tenants, participants, employees, lenders/debt investors, partners/business partners, advisors/real estate experts and local authorities.

Financial and non-financial information

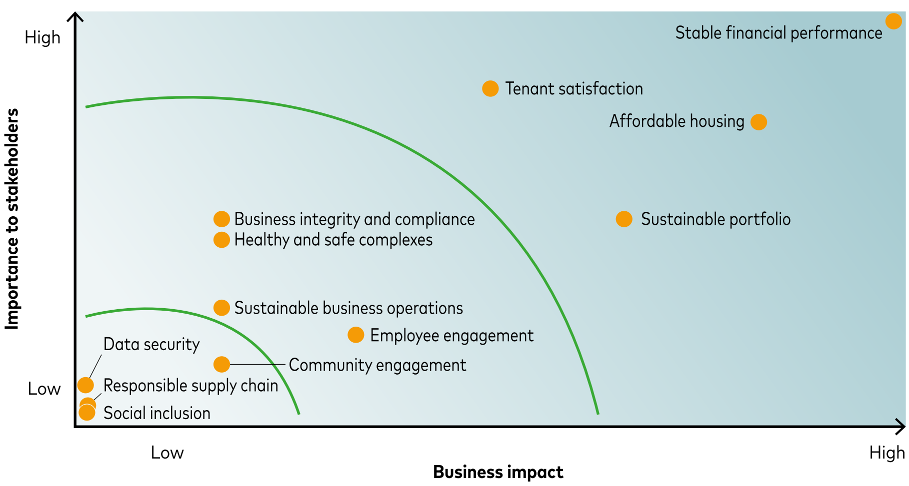
The financial information included in this report is derived from or in line with the financial statements. The Vesteda annual report is drawn up in accordance with IFRS accounting policies, unless otherwise stated. However, for transparency purposes, Vesteda deems it important to provide investors with insight into the fund's net asset value and metrics on the basis of the INREV principles, which is included in the section 'Vesteda Residential Fund FGR financial overviews in accordance with INREV valuation principles' of this report. The non-financial information relates to areas such as market developments, portfolio and organisational developments, tenants, CSSR, Corporate governance, Compliance and integrity and Risk management. These data are the result of Vesteda's own analyses and systems, market research and legislation and regulations. There are no significant restatements regarding non-financial information.

Material topics

This report has been prepared in accordance with the GRI Standards: Core Option. A key requirement for conforming with GRI guidelines is the execution of a materiality analysis and the translation of the outcomes of this in the annual reporting. Vesteda executed a materiality analysis in 2020, resulting in a list of 12 topics, eight of which are considered material topics by its stakeholders.

All Vesteda's entities are within scope for all material topics and their indicators. Vesteda reports quantitatively on the eight most material topics. Whenever possible, these topics have been combined with and linked to (GRI) aspects included in the previous year's reporting. The results of the materiality analysis are shown in the following matrix. The GRI table in Annex 4 of this report shows the link between the material topics and the GRI aspects and indicators.

Materiality matrix



Dialogue with stakeholders

The table below gives an overview of the structural dialogue between Vesteda and its key stakeholders.

Stakeholders	Dialogue	Content dialogue	Impact dialogue on policy Vesteda
Employees	• Questionnaire (HPO) • Events for employees • Intranet • Works Council	• Employee satisfaction and employee experience, Vesteda Improves project • Onboarding day, Inspiration sessions, Business Plan presentation, Financial and business results, Celebrations (new year, breakfast sessions, Friday drinks etc) • Source of information • Discuss relevant developments and regulations concerning business strategy and employee impact, such as M&A, organisational changes and employee benefits	• Identification of integral improvement programmes • Social connectivity and creation of Vesteda culture • Clear quarterly information about business progress and plans
Participants	• General Meeting of Participants (at least twice a year) • Regular investor meetings/ quarterly conference calls • Annual informal Participants' Day • Annual independent Participant satisfaction survey • Property tours • Investorweb (for participants)	• Business Plan 2022-2026 • Liquidity Review Date • Transition to zero-natural gas • Rent increase policy • Acquisitions and sales policy • Required returns • CSSR • ISAE	• Cap the annual average rent increase of liberalised contracts to inflation +1% • Continued attention for CSSR, e.g. the decision to implement UN PRI and UN SDG • Clear criteria to improve reporting and Participants' Day
Lenders/ debt investors	• Annual credit review meetings • Regular debt investor/lender meetings • Information for debt investors on website • Financial covenant reporting • Roadshow for bond investors	• Strategy • Leverage • Reporting • Governance • Cash management • CSSR	• Transparent reporting standards; improved reporting • Funding strategy; leverage • Development risk • Liquidity risk
Partners/ business partners and local authorities	• Through membership and meetings of IVBN, INREV, ULI, NeVaP, NEPROM, DGBC, NRP and GBC-Z. • Local and national government(s) • Attending/giving lectures at business events/conferences • Attending conferences such as Expo Real, Provada and INREV • Joining expert meetings and working groups	• Increasing mid-rental market supply in the urban environment / affordable housing • Discuss local regulations, policies and market developments • Discuss relevant developments, such as sustainability, urban development, densification, ground lease, mobility, disruptive technologies, technical innovations and smart buildings • Discuss propositions for acquisitions, property sales and re-developments	• Sector effort to realise more affordable housing in urban environments • Revolving Fund Urban Transformation (NEPROM, Platform31) • Investment Strategy for Sustainable Urbanisation "At home in the Future" (NEPROM) • Translated market developments in our Business Plan • Investing in knowledge of disruptive technologies (e.g. Project Milestone) • Adopting and improving best practices
Advisors/ real estate experts	• Regular meetings with Vesteda's Advisory Committee • Conference with Dutch housing association • Partnership signed with the Blue Building Institute • Workshop on sustainability • Attending/giving lectures at business events	• Sustainability, re-development of existing properties • Energy transition • KPIs • Healthy living • Social cohesion • Market developments	• Research into CSSR and continued embedding in policy

INREV Guidelines Compliance Statement

The European Association for Investors in Non-Listed Real Estate Vehicles (INREV) published the revised INREV Guidelines incorporating industry standards in the fields of Governance, Reporting, Property Valuation, Performance Measurement, INREV NAV, Fees and Expense Metrics, Liquidity and Sustainability Reporting. The assessments follow these guidelines.

INREV provides an Assessment Tool to determine a vehicle's level of compliance with the INREV Guidelines as a whole and its modules in particular.

The overall INREV Guidelines Compliance Rate of the Vesteda Residential Fund is 97.16%, based on seven out of eight assessments. The table below shows the compliance rate for each completed module of this self-assessment.

Compliance with the INREV Guidelines Assessment Results

INREV module	Level of adoption or compliance
Reporting	100%
Fee and Expense Metrics	90%
Property Valuation	100%
INREV NAV	100%
Liquidity	96%
Corporate Governance	100%
Sustainability	100%

Assurance

This report has been provided with external assurance. You will find the assurance report of the independent auditor and their conclusion in the section Assurance report of the independent auditor of this report. Vesteda believes this assurance is important as it provides additional certainty regarding the accuracy of the information included.

Assurance report of the independent auditor

Assurance report of the independent auditor with respect to the 2021 Sustainability Information of Vesteda Residential Fund FGR

To the participants and the Supervisory Committee of Vesteda Residential Fund FGR

Our conclusion

We have reviewed the sustainability information in the accompanying annual report for the year 2021 of Vesteda Residential Fund FGR (hereafter: 'Vesteda') at Amsterdam. A review is aimed at obtaining a limited level of assurance.

Based on our review nothing has come to our attention that causes us to believe that the sustainability information does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to corporate social responsibility; and
- the thereto related events and achievements for the year 2021

in accordance with the reporting criteria as included in the section 'reporting criteria'.

The sustainability information consists of sustainability data as included in the following chapters:

  - Vesteda at a glance (pages 7-9);
  - Management Report, paragraphs Market developments (pages 12-16) and Organisation and staff (pages 25-28);
  - Corporate Sustainability and Social Responsibility (pages 50-61), while the EU-Taxonomy references in paragraph 'General' (page 50) are excluded from the limited assurance scope;
  - Governance and risk management, paragraph Corporate governance (pages 63-65) and Compliance and integrity (pages 66-68);
  - About this report (pages 75-77);
  - Annex 4: GRI Content Index for 'In accordance' – Core (pages 156-159).

Basis for our conclusion

We have conducted our review of the sustainability information in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake maatschappelijke verslagen' (Assurance engagements relating to sustainability reports) which is a specified Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of the sustainability information' of our report.

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

Reporting criteria
The sustainability information needs to be read and understood together with the reporting criteria. Vesteda is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the sustainability information are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria as disclosed on page 75 of the annual report.

The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Responsibilities of management and the Supervisory Committee for the sustainability information
Management is responsible for the preparation of reliable and adequate sustainability information in accordance with the reporting criteria as included in the section 'reporting criteria', including the identification of stakeholders and the definition of material matters. The choices made by management regarding the scope of the sustainability information and the reporting policy are summarised on page 75.

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.

The Supervisory Committee is responsible for overseeing the reporting process of Vesteda.

Our responsibilities for the review of the sustainability information
Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

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

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

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our review included amongst others:

- Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by management;
- Obtaining an understanding of the reporting processes for the sustainability information, including obtaining a general understanding of internal control relevant to our review;
- Identifying areas of the sustainability information with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or error. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted amongst others of:
    - Interviewing management (and/or relevant staff) at corporate (and business/division/cluster/local) level responsible for the sustainability strategy, policy and results;
    - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the sustainability information;
    - Obtaining assurance information that the sustainability information reconciles with underlying records of the company;
    - Reviewing, on a limited test basis, relevant internal and external documentation;
    - Performing an analytical review of the data and trends.

- Evaluating the presentation, structure and content of the sustainability information;
- Considering whether the sustainability information as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We communicate with the Supervisory Committee regarding, among other matters, the planned scope, timing of the review and significant findings that we identify during our review.

Amsterdam, 16 March 2022

Deloitte Accountants B.V.

Signed on the original: J. Holland

Vesteda Residential Fund FGR financial statements 2021

Consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2021; amounts in € million

	Note	2021	2020
Gross rental income	5	347	335
Service charges income	6	12	10
Other income		1	-
Revenues		**360**	**345**
Property operating expenses (excluding service charges)	7	(84)	(79)
Service charges	6	(16)	(15)
Net rental income		**260**	**251**
Result on property sales	8	16	7
Management expenses	9	(25)	(26)
Financial results	10	(39)	(41)
Realised result before tax		**212**	**191**
Unrealised result	11	1,233	276
Result before tax		**1,445**	**467**
Tax	12	(1)	(1)
Result after tax (attributable to equity holders of the parent/participants)		**1,444**	**466**
Other comprehensive income that will be reclassified subsequently to profit or loss			
- Settlement pre-hedge contracts		1	1
- Revaluation of PPE		-	-
Other comprehensive income, net of tax	13	**1**	**1**
Total comprehensive income (attributable to equity holders of the parent)		**1,445**	**467**
Earnings per participation right in €			
Basic and diluted earnings, on result after tax	20	40.23	12.98
Comprehensive income per participation right in €			
Basic and diluted earnings, on total comprehensive income		40.25	13.02

Consolidated statement of financial position

For the year ended 31 December 2021; amounts in € million

	Note	31-12-2021	31-12-2020
ASSETS			
Non-current assets			
Intangible fixed assets		7	8
Investment property	14	9,540	8,213
Investment property under construction	15	177	174
Property, plant and equipment	16	20	20
Financial assets	17	2	7
Total non-current assets		**9,746**	**8,422**
Current assets			
Trade and other receivables	18	5	16
Cash and cash equivalents	19	109	2
Total current assets		**114**	**18**
Total assets		**9,860**	**8,440**
EQUITY AND LIABILITIES			
Equity			
Group equity	20	7,553	6,294
Non-current liabilities			
Financial liabilities	21	1,784	1,592
Lease liabilities	22	145	154
Total non-current liabilities		**1,929**	**1,746**
Current liabilities			
Financial liabilities	21	300	317
Provisions	23	7	4
Trade and other payables	24	70	78
Lease liabilities	22	1	1
Total current liabilities		**378**	**400**
Total liabilities		**2,307**	**2,146**
Total equity and liabilities		**9,860**	**8,440**
Net Asset Value (NAV) per participation right in €			
Basic IFRS NAV	20	210.40	175.32

Consolidated statement of changes in equity

For the year ended 31 December 2021; amounts in € million

	Fund equity	General paid-in surplus	Reserve				Total equity
			Property reserve	Derivatives	Legal	Other reserve	
Balance at 1 January 2020	**35**	**2,040**	**2,399**	**(6)**	**8**	**1,546**	**6,022**
Profit for the year	-	-	241	-	-	225	466
Other comprehensive income	-	-	-	1	-	-	1
Total comprehensive income	**-**	**-**	**241**	**1**	**-**	**225**	**467**
Realised from property sales	-	-	(5)	-	-	5	-
Distribution paid	-	(195)	-	-	-	-	(195)
Balance at 31 December 2020	**35**	**1,845**	**2,635**	**(5)**	**8**	**1,776**	**6,294**
Profit for the year	-	-	1,158	-	(1)	287	1,444
Other comprehensive income	-	-	-	1	-	-	1
Total comprehensive income	**-**	**-**	**1,158**	**1**	**(1)**	**287**	**1,445**
Realised from property sales	-	-	(33)	-	-	33	-
Distribution paid	-	(186)	-	-	-	-	(186)
Balance at 31 December 2021	**35**	**1,659**	**3,760**	**(4)**	**7**	**2,096**	**7,553**

Other comprehensive income may be recognised as profit or loss in future periods.

Consolidated cash flow statement

For the year ended 31 December 2021; amounts in € million

	Note	2021	2020
Operating activities			
Result for the year after tax		1,444	466
Adjustments to reconcile result after tax to net cash flow from operating activities			
Unrealised result	11	(1,233)	(276)
Depreciation of property, plant and equipment	16	2	1
Amortisation of financing costs	21	2	2
Provisions	23	-	(2)
Lease liabilities	22	(5)	-
Interest expense	10	37	39
Amortisation of income derivatives	13	(1)	(1)
Result on property sales	8	(16)	(7)
		1,214	**(244)**
Working capital adjustments		2	(21)
Net cash flow from operating activities		**232**	**201**
Investing activities			
Capital expenditure in investment property	14	(82)	(38)
Proceeds from sale of investment property	14	115	69
Capital expenditure on intangible fixed assets		(1)	(1)
Capital expenditure on property, plant and equipment	16	-	-
Capital expenditure on financial fixed assets	17	1	(2)
Capital expenditure on participations	17	4	4
Capital expenditure on investment property under construction	15	(121)	(99)
Net cash flow from investing activities		**(84)**	**(67)**
Financing activities			
Loans drawn	21	2,126	3,729
Financing costs	21	-	-
Loan repayment	21	(1,943)	(3,636)
Distribution paid	20	(186)	(195)
Interest paid		(32)	(33)
Settlement pre-hedge contracts	13	-	-
Buy-off landlease	22	(5)	-
Income tax paid		(1)	-
Net cash flow from financing activities		**(41)**	**(135)**
Total net cash flow		**107**	**(1)**
Net increase/decrease in cash and cash equivalents		107	(1)
Cash and cash equivalents at the beginning of the period	19	2	3
Cash and cash equivalents at 31 December	19	**109**	**2**

Notes to the consolidated financial statements

1. Corporate information

The consolidated financial statements of Vesteda Residential Fund FGR (the Fund) and the affiliated entities (the Vesteda Companies) for the year ended 31 December 2021 were authorized for issue in accordance with a resolution of the Management Board on 16 March 2022. Vesteda Residential Fund FGR (the Fund) is a mutual Fund. Vesteda Investment Management B.V. is the Fund manager, and its registered office is located at De Boelelaan 759, Amsterdam, the Netherlands.

The principal activity of Vesteda Residential Fund FGR is investing in Dutch residential properties.

The Fund and its manager are subject to the Dutch Financial Supervision Act (FSA).

2. Basis of preparation

Vesteda Residential Fund FGR (the Fund) is not a legal entity. These financial statements present the consolidated financial information of the Fund and its affiliated companies (together referred to as the Vesteda Companies). Compared with the Annual Report 2020, there have been no financial restatements.

Management considered whether the Vesteda Companies represent a reporting entity. Although no legal parent company exists, management believes that the Vesteda Companies meet the definition of a reporting entity under IFRS, taking into account the discussions held by IFRIC (IFRS Interpretation Committee) and the IASB (International Accounting Standards Board) in previous years and the ED Conceptual Framework for Financial Reporting as issued by the IASB in March 2018. The ED states that if a reporting entity is not a legal entity, the boundaries of the reporting entity needs to be set in such a way that the financial statements: (a) provide the relevant financial information needed by existing and potential investors, lenders and other creditors who rely on the financial statements; and (b) faithfully represent the economic activities of the entity.

The Vesteda Companies represent a defined area of economic activities whose financial information provides relevant information to users of financial statements. Furthermore, the economic activities can be objectively distinguished from those of other entities and from the economic environment in which the Vesteda Companies operate.

The ED of March 2018 discusses the distinction between consolidated and combined financial statements. The opinion of the Management is that this distinction is not relevant for the users of the financial statements of the Vesteda Companies and as such uses the term 'consolidated' financial statements.

As a result, management believes that this basis of preparation results in a true and fair presentation of the Vesteda Companies' financial position, financial performance and cash flows, and that the consolidated financial statements comply in all material aspects with International Financial Reporting Standards as endorsed by the European Union and Part 9 of Book 2 of the Dutch Civil Code and the Financial Supervision Act.

The financial statements of the Vesteda Companies have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

The principal accounting policies adopted are set out below.

The consolidated financial statements are presented in euro and all amounts are rounded to the nearest million, except where otherwise indicated.

As a result of the licence obtained from the Dutch Financial Markets Authority AFM (Autoriteit Financiële Markten), Vesteda needs to comply with the Alternative Investment Fund Managers Directive (AIFMD). As a consequence, Vesteda needs to adhere to the requirements of Part 9 of Book 2 of the Dutch Civil Code. Based on these requirements, Vesteda needs to apply IFRS as adopted by the European Union as a basis of preparation for the 2021 consolidated financial statements.

In addition, pursuant to the requirements of Part 9 of Book 2 of the Dutch Civil Code, Vesteda prepared the 2021 company financial statements for Vesteda Residential Fund FGR. These financial statements will be reported to the AFM and are included in this report.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Fund and its affiliated companies as at 31 December 2021. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Vesteda Companies obtain control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Pursuant to Section 402, of Book 2 of the Dutch Civil Code, the company financial statements contain an abbreviated profit and loss account.

The following entities are included in the consolidated financial statements:

- Vesteda Residential Fund FGR, Amsterdam - Parent entity
- Vesteda Investment Management B.V., Amsterdam - 100%
- Stichting DRF I, Amsterdam - 100%
- Custodian Vesteda Fund I B.V., Amsterdam - 100%
- Vesteda Finance B.V., Amsterdam - 100%
- Vesteda Project Development B.V., Amsterdam - 100%

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are entities (directly or indirectly) controlled by the Fund. Control exists when the Fund is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Fund controls an investee if, and only if, the Fund has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. When the Fund has less than a majority of the voting or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are factors that demonstrate that the Fund has the existing rights to direct the relevant activities of a subsidiary.

The Fund re-assesses 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. Consolidation of a subsidiary begins when the Fund obtains control over the subsidiary and ceases when the Fund loses control of the subsidiary. Assets, liabilities, 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 Fund gains control until the date the Fund ceases to control the subsidiary.

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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss.

Any investment retained is recognised at fair value.

Certain figures have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Going concern

The financial statements are prepared on a going concern basis. See Note 26 "Financial risk management objectives and policies" and "Outlook 2022 and management agenda 2022" for further disclosures.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Vesteda's accounting policies, which are described in Note 4, management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

General

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that management has made in the process of applying Vesteda's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Considerations

Revenue recognition

A property sale is recognised when the beneficial ownership, including the control of the property, has been transferred.

Classification of property

The Vesteda Companies use the following criteria to determine the classification of a property:

- Investment property comprising land and buildings (principally residential properties) are held primarily to earn rental income and capital appreciation with the exception of properties which are not occupied substantially for use by, or in the operations of, the Vesteda Companies, or for sale in the ordinary course of business (we also refer to Note 14 Investment property).
- Investment property under construction comprises land and buildings (principally residential properties) under construction with the aim of adding said property to the investment property portfolio upon completion.

Operating lease contracts – the Vesteda Companies as lessor IFRS 16

The Vesteda Companies have entered into property leases on their investment property portfolio. Vesteda has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

Lease contracts – the Vesteda Companies as lessee

The Vesteda Companies have entered into land leases as a lessee. Vesteda has determined, based on an evaluation of the terms and conditions of the arrangements, that in most cases the land lease is an operating obligation, as the Vesteda Companies do not retain the significant risks and rewards incidental to ownership.

Lease classification is made at the inception date and is reassessed only if there is a lease modification. Changes in estimates or changes in circumstances do not give rise to a new classification of a lease for accounting purposes.

Tax status

Vesteda is a mutual Fund for the joint account of the participants (Dutch: FGR). The Fund is tax transparent and investors can join or leave the Fund through the manager. Participants can hold their partnership contribution in Vesteda through an entity with its own legal and tax structure.

Each participant is therefore responsible for its individual tax liabilities and individual tax compliance obligations as a result of the issue, holding or redemption of participation rights.

The manager is responsible for compliance with the tax rulings relating to the holding and issue and redemption of participation rights.

Vesteda Investment Management B.V., Vesteda Project Development B.V., Vesteda Finance B.V. and Custodian Vesteda Fund (CVF) I B.V. are taxable for Dutch corporate income tax.

Furthermore, the Fund has an arrangement with the Dutch tax authorities known as horizontal supervision and several tax rulings exist regarding VAT and transfer tax.

The Vesteda Companies recognise liabilities for current taxes based on estimates of whether corporate income taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the corporate income and deferred tax provisions in the period in which the determination is made. Any deferred tax asset relating to income tax on the possible offset of losses for tax purposes and differences between accounting policies for commercial and tax purposes is recognised at current tax rates to the extent that it is probable that they can be utilised.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Investment property

Investment property is measured at fair value. The fair value of investment property is determined by external independent real estate valuation experts using recognised valuation techniques as defined in the standards of the Dutch Register of Real Estate Valuers (NRVT), the Royal Institution of Chartered Surveyors (RICS) and other professional bodies. The fair values of properties are determined on the basis of recent real estate transactions - if available - with similar characteristics and locations to those of the Vesteda Companies' assets.

The Discounted Cash Flow Method is used to determine the fair values of the investment property.

The Discounted Cash Flow Method involves the projection of a series of periodic cash flows associated with either an operating property or a development property. An appropriate, market-derived discount rate is applied to this projected cash flow series, to establish an indication of the current value of the income stream associated with the property. The calculated periodic cash flow is typically estimated as gross rental income less vacancy and collection losses and less operating expenses/outgoings. A series of periodic net operating incomes, along with an estimate of the reversion/terminal/exit value (which uses the traditional valuation approach) anticipated at the end of the projection period, are discounted to current value. The aggregate of the net current values equals the market value of the property.

The total portfolio is appraised comprehensively by external independent real estate valuation experts in the course of the year. Vesteda's goal is to conduct comprehensive appraisals on approximately 25% of the portfolio each quarter. The remainder of the quarterly appraisals comprises a desktop update by the external real estate valuation experts.

Investment property under construction

Investment property under construction is also measured at fair value; for the method of determination of fair value, we refer you to the above section, investment property.

As in the case of investment property, the fair value determination, including the necessary estimates involved, is based on the valuation by external independent real estate valuation experts using recognised valuation techniques.

The fair value is assessed by reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less an estimate of the time value of money to the date of completion.

Development risks (such as construction and letting risks) are taken into consideration when determining the fair value of investment properties under construction.

Provisions for contractual obligations

A provision for future construction contracts is recognised if, as a result of a past event, Vesteda has a present construction obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Right-of-use

To measure the right-of-use asset, a lessee is permitted to choose, on a lease-by-lease basis, using one of two methods: (i) right-of-use assets (mainly high value properties) measured on transition as if the new rules had always been applied, but discounted using the lessee' incremental borrowing rate at the date of initial application; or (ii) right-of-use assets measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). These two available options will be applied on a lease-by-lease basis.

There are 3 types of right-of-use asset applicable for Vesteda: land lease, car lease and rental agreements.

The lease liability is primary the basis for the accounting of the right-of-use asset. The lease liability is based on the discounted expected future lease payments (including future ground lease redemptions) over the lease term. For determining the lease term the contractual lease term is taken into account with all options the lessee has for lengthening the contract. In general in the Netherlands the lease term is perpetual. Only in the municipality of Amsterdam, the contract has a continuous character with a potential break option by the lessee. As the property is so interlinked with the land lease, Vesteda concluded that the contract term for the Amsterdam contracts is perpetual as well although there is a theoretical break. The future payments are discounted with the incremental borrowing-rate.

If clear information was not readily available for determining the future cash flows, they are based on a fair value assessment at a moment in time at the inception of the contract, such as external valuation reports or benchmarking information from other land leases.

The discount rate was originally based on the yield of 3 outstanding bonds per the 31st of December 2018 the discount rate was calculated and set at 3%. In the short term the discount rate will not be adjusted. However if in the long run the interest rate on the bonds vary too much this can be adjusted.

The effect of inflation for the IFRS 16 position is calculated with 2% per year.

From a tenant perspective the land-leases that Vesteda holds are subject to changes in policy from the municipalities. In the municipality of Amsterdam, Vesteda has exercised the option to transfer Canon land lease to a perpetual land lease. The first transfer takes place in December 2021 and the final transfer is expected in 2023.

4. Summary of significant accounting policies

Legal and tax structure for the financial statements

Vesteda Residential Fund FGR is a contractual investment Fund (beleggingsfonds), as defined in section 1:1 of the Dutch Financial Supervision Act (FSA). Vesteda Residential Fund is licensed by the AFM and pursuant to the conditions of this licence Vesteda Investment Management B.V. has appointed Intertrust Depositary Services B.V. to act as depositary for the Fund and has concluded a depositary services agreement with the depositary for the benefit of the Fund and the participants in accordance with article 4:37f of the FSA. The depositary is responsible for the supervision of certain aspects of the Fund’s business in accordance with applicable law and the depositary services agreement.

The Fund is an unlisted Fund for the joint account of the participants. As such, the economic title to the Fund assets is held by the participants pro rata to their participation rights. The purpose of the Fund is to make investments, and in particular (but not limited to) to invest capital, indirectly or directly, in property mainly designated for residential purposes and located in the Netherlands, for the account and at the risk of the participants. The strategy of the Fund is set out in more detail in the investment guidelines that form part of the Fund’s Terms and Conditions.

The Terms and Conditions of Vesteda Residential Fund FGR govern the Fund and they can only be amended by a resolution of the participants.

Participants’ rights and obligations in respect of the manager, Vesteda Project Development B.V. and Vesteda Finance B.V., are exercised through the trust office, Stichting Administratiekantoor Vesteda (StAK Vesteda). Participants are granted a power of attorney to attend and exercise voting rights in the general meeting of shareholders of these three companies by StAK Vesteda at their request.

Vesteda Investment Management B.V. (the manager)

The participants have entrusted the manager, Vesteda Investment Management B.V., with the management and operation of the Fund. The manager carries out its task in the sole interest of the participants and within the boundaries described in the Fund’s Terms and Conditions. The manager, in its capacity as manager and operator of the Fund, is subject to supervision of the Dutch Financial Markets Authority (AFM) and the Dutch Central Bank (DNB). The manager has obtained a license to act as a manager of an alternative investment Fund in accordance with article 2:67 of the FSA on 17 February 2014. The participation rights can only be acquired by professional investors, as defined in section 1:1 of the FSA.

Vesteda Investment Management B.V. owns 100% of the shares of Vesteda Services B.V. Vesteda Services' objective is to perform non-investment-related activities.

Vesteda Finance B.V. and Vesteda Project Development B.V.

Vesteda Finance B.V. will undertake Vesteda’s unsecured financing activities on behalf of the Fund. Vesteda Project Development B.V. holds the development projects in the pipeline.

Custodian Vesteda Fund I B.V.

At present, Vesteda has one custodian company. The custodian is the legal owner of the property of the Fund, while the Fund is the beneficial owner.

Vesteda Residential Fund FGR is a mutual Fund, which is not a legal entity under the laws of the Netherlands.

Stichting DRF I
Stichting DRF I (Foundation Dutch Residential Fund I) is the depositary receipt holder of the shares to Vesteda Investment Management B.V., Vesteda Project Development B.V. and Vesteda Finance B.V., issued by Stichting Administratiekantoor Vesteda. Stichting DRF I also holds all the shares in Custodian Vesteda Fund I B.V.

Accounting policies
Rental income
Rental income from operating leases is recognised when it becomes receivable. Incentives for tenants to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis.

Service charges
Service charges comprise income from service charges, which are charged to tenants and service charges which are non-recoverable.

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.

Service charges in respect of vacant property are expensed. These mainly relate to gas, water, electricity and cleaning.

Property operating expenses
Property operating expenses comprise costs directly attributable to a specific property. These costs are mainly maintenance costs, property tax and other levies, insurance premiums, management and letting fees and service costs not chargeable to tenants. These are expensed as incurred.

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

Net rental income
Net rental income is the rental income plus other income less property operating expenses.

Result on projects in progress
Profit is recognised in proportion to the amount of the project that has been completed.

Result on property sales
A property (or property under construction) is regarded as sold when control of the property is transferred to the buyer, which is normally upon the unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions have been fulfilled. The result on property sales is the proceeds from sales (less any facilitation costs), less the most recent carrying value of the properties sold, established each quarter.

Vesteda values its investment property per complex rather than per individual unit. As indicated in Note 14, potential proceeds from the sale of individual units are taken into account in the valuation.

In determining the book value of an individual unit, the last determined valuation by an external appraiser of the property as a whole is allocated to the number of units in the property. This allocation takes into account the size of the specific unit and specific characteristics of the unit, such as floor level, corner unit, garden, balcony, etc. This allocation does not take into account the sales proceeds from the sale of individual units (so called vacant values) in the discounted cash flow model of the external independent real estate valuation experts. The allocation criteria per property is set at the moment the first unit is sold.

Management expenses
Any expenses that cannot be allocated directly to the various properties are regarded as management expenses.

Financial results
Interest income and expenses are recognised as they accrue using the effective interest method. Financial results also includes amortisation of financing costs and the cost of the unwind transaction derivatives.

Realised result
The realised result is the sum of the net rental income and results from property sales and projects in progress, less management expenses and financial results.

Unrealised result
The unrealised result is made up of unrealised gains and losses directly related to property investments.

Corporate income tax
Entities within the Vesteda Companies that are subject to corporate income tax do not recognise any difference between accounting and taxable income. As such, taxation on income is calculated by applying the standard rate of tax to the taxable amount. If such a taxable amount is negative, Vesteda only recognises a benefit if there is a possibility to carry back the loss to years where taxes have been paid and if a reFund is expected. The Vesteda Companies recognise deferred tax assets in relation to loss carry forwards to the extent that it is probable that taxable profits will be available. The Fund itself is exempt from corporate income taxes.

Intangible fixed assets
Intangible fixed assets are recognised at cost less straight-line depreciation and any impairment. Depreciation is based on the estimated useful contribution of the assets in question, which varies from three to seven years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Investment property
Investment property is measured initially at cost, including transaction costs and borrowing costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to render the property suitable for operational purposes. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Borrowing costs directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Subsequent to initial recognition, investment property is stated at fair value. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, where parties traded in an informed, diligent way and without compulsion.

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.

Gains or losses arising from changes in the fair values are included in the statement of comprehensive income in the year in which they arise.

A property interest that is held under an operating obligation is classified and accounted for as investment property, if said property interest would otherwise meet the definition of an investment property.

The determination of the fair value for investment property is based on the income approach in line with IFRS 13. Taking into account the limited public data available, the complexity of real estate asset valuations, as well as the fact that external independent real estate valuation experts use the rents and property operating expenses of Vesteda's assets in their valuations, Vesteda believes it is appropriate to classify its investment property under Level 3. In addition, external independent real estate valuation experts use unobservable inputs, including their own assumptions on discount rates, dates, interest rates, inflation and exit yields, to determine the fair value of Vesteda's investment property.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Land leases
When Vesteda enters a land lease, at the inception of a contract, Vesteda assesses whether that contract is, or contains, a lease. A lease is a contract where the right to direct the use of an asset owned by another party and to obtain the economic benefits deriving from that asset are transferred to Vesteda. Where Vesteda is a lessee, Vesteda recognizes a right-of-use asset and a lease liability.

At initial recognition, the lease liability is measured at the present value of the lease payments in the lease, including any renewal options where it is reasonably certain Vesteda will exercise the option and the lease payments due after exercising the option are estimable. On the land lease term, Vesteda has taken into account a perpetual view.

These payments are discounted using the implicit rate in the lease or, where this rate is not determinable, at the interest rate implicit in the lease or Vesteda's incremental borrowing rate for borrowings secured by a similar asset and for a similar term as the lease. 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. Subsequently, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when the lease agreement is modified or if there are changes to variable payments dependent on an index or rate.

At inception, the right-of-use asset comprises of the lease liability plus any direct costs of obtaining the lease less any incentives provided by the lessor. The right-of-use asset is presented under the investment property and valued at fair value.

Investment property under construction
Investment property under construction, subsequent to initial recognition, is also stated at fair value.

As is the case with investment property, the fair value determination, including any necessary estimates, is based on the valuation by independent real estate valuation experts using recognised valuation techniques.

For the method of determination of fair value, we refer you to the section investment property.

Development risks (such as construction and letting risks) are taken into consideration when determining the fair value of investment properties under construction.

Property, plant and equipment

The head office of Vesteda is reappraised on a quarterly basis by an external independent real estate valuation expert. Positive revaluations are not recognised directly into equity but in the OCI section of the statement of comprehensive income. If a negative revaluation occurs in excess of the positive revaluation reserve this excess shall be recognised in the profit or loss section of the statement of comprehensive income.

Vesteda applies straight-line depreciation, based on an estimated useful life, over the depreciable amount, this being the carrying amount less residual value.

Other property, plant and equipment are recognised at cost, less straight-line depreciation and any impairment.

Depreciation is based on the estimated useful life of the assets concerned, which is between three and ten years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The right-of-use asset value of car lease contracts and office rental contracts is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses. The right of use is adjusted for any remeasurement of the lease liability, when applicable.

Any gain or loss arising upon the derecognition of an asset is included in the statement of comprehensive income.

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 significant 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 significant 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 significant 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 are recognised in the statement of financial position as trade and other receivables. Receivables are recognised at amortised cost, which is generally in line with face value, less a provision for doubtful debts.

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 Fund 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 Fund 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 and loans. 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.

Loans are initially recognised at fair value. After initial recognition, loans are subsequently measured at amortised cost using the effective interest method. Interest expense is attributed to the period to which it relates and recognised through the statement of comprehensive income. Financing costs are recognised at cost less straight-line amortisation. Amortisation is parallel to the maturity of the inherent loans.

Receivables

Receivables are recognised at amortised cost, which is generally in line with face value, less a provision for doubtful debts.

Cash and cash equivalents

Cash is cash on hand and at bank. Cash is recognised at face value.

Share-based payment transactions of Vesteda

Cash-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of cash-settled share-based transactions are set out in Note 28.

The fair value determined at the grant date of the cash-settled share-based payments is expensed on a straight-line basis over the vesting period, based on Vesteda's estimate of the number of equity instruments that will eventually vest. At each reporting date, Vesteda revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications or other modifications.

Derivatives

The Vesteda Companies can use derivatives such as interest rate swaps to hedge changes in interest rates. The derivatives are used to hedge the risk of uncertain future cash flows. As per end December 2021 Vesteda had no derivative financial instruments outstanding.

Provisions

Provisions are recognised if Vesteda has an obligation from a past event and it is probable that the obligation will have to be settled and a reliable estimate can be made of the amount of the obligation. The amount of a provision is set using the best estimate of the amount that will be required to settle the obligations and losses at the reporting date.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Pensions

Vesteda has arranged its pension obligations by joining Dutch pension Fund ABP. The ABP pension plan is a multi-employer plan, in which actuarial and investment risks are almost entirely for the account of employees. Employers who join this plan have no obligation to contribute additional premium in the event of a deficit. Vesteda's obligations are limited to the contribution of the premium set by the pension Fund. The Managing Board of ABP determines this premium annually on the basis of its own data files and with reference to the parameters and requirements specified by the supervising authority of ABP (the Dutch Central Bank DNB).

The premium obligation arises from being a participant in the pension plan in the current year and does not originate from having joined the pension plan in previous years. From a reporting point of view, the ABP pension plan qualifies as a defined contribution (DC) plan. Consequently the premium is recognised as an expense for the year, and no further explanation is required.

Current liabilities

Trade payables and other current liabilities are recognised at amortised cost, which is generally in line with face value.

5. Gross rental income

Gross rental income can be broken down as follows:

	2021	2020
Theoretical rent	360	347
Loss of rent	13	12
Gross rental income	**347**	**335**

The theoretical rent shows an increase compared to 2020 driven by an increase of units in the portfolio. The total number of units at the end of 2021 increased with 88 units, from 27.482 (2020) to 27.570 (2021). This is a result from inflow (six residential buildings), the portfolio sale of two residential buildings, and individual unit sales. Also, the theoretical rent increased due to the annual rent increase and rent optimisation, which resulted in a like for like rental growth of 2.4%.

The loss of rent is higher compared to prior year due to vacancy in inflow buildings. For the existing portfolio the loss of rent increased in comparison to previous years because of high vacancy in the higher rental segment, especially in the major cities. The contract termination rate increased to levels above 14%, compared to 12.5% at the beginning of 2021. Ultimo 2021 the vacancy has lowered significantly again due to additional focus and efforts on relettings, and is back on pre COVID-19 levels.

6. Service charges income

Service charges income can be specified as follows:

	2021	2020
Total service charges	16	15
Non-recoverable service charges	4	5
Service charges income	**12**	**10**

The non-recoverable service charges were caused by partly non-recoverable settlements with associations of owners and general residential costs which cannot be charged to tenants.

7. Property operating expenses

Property operating expenses can be specified as follows:

	2021	2020
Property (and related) taxes	13	13
Landlord levy	2	3
Property management costs	9	9
Maintenance costs	39	38
Fitting out costs	5	3
Letting and marketing fees	6	4
Miscellaneous operational costs	10	9
Total	**84**	**79**

Operating expenses, including non-recoverable service charges, amounted to 25.4% of gross rental income in 2021 (2020: 25.0%).

Taxes consist primarily of property taxes. The property management costs, letting and marketing fees are management expenses allocated to the property operating expenses.

Operating expenses arising from investment property that did not generate rental income during the period amount €0.6 million in 2021 (2020: €0.5 million).

8. Result on property sales

The result on property sales can be specified as follows:

	2021	2020
Result on property sales of investment property	16	7
Total	**16**	**7**

The total result of €16 million (2020: €7 million) is related to the portfolio sales and individual unit sales.

As indicated in the accounting policies, results from the sale of individual units are based on the book value, which is derived from a specific allocation of the last determined property value before the sale. The sales price (excluding sales expenses) of all the units individually sold is approximately 5.0% higher than the average vacant value of all the units individually sold.

9. Management expenses

The management expenses comprise:

	2021	2020
Salaries	16	15
Social security charges	2	2
Pension charges	2	2
Depreciation expenses	4	3
Other operating expenses	17	18
Gross property management costs	**41**	**40**
Presented within net rental income	(16)	(14)
Total	**25**	**26**

The gross property management costs and the allocated expenses include the IFRS 16 related costs of €1.2 million.

In the year under review, the company employed an average of 236 people (2020: 227), which amounts to an average of 219.0 FTEs (2020: 208.7). All employees are employed in the Netherlands.

10. Financial results

The financial results can be specified as follows:

	2021	2020
Interest expenses	33	36
Interest income	(1)	(1)
Interest IFRS 16	5	4
Amortisation of financing costs	2	2
Total	**39**	**41**

Interest expenses were lower compared to 2020 due to lower average cost of debt.

11. Unrealised results

The unrealised results can be specified as follows:

	2021	2020
Revaluation investment property	1,205	273
Revaluation investment property under construction	32	4
Movements in provisions for contractual obligations	(3)	(5)
Results from participating interests	(4)	1
Revaluation right of use landlease	3	3
Total	**1,233**	**276**

The value of the portfolio increased due to inflow of projects and continuing favourable market conditions, especially in the Fund's primary regions.

The result from participating interest of €4 million refers to the participation in Leidsche Rijn Centrumplan B.V. This loss relates for €3 million to the year 2020 and €1 million to 2021.

12. Tax

The income tax expenses for the year can be reconciled with the accounting profit as follows:

	2021	2020
Result before tax	1,445	467
Income tax expense	337	117
Effect of income that is exempt from taxation	(336)	(116)
Income tax expense recognised in profit or loss	1	1

There is no deferred tax asset for tax loss carry forwards and differences in measurement for expected future profitability of Vesteda Project Development B.V.

The total tax loss carry forward can be specified as follows:

2015	2
2018	3
2019	-
2020	-
2021	-
Total	**5**

The result of the fiscal year can be recognised with the tax loss of 2012 and the remaining losses of 2012 losses (€9 million) can no longer be settled and has evaporated per 31-12-2021.

In accordance with the new tax law from 2022, the tax losses from 2013 can be carried forward without any limitation in the feature up to a maximum of €1 million per year. As per 31-12-2021 the deferred tax asset has not been capitalised.

13. Other comprehensive income

The other comprehensive income during the year can be specified as follows:

	2021	2020
Settlement pre-hedge contracts	1	1
Revaluation Property, Plant and Equipment	-	-
Total	**1**	**1**

14. Investment property

The investment property can be specified as follows:

	2021	2020
Investment property as at 1 January	**8,213**	**7,818**
Acquisitions	-	-
Capital expenditure on property	82	41
Transfer from property under construction	149	116
Property sales	(99)	(61)
Right of use assets (land leases)	(10)	26
Revaluation	1,205	273
Investment property as at 31 December	**9,540**	**8,213**

The fair value of completed investment property has been determined on a market value basis, in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC).

The valuation is prepared on an aggregated ungeared basis. As set out in Note 3, in arriving at their estimates of market values, the valuation experts have used their market knowledge and professional judgement rather than relying exclusively on comparable historical transaction data.

The valuations were performed by accredited external independent real estate valuation experts with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being appraised.

The fair value of the assets is driven by the net cash flows generated by the assets, which are taken into account by the market, in combination with the discount rate development. The generated cash flow is the net rental income plus the net sales proceeds from the sale of individual units.

The following main inputs have been used in the valuation of the investment property:

	2021		2020	
Average	**Sell**	**Hold**	**Sell**	**Hold**
Discount rate (%)	5.2	4.8	5.4	5.1
Exit yield (%)	4.4	4.2	5.1	5.0
Rental growth (%)	2.2	2.1	2.1	2.1
Vacant value growth (%)	2.8	3.0	2.3	2.2

Sell	2021			2020		
Region	**primary**	**secondary**	**other**	**primary**	**secondary**	**other**
Discount rate (%)	5.2	5.2	5.9	5.3	5.7	6.4
Exit yield (%)	4.3	4.8	4.8	5.0	5.8	7.1
Rental growth (%)	2.2	2.1	2.2	2.1	2.0	2.1
Vacant value growth (%)	2.8	2.6	2.8	2.2	2.0	2.3

Hold	2021			2020		
Region	**primary**	**secondary**	**other**	**primary**	**secondary**	**other**
Discount rate (%)	4.8	5.1	5.3	5.0	5.6	6.0
Exit yield (%)	4.1	4.8	5.3	4.8	6.1	6.2
Rental growth (%)	2.2	2.1	2.1	2.1	2.0	2.2
Vacant value growth (%)	3.0	2.9	2.8	2.2	2.0	2.3

Sell	2021			2020		
Rental segment	**<752**	**752 - 1,200**	**> 1,200**	**<737**	**737 - 1,200**	**> 1,200**
Discount rate (%)	5.1	5.2	5.2	5.7	5.5	5.2
Exit yield (%)	4.5	4.5	4.1	5.5	5.3	4.7
Rental growth (%)	2.1	2.2	2.2	2.1	2.1	2.1
Vacant value growth (%)	2.8	2.7	2.8	2.4	2.3	1.9

Hold	2021			2020		
Rental segment	**<752**	**752 - 1,200**	**> 1,200**	**<737**	**737 - 1,200**	**> 1,200**
Discount rate (%)	4.3	4.9	4.8	5.2	5.0	5.1
Exit yield (%)	5.3	4.3	4.0	5.3	4.9	4.8
Rental growth (%)	2.1	2.2	2.2	2.1	2.1	2.2
Vacant value growth (%)	2.3	3.1	3.0	2.3	2.2	2.3

In cases where the discount rate is higher than the exit yield this can be explained by the current market in view of increasing prices and decreasing yields for residential complexes.

These inputs are considered to be the most important drivers in the valuation of investment property.

In the last quarter of 2020 the appraisers (partly) implemented the increase in the transfer tax from 2% to 8% as from January 1, 2021 in the valuations. At the beginning of 2021, there was a temporary decrease in investment volume: many transactions have been brought forward to the last quarter of 2020 due to the increased transfer tax and investors awaited the impact on the price levels. Due to the stable foundations of the housing market and the sustained demand for private sales and investments, the market value increased in 2021. Transactions in the third and last quarter also showed a tightening yield.

External independent real estate valuation experts determine the fair values using discounted cash flow models with a 10-year period. When calculating the present values, the valuation experts use discount rates in the DCF models to account for the time value of money and reflect the inherent risk with regard to the cash flows in the model. Exit yields are indicators used to determine the exit values that can be achieved at the end of the DCF lifetime. Rental growth is the average rental growth in the 10-year period of the discounted cash flow model. Vacant value growth is the average vacant value growth in the 10-year period that is assumed in the cash flow model.

Sensitivity analysis

The table below presents the sensitivity of the valuation to changes in the significant parameters driving the underlying valuation of investment property. The analysis was carried on the investment property value excluding the value of the right-of-use asset (land leases).

	-100 bps	Fair value	+100 bps
As at 31 December 2020			
Discount rate	8,535	8,060	7,570
Exit yield	8,668	8,060	7,595
Rental growth	7,779	8,060	8,341
Vacant value growth	7,901	8,060	8,222
As at 31 December 2021			
Discount rate	9,921	9,397	8,856
Exit yield	10,108	9,397	8,890
Rental growth	9,133	9,397	9,664
Vacant value growth	9,168	9,397	9,625

Right of use assets

Under the investment property the right of use of land leases are included as an integral part of the investment property value.

To reconcile the by external independent real estate valuation experts appraised investment property, the value of the investment property value presented should be adjusted by the land lease right of use.

	31-12-2021	31-12-2020
Investment property value	9,540	8,213
less Right of use	(143)	(153)
Valuation as per valuation report	**9,397**	**8,060**

15. Investment property under construction

	2021	2020
As at 1 January	**174**	**194**
Acquisitions property under construction	-	-
Capital expenditure on property under construction	121	99
Transfer to investment property	(149)	(116)
Revaluation	32	4
Transfer from provisions	(1)	(7)
As at 31 December	**177**	**174**

As set out in Note 3, in arriving at their estimates of market values, the external independent real estate valuation experts used their market knowledge and professional judgment, rather than relying exclusively on comparable historical transaction data.

The fair value of the assets under construction is driven by the net future cash flow generated by the assets, in combination with the discount rate development. The generated cash flow includes the net rental income plus the net sales proceeds from the sale of individual units.

The future costs until completion amount to €319 million (2020: €220 million). This amount is included in construction contracts in Note 31.

16. Property, plant and equipment

	Buildings	Others PP&E	Total
As at 1 January 2020	**14**	**6**	**20**
Investments	-	-	-
Transfer within PP&E	-	-	-
Depreciations	-	-	-
Revaluation	-	-	-
Right of use	-	-	-
As at 31 December 2020	**14**	**6**	**20**
Investments	-	-	-
Transfer within PP&E	-	-	-
Depreciations	-	(1)	(1)
Revaluation	1	-	1
Right of use	-	-	-
As at 31 December 2021	**15**	**5**	**20**

The economic life of the head office of Vesteda in Amsterdam 'De Boel' is set at twenty-five years and the residual value amounts to €5 million. An independent valuation expert valued the building at fair value for an amount of €14.8 million. For the determination of the fair value, we refer you to the explanation provided in Note 4.

De Boel cost specification

- Cost price de Boel: €11 million
- Accumulated depreciation: €1 million
- Accumulated revaluation: €5 million
- Balance: €15 million

The value of the other property, plant and equipment amounts to €5 million (2020: €6 million). Under the application of IFRS 16 Leases, the right of use of car lease contracts and office lease contracts is valued at €3 million.

Other property, plant and equipment specification

1. Acquisition costs: €8 million
2. Cumulative depreciation: €6 million
3. Right of use lease contracts: €3 million
4. Carrying amount: €5 million

17. Financial assets

The financial assets movements can be specified as follows:

	LRC	Other Participations	Total
Financial assets as at 31 December 2020	**6**	**1**	**7**
Loans redeemed	(4)	-	(4)
Capital contribution	4	-	4
Repayment of loans	(1)	-	(1)
Result	(4)	-	(4)
Financial assets as at 31 December 2021	**1**	**1**	**2**

	2021	2020
Total invested	20	24
Provision	(18)	(17)
Financial assets as at 31 December	**2**	**7**

In circumstances in which provisions for onerous contracts arise at the same time that financial assets are presented at the balance sheet date for the related contract, these balances are netted at said balance sheet date. In the event of a positive balance, the net position is presented as a financial asset. In the event of a negative balance, the net position is presented as a provision (see Note 23).

18. Trade and other receivables

The trade and other receivables can be specified as follows:

	31-12-2021	31-12-2020
Loans receivable	16	17
Provision for loans receivable	(13)	(13)
Trade receivables	1	7
Provision for trade receivables	(1)	(1)
Other receivables	2	6
Total	**5**	**16**

Loans receivable relate to amounts overdue for an amount of €16 million (2020: €17 million), for which a provision for doubtful debts was recognised in the amount of €13 million (2020: €13 million). Trade receivables include a provision for doubtful debts of €1 million (2020: €1 million) for overdue amounts.

19. Cash and cash equivalents

The cash and cash equivalents can be specified as follows:

	31-12-2021	31-12-2020
Cash at bank and on hand	109	2
Total	**109**	**2**

Cash and cash equivalents are at the free disposal of the Fund.

20. Group equity

The participation rights issued can be specified as follows:

	2021	2020
As at 1 January	**35,897,595**	**35,897,595**
Issued in the year	-	-
Redeemed in the year	-	-
As at 31 December	**35,897,595**	**35,897,595**

The participation rights carry a nominal value of €1.00, and all participation rights are fully paid. There are no restrictions relating to profit and capital distribution. For further information on movements, we refer you to the consolidated statement of changes in equity.

The distributions can be specified as follows:

	2021	2020
January	38	37
April	70	81
July	39	39
October	39	39
Total	**186**	**195**

The interim distributions amount to 60% of budgeted distribution for 2021, and was paid out in three instalments (3 x €39.3 million) in the course of the financial year, each within two weeks after the end of the quarter. The distribution paid in April 2021 also included the €29.9 million distribution (€0.83 per participation right) related to the financial results for 2020.

The remaining part of the distribution for the financial year 2021 will be paid out in two instalments after the closing of the financial year 2021, one in January, shortly after the fourth quarter, and one after the adoption of the distribution proposal in April 2022. The total distribution proposed for the financial year 2021 will be €195 million.

Vesteda Residential Fund FGR is a mutual Fund, which is not classified as a legal entity under Dutch law. Vesteda Residential Fund FGR does therefore not have any legal requirements related to reserves. However, the Fund has decided to present its statement of changes in equities as if the Fund was subject to the rules for the determination of revaluation reserves.

The property reserve is the difference between the market value and historical book value. The revaluation of property is accounted for in the event of positive revaluations. Negative revaluation is deducted from this reserve, as long as the reserve is positive on an individual basis.

In 2021, no new participation rights were issued, redeemed or withdrawn.

In each financial year, participants may request redemption of their participation rights in accordance with the Terms and Conditions and the Fund manager will seek to satisfy these redemption requests, for which an amount of at least €50 million will be made available in each financial year. If the participants make no redemption requests during the year, the amount of €50 million available for redemption requests in that particular year will be rolled over to the next year, unless the participants determine otherwise by ordinary consent.

In 2021, no participants submitted a redemption request. It will be proposed to the Annual Meeting of Participants to be held on 6 April 2022 that the amount of €50 million made available for redemption requests in 2021 not be rolled over to the financial year 2022.

Earnings per participation right

Basic earnings per participation right are calculated by dividing the result after tax for the year attributable to equity holders of the parent/participants by the weighted average number of participation rights outstanding during the year. The table below reflects the income and number of participation rights used in the basic earnings per participation right computations:

	2021	2020
Result after tax attributable to equity holders	1,444	466
Weighted average number of participation rights	35,897,595	35,897,595
Earnings per participation right in €		
Basic and diluted earnings, on result after tax	40.23	12.98

There have been no other transactions involving a change in the number of participation rights or the number of potential participation rights between the reporting date and the date these financial statements were completed.

Net asset value (NAV) per participation right

Basic IFRS NAV per participation right is calculated by dividing net assets in the balance sheet attributable to ordinary equity holders of the parent/participants by the number of participation rights at year-end. The following reflects the net asset value and number of participation rights used in the basic NAV per participation right computations:

	2021	2020
NAV attributable to equity holders of the parent	7,553	6,294
Participations at year-end	35,897,595	35,897,595
Net Asset Value (NAV) per participation right in €		
Basic and diluted IFRS NAV	210.40	175.32

There is no difference between basic and diluted IFRS NAV.

21. Financial liabilities

The non-current financial liabilities can be specified as follows:

	Bonds	Private placements	Total
As at 1 January 2020	**1,291**	**300**	**1,591**
Drawn	-	100	100
Repayments	-	-	-
Reclass to Current liabilities	-	(100)	(100)
Financing costs	-	-	-
Amortisation	1	-	1
As at 31 December 2020	**1,292**	**300**	**1,592**
Drawn	500	-	500
Discount	(7)	-	(7)
Reclass to Current liabilities	(300)	-	(300)
Financing costs	-	-	-
Amortisation	-	(1)	(1)
As at 31 December 2021	**1,485**	**299**	**1,784**

Debt funding

The information below is provided for explanatory purposes with regard to the Vesteda Companies' long-term funding.

The Vesteda Companies obtain their debt funding through various sources:

1. Bank facilities, comprising corporate unsecured bank funding provided by banks, including the European Investment Bank.
2. Euro Commercial Paper issued by Vesteda Finance B.V. (see Current liabilities)
3. Bonds, issued by Vesteda Finance B.V. under the EMTN programme.
4. Private Placements under the EMTN programme as well as bi-lateral agreements placed by Vesteda Finance B.V.

Corporate unsecured funding

Vesteda Finance B.V. acts as borrower and issuer of all corporate unsecured debt on behalf of Vesteda Residential Fund FGR. As per 31 December 2021, Custodian Vesteda Fund I B.V. acts as a guarantor for all obligations of the corporate unsecured debt that is borrowed or issued by Vesteda Finance B.V.

The current financial liabilities can be specified as follows:

	Bank facilities	ECP	Private placements	Bonds	Totaal
As at 1 January 2020	**9**	**215**	**-**	**-**	**224**
Drawn	2,204	1,425	-	-	3,629
Repayments	(2,206)	(1,430)	-	-	(3,636)
Reclass from financial liabilities	-	-	100	-	100
As at 31 December 2020	**7**	**210**	**100**	**-**	**317**
Drawn	422	1,204	-	-	1,626
Repayments	(429)	(1,414)	(100)	-	(1,943)
Reclass from financial liabilities	-	-	-	300	300
As at 31 December 2021	**-**	**-**	**-**	**300**	**300**

1) Bank facilities
In April 2021 Vesteda agreed with its banks to amend the €700 million Revolving Facility Agreement (RFA), to make it a sustainability-linked RFA. For the purposes of this amendment, the financing embeds four KPIs that measure Vesteda's sustainability performance. The KPIs are GRESB score, solar panel installation, percentage of green energy labels and the reduction of the emissions from our fleet of cars. These KPIs incentivise Vesteda to improve its sustainability performance. The four KPIs match the sustainability goals in Vesteda's Business Plan 2022-2026. If the majority of these KPIs are met, Vesteda obtains a reduction in the interest margin. On the other hand, the interest margin will be increased by the banks if Vesteda fails to meet these KPIs.

In September we welcomed JP Morgan ("JPM") as a new lender in the sustainability-linked RFA. JPM replaced a lender that didn't make use of the extension options. As JPM extended its participation to 2025, we have now a sustainability-linked RFA of €700 million up to 2025. At year-end 2021 the remaining legal term was 3.4 years and the facility was undrawn.

Pricing of the revolving credit facility is subject to a margin grid, whereby a LTV below 27.5% equates to a margin of 0.50%. Utilised commitment less than 33.3% equates to an utilisation fee of 0.10% and utilised commitments exceeding 33.3% but less or equal to 66.7% equate to an utilisation fee of 0.20%. Utilised commitments exceeding 66.7% equate to an utilisation fee of 0.40%.

Vesteda has an €150 million term loan agreement in place with the European Investment Bank ("EIB"). Drawdowns can be made up to May 2023, with a tenor of 10 years and allow fixed rate and floating rate drawdowns. This facility is fully assigned to committed projects in the affordable housing segment and is currently undrawn.

Vesteda has an uncommitted overdraft facility with bank SMBC for €200 million. Being an uncommitted facility it can be terminated at any time, with a Review Date of 31 July 2022. The facility is funded on SMBC's cost of funds plus a margin of 0.60%. At year end 2021 the facility of €200 million was undrawn.

2) Euro Commercial Paper
For the short term funding need, Vesteda makes us of an Euro Commercial Paper programme up to €1 billion. At year-end 2021 this programme was not in use.

3) Bonds
In 2021, Vesteda Finance B.V. continued its borrowing of senior unsecured notes that were issued under its program for the issuance of Euro Medium Term Notes (EMTN). Standard & Poor's rated the notes BBB at the time of issuance. The credit rating of the notes was upgraded to BBB+ in 2016 and further upgraded to A- in 2021, in line with Standard & Poor's credit rating upgrade of Vesteda Residential Fund:

- The first tranche of €300 million senior unsecured notes with an interest rate of 1.75%, issued in July 2014 and due on 22 July 2019 was repaid early, on 23 April 2019.
- A second tranche of €300 million senior unsecured notes was issued in October 2015. The notes pay an annual fixed coupon of 2.50% (marked-to-market interest rate of -0.33%) and are due on 27 October 2022. The remaining term to maturity of the notes is 0.8 years.
- A third tranche of €500 million senior unsecured notes was issued in July 2018. The notes pay an annual fixed coupon of 2.00% (marked-to-market interest rate of 0.34%) and are due on 10 July 2026. The remaining term to maturity of the notes is 4.5 years.
- In May 2019 Vesteda issued its first Green Bond for an amount of €500 million in senior unsecured notes. The notes pay an annual fixed coupon of 1.50% and are due on 24 May 2027 (marked-to-market interest rate of 0.40%). The remaining term to maturity of the notes is 5.4 years.
- In October 2021 Vesteda issued its second green bond for an amount of €500 million in senior unsecured notes. The transaction was more than four times oversubscribed. The notes pay an annual fixed coupon of 0.75% and are due on 18 October 2031 (marked-to-market interest rate of 0.89%). The remaining term to maturity of the notes is 9.8 years.

4) Private Placements
The first private placement is an €100 million private placement borrowing with funds provided by PRICOA Capital Group under a note purchase agreement. The senior notes have a fixed annual coupon of 1.80% (marked-to-market interest rate of 0.41%), payable on a semi-annual basis and are due on 16 December 2026. The remaining term to maturity of the notes is 5.0 years.

The second private placement is a green private placement and consists of two note purchase agreements. There is a 10 year tranche of €50 million with NYL at a fixed semi-annual coupon of 1.03% (marked-to-market interest rate of 0.87) and a fifteen year tranche of €50 million with AIG at a fixed semi-annual coupon of 1.38% (marked-to-market interest rate of 1.42). The remaining term to maturity of the notes are 9.0 and 14.0 years respectively.

A third tranche of €100 million private placement borrowing in senior unsecured notes under its program for the issuance of Euro Medium Term Notes (EMTN). Standard & Poor's rated notes BBB+ at the time of issuance, and in April 2021 this was upgraded to A:

- A tranche of €35 million senior unsecured notes pay an annual fixed coupon of 1.899% (marked-to-market interest rate of 0.54%) and are due on 15 December 2027. The remaining term to maturity of the notes is 6.0 years;
- A tranche of €65 million senior unsecured notes pay an annual fixed coupon of 2.478% (marked-to-market interest rate of 1.06%) and are due on 15 December 2032. The intended remaining term to maturity of the notes is 11.0 years.

22. Lease liabilities

As of 1 January 2019 IFRS 16 is implemented in the balance sheet and P&L. In order to implement IFRS 16 a number of key options and practical expedients allowed under IFRS 16 were adopted of which the following are the most significant:

- A modified retrospective approach was applied and therefore prior periods were not restated;
- Not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight–line basis over the lease term;
- To apply the 'grandfather' option, which means that all conclusions previously reached under IAS 17 (and IFRIC 4 Determining Whether an Arrangement Contains a Lease) are deemed compliant with IFRS 16;
- To use hindsight in determining the lease term.

The lease liabilities can be specified as follows:

	31-12-2021	31-12-2020
Land leases	143	152
Car leases	3	2
Office rental contracts	-	1
Total	**146**	**155**

	Lease liabilities
Balance on 1 January 2020	**130**
New lease contracts	1
Amortization	(1)
Revaluation	25
Balance on 31 December 2020	**155**
New lease contracts	1
Buy-off landlease	(5)
Amortization	(1)
Revaluation	(4)
Balance as per 31 December 2021	**146**

	31-12-2021	31-12-2020
Maturity		
Year 1	1	1
Year 2-5	2	2
Onwards	143	152
Total	**146**	**155**

	31-12-2021	31-12-2020
Current	1	1
Non-current	145	154

In 2021 the lease liabilities decreased with €9 million mainly due to the buy-off land lease in Amsterdam of €5 million and a revaluation of €4 million.

Land lease liabilities

The land liabilities are calculated based on a perpetual view. These land leases require monthly, quarterly, (semi) annual payments if the lease obligation is not redeemed for a certain time frame. For some land leases, a variable component is applicable based on an index. The lease liabilities are reassessed and re-measured after a new index is applicable or the lease payments are changed after a certain time frame by the lessor based on contractual terms.

The assumptions are based on the value of the contracts, or in case of the land leases based on value of the ground (WOZ) x increase factor (market increase). The weighted average discount rate used in 2021 by Vesteda for discounting the lease payments is 3.0%.

23. Provisions

The current provisions movements can be specified as follows:

	2021	2020
As at 1 January	**4**	**6**
Additions	4	5
Transfer to IPUC	(1)	(7)
As at 31 December	**7**	**4**

In circumstances in which provisions for onerous contracts arise at the same time that financial assets are presented at the balance sheet date for the related contract, these balances are netted at said balance sheet date. In the event of a positive balance, the net position is presented as a financial asset. In the event of a negative balance, the net position is presented as a provision.

The current provisions can be specified as follows:

	31-12-2021	31-12-2020
Contingencies and commitments	6	3
Other provisions	1	1
As at 31 December	**7**	**4**

24. Trade and other payables

The trade and other payables can be specified as follows:

	31-12-2021	31-12-2020
Trade payables	3	10
Rental deposits	26	24
Interest	12	12
Holiday days and holiday pay	2	2
Tax and social security contributions	5	6
Other payables	22	25
Total	**70**	**78**

25. Transactions with related parties

Vesteda has a pension plan with ABP. In 2021, Vesteda paid premiums in the amount of €2.5 million (2020: €2.2 million). This counterparty is also a participant in the Fund. All transactions are at arm's length.

The Management Board and the Supervisory Committee are identified as key management personnel in accordance with IAS 24. The remuneration of the Management Board and the Supervisory Committee is explained in Note 28 and Note 29 respectively.

The remuneration complies with section 2:383 of the Dutch Civil Code.

26. Financial risk management objectives and policies

Vesteda's principal financial liabilities, other than derivatives, are loans and borrowings. The main purpose of Vesteda's loans and borrowings is to finance the Vesteda Companies' property portfolio. As part of its business strategy, Vesteda uses debt financing to optimise its equity return by utilising a conservative level of debt leverage.

The Vesteda Companies also have trade and other receivables, trade and other payables and cash and short-term deposits that arise directly from their operations.

Vesteda Residential Fund FGR is exposed to market risk, interest rate risk, credit risk and liquidity risk. Please note that when this report was written, a year passed since the outbreak of the coronavirus (COVID-19). Vesteda has taken measures regarding the operational activities of the company to prevent the further spread of the virus. Although the impact on the Global and Dutch economy is severe, but at this point the impact on Vesteda is limited.

Vesteda has a well diversified fully unsecured funding structure as explained in the Funding section of this report. At year-end 2021 there was ample headroom in the LTV and ICR covenants (LTV at 20.8% with a covenant of maximum 50% and an ICR of 7.0 versus a covenant minimum of 2.0). The weighted average maturity of our debt is 6.0 year with the next debt redemption scheduled in October 2022 (€300 million). We have a strong liquidity position: At year end 2021 our drawn debt amounted to €2.1 billion whereas our existing liquidity sources amounted to €2.95 billion of committed facilities and €0.9 billion of uncommitted facilities. We expect to have sufficient liquidity sources and headroom in our financial covenants to cover our funding needs in at least the next twelve months.

Vesteda has fully incorporated risk management in its strategic and operational processes. The risk management framework addresses all levels and lines of business in order to ensure 'in control' performance.

The Vesteda Management Board assesses its proper functioning on a regular basis and continues to pursue further improvement and optimisation of the internal risk management and control procedures.

In addition to the risk management framework, Vesteda also actively manages market risk, interest rate risk, credit risk and liquidity risk as part of its treasury policy.

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The IBOR reform has a negligible effect on Vesteda's debt. IBOR rates are mainly relevant for floating rate debt or floating rate debt instruments. As per year-end 2021, Vesteda had no floating rate debt outstanding. The debt facilities provided by the EIB and SMBC allow floating rate debt. However, these floating rates are based on the base rates provided by these institutions, no IBOR-rates. The EUR 700 million sustainability-linked revolving facility agreement, currently not in use, is based on Euribor. However, since we have arranged this facility in 2018, we have made changes to the wording of the replacement of Euribor during the three amendments that we have had since then. By doing so, we have anticipated on the replacement of Euribor by the replacement rate.

Our Euro Commercial Paper program is not Euribor-based. The IBOR reform in relation to EMTN-programs is only relevant if we issue floating rate notes and the Fund has no floating rate notes outstanding. We have amended the Euribor-replacement wording in our EMTN-program at the updates in the last few years, this means that our EMTN-program is also adjusted to the replacement rate and we could issue floating rate notes if required.

1) Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate due to changes in market prices.

The financial instruments held by Vesteda Residential Fund FGR that are affected by market risk are principally the derivative financial instruments used to hedge interest risk on its loan portfolio. As per end-December 2021, Vesteda Residential Fund FGR had no derivative financial instruments outstanding.

2) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Vesteda's exposure to the risk of changes in market interest rates relates primarily to Vesteda's long-term debt obligations with floating interest rates.

Vesteda must at all times meet its obligations under the loans it has taken out, including the interest cover ratio with a minimum of 2.0 and loan-to-value covenant with a maximum of 50%.

According to the Fund's Terms and Conditions, Vesteda is required to hedge a minimum of 70% of existing interest rate exposure.

To manage its interest rate risk, Vesteda Residential Fund FGR can enter into interest rate swaps or fixed rate debt. With respect to the interest rate swaps, Vesteda agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated as hedges of underlying debt obligations. Prior to the green bond issue of 2019, Vesteda Residential Fund FGR arranged two interest rate swaps that were unwound at the date of the bond issue. As per December 2021, Vesteda Residential Fund FGR has no derivative financial instruments outstanding. At 31 December 2021, 100% of Vesteda's borrowings were subject to a fixed interest rate (2020: 89%).

Sensitivity analyses of market and interest rate risk

Vesteda performed an interest rate risk sensitivity scenario using an immediate increase of one percentage point in the interest rate curve as at 31 December 2021. The analysis was prepared on the basis that the amount of net debt and the ratio of fixed-to-floating interest rates of the debt are constant. As Vesteda Residential Fund FGR had no derivative financial instruments outstanding at the reporting date, interest rate risk sensitivity has no impact on equity or the fair value of derivative financial instruments.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial liabilities held at the reporting date.

An interest rise of 1% has effect on Vesteda's floating debt and fixed debt that matures in one year. Per year-end 2021 Vesteda has no floating debt but €300 million fixed debt that matures in one year. An interest rise of 1% would cause an increase of interest expenses of €3.0 million.

3) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations by virtue of a financial instrument or customer contract, leading to a financial loss. Vesteda is exposed to credit risk from its leasing activities and its financing activities, including deposits with banks and financial institutions and derivatives if applicable.

Tenant receivables

Credit risk is managed by requiring tenants to pay rent in advance. Vesteda assesses the credit quality of tenants using an extensive credit rating scorecard at the time they enter into a lease agreement. Vesteda regularly monitors outstanding receivables from tenants. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial asset. The COVID-19 pandemic has consequences for our tenants. We offer customised solutions to our tenants in case of financial problems. This is done by accommodating payment arrangements or if needed with the tenant finding a rental house which better suits their monthly incomes. In certain cases, primarily with commercial tenants, we offer a discount on the rent. The outstanding receivables increased slightly at this point. At this moment (16 March 2022), there is not a significant increase in the loss of rent.

Credit risk related to financial instruments and cash deposits

Vesteda's treasury department manages credit risk from balances with banks and financial institutions. As part of its treasury policy, Vesteda maintains a formal counterparty policy in respect of those organisations from which it may borrow or with which it may enter into other financing or investment arrangements. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Vesteda's Management Board reviews counterparty credit limits at least on an annual basis, and may update these at any time in the year should market conditions require any changes to the counterparty credit limits. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

As part of its treasury policy, Vesteda strives for sufficient diversification in Vesteda's counterparties and to limit concentration risk.

4) Liquidity risk

Liquidity risk is the risk that (1) Vesteda will not be able to refinance maturing debt funding, finance committed pipeline, or is not able to finance Redemption Available Cash, or (2) if debt is refinanced, the maturity and interest rate of the financing will have a significant unplanned adverse effect on Vesteda's cash flow and liquidity position. In addition, (3) Vesteda must at all times meet its obligations under the loans it has taken out including the interest cover ratio and loan-to-value covenant.

Vesteda limits these risks by conservative use of loan capital, ensuring sufficient headroom under its financial covenants and fixing at least 70% of its interest rates in order to mitigate adverse effects of interest rate volatility.

Vesteda's treasury department manages liquidity risk with the objective of ensuring that Vesteda has sufficient funds available to meet its financial obligations. As part of its treasury policy, Vesteda aims to have adequate though not excessive cash resources, borrowing arrangements and overdraft or standby facilities to enable it at all times to have the level of funds available it needs to achieve its business objectives.

Vesteda's objective is to maintain a balance between continuity of funding and flexibility. Vesteda uses a diverse range of financing instruments for its financing, through banks loans and capital markets. Debt maturities are chosen in line with the long-term character of Vesteda's assets, taking into account a good spread in the maturity profile of its debt portfolio.

The table below summarises the maturity profile of Vesteda's financial liabilities based on contractual undiscounted payments.

Liquidity risk

	On demand	< 3 months	3-12 months	1-5 years	> 5 years	Total
Year ended 31 December 2020						
Interest-bearing loans and borrowings	8	210	100	300	1,300	1,918
Interest	-		32	99	49	179
Deposits from tenants	24	-	-	-	-	24
Trade and other payables	-	43	-	-	-	43
	32	**253**	**132**	**399**	**1,349**	**2,164**
Year ended 31 December 2021						
Interest-bearing loans and borrowings	-	-	300	-	1,800	2,100
Interest	-		34	106	45	185
Deposits from tenants	26	-	-	-	-	26
Trade and other payables	-	32	-	-	-	32
	26	**32**	**334**	**106**	**1,845**	**2,343**

Estimated interest obligations for the bank facilities are based on the outstanding amount at year-end.

Fair value of financial Instruments

This section describes the comparison between the carrying amounts of the Vesteda Companies' financial instruments and their estimated fair values. Trade and other receivables and Trade and other payables are carried at amortised cost, but given their short duration, the fair value does not significantly deviate from the carrying amount (Level 3 valuation).

Cash and cash equivalents are recognised at nominal value. With respect to financial assets, management concluded that the carrying amount is an appropriate estimate of the fair value. With respect to the floating rate financial liabilities (both short term and long term), these are carrying a variable interest rate based on Euribor plus a mark-up, which also takes into account the perceived credit risk of the Vesteda Companies. As a result, their carrying amount approximates their fair value.

The fair value measurement of senior public notes issued by Vesteda Finance B.V. can be qualified as Level 1 valuation. Inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

The fair value measurement of the senior private notes that were placed by Vesteda Finance B.V. can be qualified as Level 2 valuation, with inputs other than quoted market prices included within Level 1 that are observable for the asset or liability. In this case, interest rates and yield curves are observable at commonly quoted intervals.

The fair value measurement of the senior notes placed by Vesteda Finance B.V. under its EMTN program as a private placement transaction can be qualified as Level 2 valuation, with inputs other than quoted market prices included within Level 1 that are observable for the asset or liability. In this case, interest rates and yield curves are observable at commonly quoted intervals.

The senior public notes, the senior private notes and the senior notes privately placed under the EMTN program are all fixed rate.

Fixed rate debt is initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial instruments

Type	Notional amount	Estimated fair value amount	Level valuation
Senior public notes	1,800	1,862	1
Senior private notes	300	320	2
	2,100	**2,182**	

The €1,800 million in senior public notes represented an equivalent fair value estimate of €1,862 million at year-end 2021.The €200 million in senior private notes and the €100 million in senior notes privately placed under the EMTN program represented an equivalent fair value estimate of €320 million at year-end 2021. The estimated fair value amounts are excluding accrued interest.

The fair value of the senior public notes is determined on the basis of quoted prices, while the fair value of the senior private notes and the senior notes privately placed under the EMTN program is determined based on inputs other than quoted prices.

27. Capital management

The primary objective of the Vesteda Companies' capital management is to ensure that the Fund remains within its banking covenants and maintains a strong credit rating. The Vesteda Companies monitor capital primarily using a loan-to-value (LTV) ratio, which is calculated as the amount of outstanding debt divided by the valuation of the investment property portfolio.

Vesteda's loan facilities have LTV covenants of 50% at VRF level (corporate unsecured debt).

In the year under review, the Vesteda Companies did not breach any of their loan covenants, nor did they default on any other of their obligations under their loan agreements.

Capital management

	31-12-2021	31-12-2020
Carrying amount of interest-bearing loans and borrowings	2,084	1,909
Capitalised financing costs	16	9
Principal amount of interest-bearing loans and borrowings	**2,100**	**1,918**
Cash and cash equivalents	109	2
Net debt principal amount of interest-bearing loans and borrowings	**1,991**	**1,916**
External valuation of completed investment property (excl. IFRS16)	9,397	8,060
External valuation of investment property under construction	177	174
Total valuation of investment property	**9,574**	**8,234**
Loan to value ratio	20.8%	23.3%

Vesteda has performed a sensitivity stress test with regard to changes in required gross yield in relation to the loan-to-value ratio. An increase of the required gross yield of 5.8 percentage points (from 4.0% to 9.8%) would lower the value of the investment property to such extent that an LTV of 50% would be reached.

28. Management Board and other identified staff remuneration

With regard to remuneration, Vesteda is in compliance with the Dutch Financial Supervision Act (FSA) provision on the remuneration of Identified Staff. The Management Board together with the Management Team members are considered Identified Staff, as well as the Compliance Officer and the Internal Audit Manager. Amounts in this paragraph are in €.

The Management Board and the Supervisory Committee (see also Note 29) remuneration complies with article 2:383 of the Dutch Civil Code.

In 2021, the company was charged €961,000 (2020: €956,000) for the remuneration of the Management Board, consisting of €710,000 base salary (2020: €708,000) and €170,000 variable renumeration (2020: €170,000).

In addition, social security charges and pension contributions amounted to €81,000 in 2021 (2020: €78,000) for the Management Board.

In 2021 the Supervisory Committee determined the individual variable bonus for 2020 of the Management Board and the Management Team.

The 2021 remuneration charges below include reservations for variable remuneration over 2021 to be awarded in 2022. The variable remuneration to be awarded will have a deferred component. Following the approval of the annual accounts for 2021, the Supervisory Committee will grant the target rewards for the Management Board for the year 2021.

	Management Board	Other Identified Staff*
Charged to the company in 2021 (accrual basis)		
Base salary charges	710,000	572,000
Variable remuneration charges 2021 (for future cash or shares)	170,000	76,000
Social security charges & pension contributions	81,000	126,000
Total charged to the company in 2021	**961,000**	**774,000**
**Other identified staff as per 31-12-2021*		
#Phantom shares granted before 2020	6,103	1,274
#phantom shares granted in 2020	0	381
#phantom shares cashed in 2020	0	173
#phantom shares granted end of 2020	**6,103**	**1,482**
#phantom shares granted in 2021	730	266
#phantom shares cashed in 2021	176	234
#phantom shares granted end of 2021	**6,657**	**1,514**
#Phantom shares not locked up end of 2021	5,421	882
#Phantom shares locked up until May 2022	470	120
#Phantom shares locked up until May 2023	474	204
#Phantom shares locked up until May 2024	0	180
#Phantom shares locked up until May 2025	292	128
Phantom share value as per 31.12.2021	**206.97**	

As per year end 2021, one phantom share represents a value of €206.97 (based on INREV NAV, excluding distribution to be paid for 2021).

The variable bonus scheme for Identified Staff was designed in compliance with the relevant provisions of the Dutch Financial Supervision Act (FSA).

In principle the bonus scheme for Identified Staff entitles the CEO to 26.6% of base salary for 'on target' performances, with a maximum of 40%. It entitles the CFO to 20% of base salary for 'on target' performances, with a 30% maximum. The Internal Audit Manager and Compliance Officer have no bonus scheme. All other Identified Staff (Chief Investment Officer (CIO) and Chief Operating Officer (COO)) are entitled to 20% of base salary for 'on target' performance, with a maximum of 30%. The Director Human Resources is entitled to 12% of base salary for 'on target' performance.

The bonus component is paid based on the achievement of preset qualitative and quantitative goals related to the strategic objectives in the business plan, which are set and evaluated by the remuneration committee of the Supervisory Committee. The bonus remuneration is divided into a 60% direct and a 40% indirect (deferred) component. Both the direct component and the deferred component are paid out half in so-called phantom shares and half in cash.

The direct component is paid immediately after the one-year performance period, and an indirect, deferred component is paid out or received after a period of three years. The direct phantom share component and the indirect phantom share component are subject to an appropriate retention policy which is aimed at balancing financial rewards with the company's long-term interests.

To achieve an even stronger commitment on the part of the management to the strategy and the business of the Fund, Identified Staff are entitled to exchange the cash component for phantom shares.

The variable remuneration policy for Identified Staff also includes clawback provisions. Up and until 2021 these provisions have not been applicable.

29. Supervisory Committee remuneration

The remuneration for the five Supervisory Committee members in 2021 was €186,000 (2020: €218,000).

The remuneration of the Supervisory Committee members remained unchanged in 2021. The decrease in 2021 is due to implementing the VAT opting-in scheme for all Supervisory Committee members.

30. Service fees to external auditors

The management expenses include the following amounts charged by Deloitte for audit services €435,000 (2020: €475,000), for audit related services €104,000 (2020: €83,000) and for other services €64,000 (2020: €147,000).

The audit committee approved the other services charged by Deloitte.

Deloitte did not provide any tax advisory related services in either year.

31. Contingencies and commitments

The total liabilities for obligations entered into for construction contracts, rental and lease instalments stood at €319 million at year-end (2020: €220 million). Rental and lease instalment liabilities are accounted for under Lease liabilities. Vesteda has not provided security for these liabilities. The liabilities can be specified as follows:

	Construction contracts
Due within 1 year	157
Due between 1 and 5 years	162
Total	**319**

As part of the provisions in Note 23 are applicable to the future investment portfolio, the liabilities have also been adapted for the commitments related to the future investment portfolio.

32. New and amended standards and interpretations

New and amended IFRS standards that are effective for the current year

In the current year, Vesteda has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) – and endorsed by the European Union – that are effective for an annual period that begins on or after 1 January 2021. Vesteda did not adopt any new or amended standards issued but not yet effective.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

The impact of this standard is disclosed in Note 26 and had not material impact on the amounts reported.

- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9
- Amendments to IFRS 16 Leases: COVID-19- Related Rent Concessions beyond 30 June 2021

The adoption of the amendments to IFRS 4 and IFRS 16 has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and revised IFRS Standards in issue but not yet effective
At the date of authorization of these financial statements, Vesteda 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 EU.

- IFRS 17 Insurance Contracts [not yet effective]
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current [not yet adopted by EU]
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies [not yet effective]
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates [not yet effective]
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction [not yet adopted by EU]
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 [not yet effective]
- Amendments to IFRS 17 Insurance contracts [not yet adopted by EU]

Vesteda does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

33. Events after balance sheet date

On 24 February 2022, Russia has invaded Ukraine, resulting in many Ukrainians fleeing their country. The Fund does not have a direct exposure to Ukraine or Russia. However, the war in Ukraine does impact the Fund's tenants, for example due to the rising energy prices. The Fund is investigating how to help refugees in the Netherlands, together with the other IVBN members. The first step is that the Fund allows its tenants to accommodate refugees in their homes. Furthermore, the Fund is identifying opportunities to provide temporary housing.

The Fund has made an assessment, which included potential risks such as inflation, funding (liquidity and interest rates) and cyber security. Although the potential impact of this cannot yet be fully and reliably estimated, as of the date of the approval of these consolidated financial statements, neither the Fund's financial situation nor its operations have been significantly impacted by these events. The Fund screens existing business relationships on a regular basis, including sanction lists where required, and in respect of Russia and Belarus noted no direct breaches of any current sanction rules nor any material matters that may affect going concern of the Fund. The Fund will continue to monitor market conditions as information becomes available and evaluate the potential impact, if any, on the value of the Fund's real estate investments and its operations going forward.

Company financial statements

These company financial statements are part of the (complete) 2021 financial statements of Vesteda Residential Fund FGR (Vesteda) and therefore, they should be read in conjunction with the consolidated financial statements of Vesteda, and the 2021 annual report (including the Management report) of Vesteda. Amounts are in € million.

Balance sheet (after proposed appropriation of result)

For the year ended 31 December 2021; amounts in € million

	Note	31-12-2021	31-12-2020
ASSETS			
Non-current assets			
Investment property	3	9,540	8,213
Investment property under construction	4	142	131
Property, plant and equipment	5	18	17
Financial assets	6	119	117
		9,819	**8,478**
Current assets			
Trade and other receivables	7	-	4
Cash and cash equivalents	8	61	2
		61	**6**
Total assets		**9,880**	**8,484**
EQUITY AND LIABILITIES			
Equity			
Fund equity	9	35	35
General paid in surplus	9	1,659	1,845
Revaluation reserves	9	3,751	2,630
Derivatives reserves	9	(4)	(5)
Legal reserves	9	2	3
Other reserves	9	2,110	1,786
		7,553	**6,294**
Provisions	10	**7**	**3**
Non-current liabilities			
Payables to associated companies	11	1,784	1,592
Lease liabilities		146	155
		1,930	**1,747**
Current liabilities			
Payables to associated companies	12	317	370
Trade and other payables	13	73	70
		390	**440**
Total liabilities		**2,327**	**2,190**
Total equity and liabilities		**9,880**	**8,484**

Profit and loss account

For the year ended 31 December 2021; amounts in € million

	Note	2021	2020
Share in result of associated companies	6	(6)	(13)
Other income and expense after taxation		1,451	480
Result after taxation		**1,445**	**467**

Notes to the company financial statements

1. Corporate information

The company financial statements and the consolidated financial statements of Vesteda Residential Fund FGR and the affiliated entities (the Vesteda Companies) for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Management Board on 16 March 2022. Vesteda Residential Fund FGR (the Fund) is a mutual Fund. Vesteda Investment Management B.V. is the Fund manager, with its registered office and its actual place of business located at De Boelelaan 759, Amsterdam, the Netherlands and filed with the Trade Register at the Chamber of Commerce under number 14071789.

The principal activity of Vesteda Residential Fund FGR is to invest in Dutch residential properties.

The Fund and its manager are subject to the Financial Supervision Act (Wet financieel toezicht 'Wft').

2. Basis of preparation

Vesteda Residential Fund FGR (the Fund) is not a legal entity. These financial statements present the company financial information of the Fund. The company financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. Use has been made of the option extended under Book 2, Article 362, Section 8, Dutch Civil Code to apply the accounting policies used in the consolidated financial statements to the company financial statements.

- For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.
- As a result of the license obtained from the AFM, Vesteda needs to comply with the Alternative Investment Fund Managers Directive (AIFMD). As a consequence, Vesteda needs to adhere to the requirements of Part 9 of Book 2 of the Dutch Civil Code.

The company financial statements are presented in euro and all amounts are rounded to the nearest million, except where otherwise indicated.

Participations in group companies

Participations in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. This net asset value is based on the same accounting principles as applied by Vesteda FGR. If the net asset value is negative, the participating interest is valued at nil. This likewise takes into account other long-term interests that should effectively be considered part of the net investment in the participating interest. If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated company are taken into account.

Legal reserve for associated companies

The legal reserve for associated companies is formed in the amount of the share of Vesteda FGR in the results and direct increases of the associated companies since the initial valuation of these associated companies at net asset value, insofar as Vesteda FGR cannot realise a distribution without limitations. The statutory reserve for associated companies is determined individually.

3. Investment property

The investment property is made up as follows:

	2021	2020
Investment property as at 1 January	**8,213**	**7,818**
Acquisitions	31	-
Capital expenditure on owned property	84	78
Transfer from property under construction	119	85
Property sales	(102)	(61)
Right of use assets (land leases)	(10)	26
Revaluation	1,205	267
Investment property as at 31 December	**9,540**	**8,213**

4. Investment property under construction

	2021	2020
As at 1 January	**131**	**126**
Capital expenditure on property under construction	105	97
Transfer from Provisions	(1)	(7)
Transfer to Investment Property	(119)	(85)
Revaluation	26	-
As at 31 December	**142**	**131**

As set out in Note 3, in arriving at their estimates of market values, the valuation experts used their market knowledge and professional judgment, rather than relying exclusively on comparable historical transaction data.

The fair value of the assets under construction is driven by the net future cash flow generated by the assets, in combination with the discount rate development. The generated cash flow includes the net rental income plus the net sales revenues from selling of individual units.

5. Property, plant and equipment

	Buildings
As at 1 January 2020	**17**
Investment	-
Depreciations	-
Revaluation	-
Right of use	-
As at 31 December 2020	**17**
Investment	-
Depreciations	-
Revaluation	1
Right of use	-
As at 31 December 2021	**18**

6. Financial assets

The financial assets are made up as follows:

	Participations			
	Vesteda Investment Management BV	Vesteda Project Development BV	Vesteda Finance BV	Total
As at 1 January 2020	**19**	**87**	**2**	**108**
Results 2020	1	11	1	13
Dividend distribution	(4)	-	-	(4)
As at 31 December 2020	**16**	**98**	**3**	**117**
Results 2021	1	4	1	6
Dividend distribution	(4)	-	-	(4)
As at 31 December 2021	**13**	**102**	**4**	**119**

Besides participations in Vesteda Investment Management BV, Vesteda Finance BV and Vesteda Project Development BV, the Fund also has 100% of the participations in Stichting DRF I and Custodian Vesteda Fund I B.V.

7. Trade and other receivables

The trade and other receivables are made up as follows:

	31-12-2021	31-12-2020
Trade receivables	-	1
Other receivables	-	3
Total	**-**	**4**

The trade receivables include a provision for doubtfulness of €1 million (2020: €1 million) for overdue amounts.

8. Cash and cash equivalents

The cash and cash equivalents are made up as follows:

	31-12-2021	31-12-2020
Cash at bank and on hand	61	2
Total	**61**	**2**

Cash and cash equivalents are at the free disposal of the Fund.

9. Equity

The participation rights issued can be specified as follows:

	Fund equity	General paid in surplus	Reserve				Total equity
			Property	Derivatives	Legal	Other reserve	
As at 1 January 2020	**35**	**2,040**	**2,391**	**(6)**	**3**	**1,559**	**6,022**
Result for the year	-	-	244	-	-	222	466
Other comprehensive income	-	-	-	1	-	-	1
Total comprehensive income	**-**	**-**	**244**	**1**	**-**	**222**	**467**
Realised from property sales	-	-	(5)	-	-	5	-
Distribution paid	-	(195)	-	-	-	-	(195)
As at 31 December 2020	**35**	**1,845**	**2,630**	**(5)**	**3**	**1,786**	**6,294**
Result for the year	-	-	1,154	-	(1)	291	1,444
Other comprehensive income	-	-	-	1	-	-	1
Total comprehensive income	**-**	**-**	**1,154**	**1**	**(1)**	**291**	**1,445**
Realised from property sales	-	-	(33)	-	-	33	-
Distribution paid	-	(186)	-	-	-	-	(186)
As at 31 December 2021	**35**	**1,659**	**3,751**	**(4)**	**2**	**2,110**	**7,553**

Proposals to investors

Proposed appropriation of result for 2021

The Management Board proposes that the profit for the year of €1.444 million be added to equity. This proposal has been incorporated in the annual report.

Proposed distribution to participants

The Management Board proposes a distribution to participants of €195 million for the year 2021, of which €117.9 million was paid in the financial year 2021 and €39.3 million was paid in January 2022. The financial statements will be presented for adoption at the General Meeting of Participants on 6 April 2022. Following the adoption, the remaining €38.6 million will be paid as a final distribution for 2021.

10. Provisions

The current provisions are made up as follows:

	2021	2020
As at 1 January	**3**	**5**
Additions	5	5
Used	-	-
Transfer to IPUC	(1)	(7)
As at 31 December	**7**	**3**

11. Payables to associated companies

The financial liabilities are made up as follows:

	Loan Vesteda Finance BV
As at 1 January 2021	**1,592**
Drawn	500
Discount	-
Repayments	-
Reclass to Current liabilities	(300)
Financing costs	-
Amortisation	(8)
As at 31 December 2021	**1,784**

12. Payables to associated companies

	Vesteda Investment Management BV	Vesteda Finance BV	Vesteda Project Development BV	Total
As at 1 January 2021	**8**	**322**	**40**	**370**
Drawn	61	1,384	1	1,446
Repaid	(65)	(1,701)	(33)	(1,799)
Transfer from non-current liabilities	-	300	-	300
As at 31 december 2021	**4**	**305**	**8**	**317**

13. Trade and other payables

The trade and other payables are made up as follows:

	31-12-2021	31-12-2020
Trade payables	13	7
Rental deposits	26	24
Interest	12	12
Tax and social security contributions	2	4
Other	20	23
Total	**73**	**70**

14. Other comprehensive income

The other comprehensive income arising during the year are made up as follows:

	31-12-2021	31-12-2020
Settlement pre-hedge contracts	1	1
Revaluation Property, Plant and Equipment	-	-
Total	**1**	**1**

15. Transactions with associated companies

In 2021 transactions have been made between Vesteda FGR, Vesteda Finance BV, Vesteda Investment Management BV and Vesteda Project Development BV for loans provided and interest accrued.

At year-end the balances relating to these loans amount to:

Vesteda Finance BV: €2.1 billion
Vesteda Investment Management BV: €4.4 million
Vesteda Project Development BV: €7.6 million

In 2021 also transactions have been made between Vesteda FGR and Vesteda Investment Management BV for management expenses charged from Vesteda Investment Management BV to the Fund for an amount of €27.1 million.

The Management Board and the Supervisory Committee remuneration complies with article 2:383 of the Dutch Civil Code. We refer to Note 28 and Note 29 of the consolidated financial statements.

The Fund has a pension plan with ABP. In 2021, the Fund paid premiums in the amount of €2.5 million (2020: €2.2 million). This counterparty is also a participant in the Fund. All transactions are at arm's length.

Reference is made to Note 33 of the consolidated financial statements for a description of the events after balance sheet date.

Signing of the financial statements

Amsterdam, 16 March 2022

Signed by:

G. van der Baan
CEO

F. Vervoort
CFO

16. Other information

Appropriation of result according to the Fund's Terms and Conditions

In Article 22 of the Fund's Terms and Conditions regulations the following has been presented concerning the appropriation of result: Subject to the retention of reserves as reasonably deemed necessary by the Manager, all Distributable Income allocated for distribution shall be distributed to the Participants pro rata their respective Participation Rights. Distributable Income means the realised result less the result on property sales, provided that if the amount calculated pursuant to the above formula is less than zero, it shall be deemed to be zero.

Independent auditor's report

Reference is made to the auditor's report as included hereinafter.

Independent auditor's report

To the participants and the Supervisory Committee of Vesteda Residential Fund FGR

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 of Vesteda Residential Fund FGR, 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 Vesteda Residential Fund FGR as at 31 December 2021, and of its result and its cash flows for 2021 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 Vesteda Residential Fund FGR as at 31 December 2021, and of its result for 2021 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 31 December 2021.
2. The following statements for 2021: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and 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 31 December 2021.
2. The company profit and loss account for 2021.
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 Vesteda Residential Fund FGR 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 € 75 million. The materiality is based on 1% of group equity. 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.

We agreed with the Supervisory Committee that misstatements in excess of € 3.75 million, 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
Vesteda Residential Fund FGR is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Vesteda Residential Fund FGR.

Our group audit mainly focused on significant group entities.

We have performed all audit procedures ourselves for all 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 about 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 Committee 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 and supporting policies. This includes anti-corruption, anti-money laundering and whistleblower policy. We evaluated the design of the internal controls implemented 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. In this assessment we were supported by our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

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

Fraud risk	How the fraud risk was addressed in the audit
Management override of controls	
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 its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	Our audit procedures included, among others, the following: 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. We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. We considered available information and made inquiries of relevant persons (including management, general counsel, internal auditor, compliance officer and the Supervisory Committee). We evaluated whether the selection and application of accounting policies by the entity, 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 notes 3, 14 and 15 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. 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. Reference is made to the section "Our key audit matter".

Audit approach fraud risks compliance with laws and regulations

We assessed the laws and regulations applicable to the Fund via our inquiries with management and other personnel, and our assessment of relevant correspondence.

Non-compliance with applicable laws and regulations potentially have a material effect on amounts and/or disclosures in the financial statements or affect the fundament of the business operations. Given the nature of the Fund and the regulated environment its operates in, there is a risk of non-compliance with regulations, including amongst each other the Alternative Investment Fund Managers Directive (AIFMD), the Wet op het financieel toezicht (Wft), the Wet ter voorkoming van witwassen en het financieren van terrorisme (Wwft).

By nature, we remain 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.

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 Supervisory Committee. 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.

Description of key audit matter	Summary of procedures and activities
Valuation of investment property	
Refer to notes 14 and 15 to the consolidated financial statements. As at 31 December 2021 the Company held a portfolio of investment property with a fair value of €9,397 million, excluding IFRS 16 right-of-use asset (31 December 2020: €8,060 million) and investment property under construction of €177 million (31 December 2020: €174 million). The portfolio consist of €9,241 million residential, €89 million commercial, €44 million healthcare and €23 million parking properties. 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. The Company uses external valuation reports issued by external independent professionally qualified valuers to determine the fair value of its investment property. 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.	Our audit procedures included, among others, the following: We have gained understanding of the valuation process and tested design and implementation of the Company's relevant controls with respect to the data used in the valuation of the property portfolio. We evaluated the competence of the Company's external appraiser, which included consideration of their qualifications and expertise. In relation to the significant assumptions in the valuation of investment property we have: - determined that the valuation methods as applied by the management board, as included in the valuation reports, are appropriate; - challenged the significant assumptions used (such as capitalization rate, market rental income, market-derived discount rate) against relevant market data. We have involved our internal real estate valuation experts in these assessments. 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.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contain other information that consists of:

- Management 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 the 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 is responsible for the preparation of the other information, including the Management Report 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.

Report on other legal and regulatory requirements

Engagement
We were engaged by the Supervisory Committee as auditor of Vesteda Residential Fund FGR on April 1, 2015, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

Report on other legal and regulatory requirements

Engagement
We were engaged by the Supervisory Committee as auditor of Vesteda Residential Fund FGR on April 1, 2015, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

Description of responsibilities regarding the financial statements

Responsibilities of management and the Supervisory Committee for the financial statements
Management 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 is responsible for such internal control as management 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 is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management 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.

The Supervisory Committee is responsible for overseeing the company's financial reporting process.

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.
- 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 a 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 the Supervisory Committee 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. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Committee, 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, 16 March 2022

Deloitte Accountants B.V.

Signed on the original: J. Holland

Vesteda Residential Fund FGR financial overviews in accordance with INREV valuations principles

General introduction

To provide investors with information on the transition from Net Asset Value (NAV) according to IFRS to adjusted NAV based on INREV valuation principles, the Vesteda Residential Fund FGR (VRF FGR) also publishes its financial statements in accordance with the INREV valuation principles.

The Fundamental assumption underlying the adjusted INREV NAV of VRF FGR is that it should give a more accurate reflection of the economic value of VRF FGR and a participation in VRF FGR, 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.

The adjusted INREV NAV is based on the IFRS valuation principles plus the deviations described below.

	Note	Actual impact on 2021 figures	Actual impact on 2020 figures
NAV per the IFRS financial statements			
Reclassification of certain IFRS liabilities as components of equity			
Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	1	N/A	N/A
Effect of dividends recorded as a liability which have not been distributed	2	N/A	N/A
NAV after reclassification of equity-like interests and dividends not yet distributed			
Fair value of assets and liabilities			
Revaluation to fair value of investment properties	3	N/A	N/A
Revaluation to fair value of self-constructed or developed investment property	4	N/A	N/A
Revaluation to fair value of investment property held for sale	5	N/A	N/A
Revaluation to fair value of property that is leased to tenants under a finance lease	6	N/A	N/A
Revaluation to fair value of real estate held as inventory	7	N/A	N/A
Revaluation to fair value of other investments in real assets	8	N/A	N/A
Revaluation to fair value of indirect investments not consolidated	9	N/A	N/A
Revaluation to fair value of financial assets and financial liabilities	10	Yes	Yes
Revaluation to fair value of construction contracts for third parties	11	N/A	N/A
Set-up costs	12	N/A	N/A
Acquisition expenses	13	Yes	Yes
Contractual fees	14	N/A	N/A
Effects of the expected manner of settlement of sales/vehicle unwinding			
Revaluation to fair value of savings of purchaser's costs such as transfer taxes	15	N/A	N/A
Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	16	N/A	N/A
Effect of subsidiaries having a negative equity (non-recourse)	17	N/A	N/A
Other adjustments			
Goodwill	18	N/A	N/A
Non-controlling interest effects of INREV adjustments	19	N/A	N/A
INREV NAV			

Consolidated statement of profit or loss and other comprehensive income in accordance with INREV valuation principles

For the year ended 31 December 2021; amounts in € million

	2021 IFRS	Adj.	2021 INREV	2020 IFRS	Adj.	2020 INREV
Gross rental income	347		347	335		335
Service charge income	12		12	10		10
Property operating expenses (excluding service charges)	(84)		(84)	(79)		(79)
Service charges	(16)		(16)	(15)		(15)
Other income	1		1	-		-
Net rental income	**260**		**260**	**251**		**251**
Result on disposals	16		16	7		7
Management expenses	(25)		(25)	(26)		(26)
Financial results	(39)		(39)	(41)		(41)
Realised result before tax	**212**		**212**	**191**		**191**
Unrealised result	1,233		1,233	276		276
Result before tax	**1,445**		**1,445**	**467**		**467**
Tax	(1)		(1)	(1)		(1)
Result after tax (attributable to equity holders of the parent)	**1,444**		**1,444**	**466**		**466**
Other comprehensive income that will be reclassified subsequently to profit or loss						
- Settlement pre-hedge contracts	1		1	1		1
Positive revaluation on Property, Plant and Equipment	-		-	-		-
Fair value adjustment on liabilities	-	54	54	-	(37)	(37)
Acquisition costs on Investment property (under construction)	-	17	17	-	(5)	(5)
Other comprehensive income, net of tax	**1**		**72**	**1**		**(41)**
Total comprehensive income (attributable to equity holders of the parent)	**1,445**		**1,516**	**467**		**425**

Consolidated statement of financial position in accordance with INREV valuation principles

For the year ended 31 December 2021; amounts in € million

	31 December 2021 IFRS	Adj.	31 December 2021 INREV	31 December 2020 IFRS	Adj.	31 December 2020 INREV
ASSETS						
Non-current assets						
Intangible fixed assets	7		7	8		8
Investment property	9,540	34	9,574	8,213	17	8,230
Investment property under construction	177		177	174		174
Property, plant and equipment	20		20	20		20
Financial assets	2		2	7		7
	9,746		**9,780**	**8,422**		**8,439**
Current assets						
Trade and other receivables	5		5	16		16
Cash and cash equivalents	109		109	2		2
	114		**114**	**18**		**18**
Total assets	**9,860**	**34**	**9,894**	**8,440**	**17**	**8,457**
EQUITY AND LIABILITIES						
Equity						
Group equity	7,553	(47)	7,506	6,294	(118)	6,176
Non-current liabilities						
Financial liabilities	1,784	81	1,865	1,592	135	1,727
Lease liabilities	145		145	154		154
	1,929	**81**	**2,010**	**1,746**	**135**	**1,881**
Current liabilities						
Financial liabilities	300		300	317		317
Provisions	7		7	4		4
Trade and other payables	70		70	78		78
Lease liabilities	1		1	1		1
	378		**378**	**400**		**400**
Total liabilities	**2,307**	**81**	**2,388**	**2,146**	**135**	**2,281**
Total equity and liabilities	**9,860**	**34**	**9,894**	**8,440**	**17**	**8,457**

Consolidated statement of changes in equity in accordance with INREV valuation principles

For the year ended 31 December 2021; amounts in € million.

			Reserve				
	Fund Equity	General paid-in surplus	Property	Derivatives	Legal	Other reserve	Total equity
As at 1 January 2020	**35**	**2,039**	**2,426**	**(6)**	**9**	**1,443**	**5,946**
Result for the year	-	-	235	-	-	231	466
Other comprehensive income	-	-	-	1	-	(42)	(41)
Total comprehensive income	**-**	**-**	**235**	**1**	**-**	**189**	**425**
Realised from property sales	-	-	(5)	-	-	5	-
Distribution paid	-	(195)	-	-	-	-	(195)
Changes according to INREV	-	-	(5)	-	-	5	-
As at 31 December 2020	**35**	**1,844**	**2,651**	**(5)**	**9**	**1,642**	**6,176**
Result for the year	-	-	1,158	-	(1)	287	1,444
Other comprehensive income	-	-	-	1	-	71	72
Total comprehensive income	**-**	**-**	**1,158**	**1**	**(1)**	**358**	**1,516**
Realised from property sales	-	-	(33)	-	-	33	-
Distribution paid	-	(186)	-	-	-	-	(186)
Changes according to INREV	-	-	17	-	-	(17)	-
As at 31 December 2021	**35**	**1,658**	**3,793**	**(4)**	**8**	**2,016**	**7,506**

Certain figures have been rounded off; consequently, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

INREV expense metrics

	2021	2020
Total Expense Ratio (NAV)	0.39%	0.44%
Total Expense Ratio (GAV)	0.29%	0.32%
Real Estate Expense Ratio (GAV)	0.98%	1.02%

The decrease in ratio of the Total Expense Ratio (both NAV and GAV) from 2020 to 2021 is mainly due to the increase of the asset value in 2021.

Fund expenses are the management expenses in the consolidated statement of comprehensive income. Property-specific expenses are the property operating expenses, including non-recoverable service charges in the consolidated statement of comprehensive income.

The weighted average INREV NAV is calculated as the closing INREV net asset value of five individual quarters (Q4 2020 – Q4 2021), divided by five. The quarterly figures for Q1, Q2 and Q3 2021 are unaudited.

The weighted average INREV GAV is calculated as the closing INREV gross asset value of five individual quarters (Q4 2020 – Q4 2021), divided by five. The quarterly figures for Q1, Q2 and Q3 2021 are unaudited.

The Total Expense Ratio (NAV) is calculated by dividing the Fund expenses by the weighted average INREV net asset value.

The Total Expense Ratio (GAV) is calculated by dividing the Fund expenses by the weighted average INREV gross asset value.

The Real Estate Expense Ratio (GAV) is calculated by dividing the property-specific expenses by the weighted average INREV gross asset value.

Notes to the INREV financial statements

Amounts in € million

	Note	31-12-2021	31-12-2020
NAV per the IFRS financial statements		7,553	6,294
Reclassification of certain IFRS liabilities as components of equity			
Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	1		
Effect of dividends recorded as a liability which have not been distributed	2		
NAV after reclassification of equity-like interests and dividends not yet distributed		7,553	6,294
Fair value of assets and liabilities			
Revaluation to fair value of investment properties	3		
Revaluation to fair value of self-constructed or developed investment property	4		
Revaluation to fair value of investment property held for sale	5		
Revaluation to fair value of property that is leased to tenants under a finance lease	6		
Revaluation to fair value of real estate held as inventory	7		
Revaluation to fair value of other investments in real assets	8		
Revaluation to fair value of indirect investments not consolidated	9		
Revaluation to fair value of financial assets and financial liabilities	10	(81)	(135)
Revaluation to fair value of construction contracts for third parties	11		
Set-up costs	12		
Acquisition expenses	13	34	17
Contractual fees	14		
Effects of the expected manner of settlement of sales/vehicle unwinding			
Revaluation to fair value of savings of purchaser's costs such as transfer taxes	15		
Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	16		
Effect of subsidiaries having a negative equity (non-recourse)	17		
Other adjustments			
Goodwill	18		
Non-controlling interest effects of INREV adjustments	19		
INREV NAV		**7,506**	**6,176**

1. Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders' long-term interests 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 VRF FGR only invest via participation rights according to the Terms and Conditions, no adjustment was applicable.

2. Effect of dividends recorded as a liability that have not yet 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 2021, no adjustment was applicable, as no distributions were recorded as a liability.

3. Revaluation to fair value of investment properties
After initial recognition, investment property is valued at fair value under the fair value option of IAS 40.

As investment properties are valued at fair value, no adjustment had to be made as per 31 December 2021.

4. Revaluation to fair value of self-constructed or developed investment property
Development property is IPUC (investment property under construction) and valued at fair value under the fair value option of IAS 40.

As IPUC is valued at fair value, no adjustment had to be made as per 31 December 2021.

5. Revaluation to fair value of investment property held for sale
Assets in this category should be 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 2021, no adjustment was applicable, as no properties intended for sale have been identified and all investment properties have been valued at fair value.

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 2021, no adjustment was made since no property was 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 2021, no adjustment was applicable, since VRF FGR has no inventory property.

8. Revaluation to fair value of other investments in real assets
Under IAS 16, 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 2021, no adjustment was made since VRF FGR 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 2021, no adjustment had been made, since all indirect investments in real estate are valued at fair value.

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 2021, an adjustment was made for the revaluation to fair value of the fixed interest debt financial liabilities of 81 million (2020: €135 million). This adjustment relates to the senior unsecured notes (bonds issued in 2015, 2018,2019 and 2021), the private placement borrowings with PRICOA Capital Group (arranged 2016), with NYL and AIG (arranged in 2020), and EMTN private placements arranged in 2017.

No adjustments have been made for other financial assets and liabilities, as these were already valued at fair value in accordance with IFRS principles.

11. Revaluation to fair value of construction contracts for third parties
Under IFRS 15, 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 2021, no adjustment had been made, since VRF FGR has no construction contracts for third parties.

12. Set-up costs
Under IFRS, vehicle set-up costs are charged immediately to income after the inception of a vehicle. Such costs should be capitalised and amortised over the first five years of the term of the vehicle. The rationale for capitalising and amortising set-up costs is to better reflect the duration of the economic benefits to the vehicle.

The adjustment represents the impact on NAV of capitalising and amortising set-up costs over the first five-year period rather than charging them immediately to the income statement.

No adjustment has been made for set-up costs, as no set-up costs for VRF FGR have been incurred in the last five years.

13. Acquisition expenses
Under the fair value model, the acquisition expenses related to an investment property are effectively charged to income when fair value is calculated at the first subsequent measurement date after acquisition. This results in the fair value of a property upon subsequent fair value measurement being lower than the total purchase price of the property, all other things being equal. Property acquisition expenses should be capitalised and amortised over the first five years after acquisition of the property.

The rationale for capitalising and amortising acquisition expenses is to better reflect the duration of the economic benefits of these costs to the vehicle.

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 the owner of an investment property does not expect to be able to recover the capitalised acquisition costs through the sale of units of a vehicle. When a property is sold during the amortisation period or is classified as held for sale, the balance of capitalised acquisition expenses of that property should be expensed.

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.

As per 2021, the transfer tax for residential investment property changed from 2% into 8%. Most of the single asset acquisitions of residential complexes at Dutch institutional real estate funds are realized via a turn-key agreement with a development company. The increase in transfer tax has some accounting implications in light of the capitalization of the transfer tax as part of the initial acquisition expense(s) for determining the INREV NAV. For newly developed properties no transfer tax is due. Acquisitions of newly developed residential complexes can be purchased free of transfer tax. However, normally the acquisition price is higher than if transfer taxes should be paid separately. In general, the agreed price can be seen as the Gross Investment Value less actual other acquisition expenses (notary, broker, valuation, etc.). This so-called fictitious transfer tax will be included in the revaluation after initial recognition.

Up to the end of 2020, Vesteda did not made any adjustments in the INREV NAV for the capitalization of acquisition expenses in the light of the acquisition of turn-key complexes due to the fact that the effects of the difference between acquisition price and the net valuation was limited and did not have/had a material impact on the calculation of the INREV NAV.

As the transfer tax is now 8%, the difference between the agreed turn-key acquisition price and the net fair value will be larger and potentially material. Therefore, the respective implicit real estate transfer tax of 2% until 2020 and 8% as of 2021 and additional acquisition costs of 1% (in total 3% or 9%) have been capitalized for all realized acquisition projects dating back from 2017. For new acquisitions the 9% transfer tax costs are amortized over a 5 year period starting from the date of completion of the acquired property.

As per 31 December 2021, Vesteda had made an adjustment of €8 million for any acquisition expenses paid on the current portfolio and €26 million for the capitalized fictitious transfer tax. Taken into account the respective period as of completion of the property these amounts are amortised over a period of 5 years, which results in a net adjustment of approximately €34 million.

14. Contractual fees

A liability represents a present obligation as a result of past events. A fee payable at the end of the life of a vehicle or at any other time during the life of a vehicle may not meet the criteria for recognition as a provision or liability in accordance with IFRS at the reporting date.

Examples of such fees include performance fees, disposal fees, or liquidation fees, representing a present obligation from contractual arrangements.

Most of these fees are normally accrued under IFRS accounting rules. The adjustment represents the impact on the NAV of the amount of the estimated contractual fees payable based on the current NAV of the vehicle in the rare circumstances in which these fees are not already recognised in financial statements produced under IFRS and it is probable that they will be incurred. In order to determine the amount of the adjustment, reference should be made to IFRS standards for the measurement (but not necessarily the recognition) of provisions or deferred liabilities.

As per the balance sheet date, all contractual fees and contingent liabilities had been recognised in accordance with IFRS.

VRF FGR did not enter into any other contractual fees or contingent liabilities that are not presented in the accounts as per the balance sheet date.

15. Revaluation to fair value of savings of purchaser's costs such as transfer taxes
Transfer taxes and purchaser's costs which would be incurred by the purchaser when acquiring a property are generally deducted when determining the fair value of investment properties under IAS 40. The effect of an intended sale of shares in a property-owning vehicle, rather than the property itself, should be taken into account when determining the amount of the deduction of transfer taxes and purchaser's costs, to the extent that this saving is expected to accrue to the seller when the property is sold.

The adjustment therefore represents the positive impact on the NAV of the possible reduction of the transfer taxes and purchaser's costs for the benefit of the seller based on the expected sale of shares in the property-owning vehicle.

VRF FGR has no investment property structured in special purpose vehicles.

16. Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments
Under IFRS, deferred tax assets and liabilities are measured at the nominal statutory tax rate. The manner in which the vehicle expects to realise deferred tax (for example, for investment properties through share sales rather than direct property sales) is generally not taken into consideration.

The adjustment represents the impact on the NAV of the difference between the amount determined in accordance with IFRS and the estimate of deferred tax that takes into account the expected manner of settlement (i.e. when tax structures and the intended method of disposal or settlement of assets and liabilities have been applied to reduce the actual tax liability).

As per 31 December 2021, no adjustment had been made as VRF FGR has not valued deferred tax assets and liabilities on the balance sheet. Furthermore, no adjustment for the INREV NAV adjustments is required as VRF FGR is transparent for tax purposes.

17. Effect of subsidiaries having a negative equity (non-recourse)
The NAV of a consolidated group under IFRS may include the net liability position of subsidiary undertakings. In practice, however, the group may have neither a legal nor a constructive obligation to Fund the accumulated losses in situations where the financing of the subsidiaries is non-recourse to the vehicle. In this scenario, it is appropriate to make an adjustment when calculating the INREV NAV in order to recognise the group's interest in such subsidiaries at nil or an adjusted negative amount rather than at a full net liability position, to the extent there is no intention or obligation on the part of the vehicle to make good those losses.

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 2021, no adjustment had been made since VRF FGR has no subsidiaries with a negative equity that are valued at zero and are included in the consolidation.

18. Goodwill
Upon the acquisition of an entity that has been 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 into account 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 2021, no adjustment had been made, since VRF FGR has no goodwill valued on the balance sheet.

19. Non-controlling interest effects on the above 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 2021, no adjustment had been made, since VRF FGR has no material adjustments that arise from its non-controlling interests.

Independent auditor's report

To the participants and the Supervisory Committee of Vesteda Residential Fund FGR

Report on the financial overviews in accordance with INREV Valuation Principles

Our opinion

We have audited the accompanying financial overviews 2021 of Vesteda Residential Fund FGR, based in Amsterdam.

In our opinion the financial overviews are prepared, in all material respects, in accordance with the accounting policies selected and disclosed by the fund, i.e. INREV valuation principles, as set out on page 136 up to and including page 146.

The financial overviews comprise:

1. The consolidated statement of financial position as at 31 December 2021.
2. The following statements for 2021: the consolidated statements of profit or loss and other comprehensive income and changes in equity.
3. The notes comprising a summary of the significant 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 overviews" section of our report.

We are independent of Vesteda Residential Fund FGR 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 financial overviews

Responsibilities of management and the Supervisory Committee for the financial overviews

Management is responsible for the preparation of the financial overviews in accordance with the accounting policies selected and disclosed by the fund (INREV valuation principles) as set out on page 136 up to and including page 146.

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

The Supervisory Committee is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial overviews

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 financial overviews. 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 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 financial overviews, 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.
- Evaluating the overall presentation, structure and content of the financial overviews, including the disclosures.
- Evaluating whether the financial overviews represent the underlying transactions and events free from material misstatement.

We communicate with management and the Supervisory Committee 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, 16 March 2022

Deloitte Accountants B.V.

Signed on the original: J. Holland

Annexes

Annex 1: Key figures 2012-2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statement of financial position (€ million, unless otherwise stated, year-end)										
Total assets (excl. IFRS 16)	9,714	8,285	7,928	7,337	5,084	4,375	3,839	3,667	3,782	4,158
Equity	7,553	6,294	6,022	5,517	3,819	3,045	2,629	2,262	2,280	2,423
Net debt	1,991	1,916	1,825	1,739	1,172	1,237	1,098	1,265	1,350	1,523
Leverage (%, excl. IFRS 16)	20.5	23.1	23.0	23.7	23.1	28.3	28.6	34.5	35.7	36.6
Portfolio value (€ million, year-end)										
Development portfolio	177	174	194	257	257	135	77	13	23	12
Investment portfolio	9,540	8,213	7,818	7,024	4,778	4,207	3,726	3,593	3,655	3,970
Total portfolio	**9,717**	**8,387**	**8,012**	**7,281**	**5,035**	**4,342**	**3,803**	**3,605**	**3,678**	**3,982**
Units (year-end)										
Number of residential units	27,570	27,482	27,290	27,809	22,454	22,629	22,599	22,990	23,791	25,100
Number of parking/garage spaces	10,039	9,885	9,716	9,830	9,226	9,094	9,293	9,335	9,527	10,217
Commercial space (COG, sqm)	44,936	44,924	44,631	45,106	38,722	35,406	34,319	36,359	36,640	50,491
Net rental income (€ million, unless otherwise stated)										
Investment portfolio, at start of year	8,213	7,818	7,024	4,778	4,207	3,726	3,593	3,655	3,970	4,265
Time weighted average portfolio	8,636	8,050	7,560	5,967	4,473	3,969	3,642	3,613	3,631	4,058
Net rental income	260	251	252	210	184	182	176	176	181	177
Net rental income (%)	3.0	3.1	3.3	3.5	4.1	4.6	4.8	4.9	5.0	4.4
Result (€ million)										
Realised result from letting & sales	212	191	202	207	138	141	122	110	104	98
Realised result from project development	-	-	-	-	-	1	-	4	(1)	(1)
Unrealised results	1,233	276	653	825	544	391	169	22	(163)	(234)
Result before tax	**1,445**	**467**	**855**	**1,032**	**682**	**533**	**291**	**136**	**(60)**	**(137)**
Tax	-1	(1)	(1)	-	-	-	-	-	-	-
Derivatives	-	-	-	-	18	4	25	(4)	41	(30)
- revaluation	-	-	-	-	6	4	11	(16)	41	(30)
- unwind	-	-	-	-	12	-	14	12	-	-
Revaluation of PPE	-	-	1	2	1	-	-	-	-	-
Settlement pre-hedge contracts	1	1	(6)	-	-	-	-	-	-	-
Total comprehensive result	**1,445**	**467**	**849**	**1,034**	**701**	**537**	**316**	**132**	**(19)**	**(167)**
Return (% of time weighted average equity)										
Realised return from letting	3.2	3.1	3.6	4.6	4.1	5.1	5.0	4.8	4.4	3.8
Realised return from project development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	(0.1)	0.0
Unrealised return	18.7	4.5	11.4	18.4	16.3	14.2	7.0	1.0	(6.9)	(9.1)
Total operating return	21.9	7.6	15.0	23.0	20.4	19.3	12.0	6.0	(2.5)	(5.3)
Revaluation of derivatives and Other comprehensive income	0.1	-	(0.1)	-	0.5	0.2	1.0	(0.2)	1.7	(1.2)
Total comprehensive return	**22.0**	**7.6**	**14.9**	**23.0**	**20.9**	**19.5**	**13.0**	**5.8**	**(0.8)**	**(6.5)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Distribution to participants (€ million, unless otherwise stated)										
Opening equity	6,294	6,022	5,517	3,819	3,045	2,629	2,262	2,280	2,423	2,670
Time weighted average equity	6,589	6,169	5,708	4,481	3,350	2,766	2,426	2,284	2,364	2,571
Paid distribution*	186	195	344	415	206	121	107	100	74	120
Distribution as % of time weighted average equity	2.83	3.2	6.0	9.3	6.1	4.4	4.4	4.4	3.1	4.7
Distribution to participants (€ per participation)										
Opening equity	175.32	167.74	153.69	135.44	118.03	101.93	94.07	92.77	96.47	104.15
Time weighted average equity	183.55	171.85	159.01	158.92	129.88	107.23	100.91	92.93	94.09	100.27
Paid distribution based on number of participations at start of year*	5.19	5.42	9.58	14.72	7.98	4.71	4.43	4.07	2.95	4.68
Other										
Occupancy rate (%, year-end)	98.8	97.5	98.4	97.5	97.6	97.8	97.9	96.6	96.1	95.6
Employees (FTE, year-end)	217	217	194	188	176	181	179	189	227	253

* 2018 and 2019 figures include capital repayments related to portfolio sales.

Annex 2: Members of the Management Board and Management Team

The Management Board consists of Gertjan van der Baan (CEO) and Frits Vervoort (CFO).

Gertjan van der Baan (1968)

Chairman of the Management Board since 1 January 2014. Third term of office ends in December 2025.

As Chief Executive Officer, Gertjan van der Baan is responsible for portfolio strategy, acquisitions, HR Management, Corporate Communications & Marketing, Investor Relations and Corporate Sustainability & Social Responsibility.

Before joining Vesteda, Gertjan van der Baan was chairman of the Managing Board of Dutch residential property investor Nationaal Grondbezit (Nagron). Nagron is part of the Rotterdam-based investor Van Herk Group, where he also served as CEO from 2009. Prior to joining Van Herk Group, Gertjan van der Baan worked at merchant bank Kempen & Co in the field of Corporate Finance for close to nine years.

Other position: Chairman of the Board of Directors of IVBN.

Frits Vervoort (1962)

Member of the Management Board since 1 November 2016. Second term of office ends in October 2024.

As Vesteda CFO, Frits Vervoort's responsibilities include accounting, control & reporting, risk, legal/compliance, operations, IT and treasury.

Frits Vervoort has extensive background in finance and management and more than 10 years' experience as a CFO. His previous employers include Vedior, where he was CFO and a member of the Board of Management from 2001 to 2008, when Vedior was acquired by Randstad. Prior to joining Vesteda, Frits Vervoort was CFO and a member of the Executive Board of Grontmij.

In addition to Gertjan van der Baan and Frits Vervoort, the Management Team consists of Astrid Schlüter (COO), Pieter Knauff (CIO) and the HR Director (vacant position):

Astrid Schlüter (1969)

Astrid Schlüter joined Vesteda in 2013 as Property Management Director and was appointed as Operations Director in October 2016, followed by a promotion to COO in January 2021. Astrid Schlüter studied econometrics and started her career at accountancy firm EY. After EY, Astrid Schlüter worked at Jacobus Recourt, where she held the position of Managing Director/Owner in her last five years with the company.

Other position: member of the Supervisory Board of N.V. Zeedijk.

Pieter Knauff (1977)

Pieter Knauff joined Vesteda in 2015 and was appointed as Acquisitions Director in July 2016, followed by a promotion to CIO in January 2021. Before joining Vesteda, Pieter Knauff worked for over 10 years at Van Herk Group, where his last position was Chief Investment Officer. Pieter Knauff is a business economist and started his career at merchant bank Kempen & Co in the field of Corporate Finance and Equity Research (Property & Construction).

Annex 3: Members of the Supervisory Committee

Jaap Blokhuis (1958) - Chairman

Dutch. Former CEO of Multi Corporation and Redevco

Areas of expertise: real estate, investments, compliance, risk management.

Other positions: member of the Supervisory Board of Heembouw Holding B.V., member of the Supervisory Board of Vastned Retail N.V., advisor to Egeria Real Estate and advisor to Kubox B.V.

Hans Copier (1957)

Dutch. Former CEO of Propertize, former member of the European Executive Committee and Country Manager Netherlands of CBRE Global Investors.

Areas of expertise: management, real estate, finance, risk management and audit, compliance, personnel and organisation.

Other positions: member of the Supervisory Board of Green Real Estate and advisor to Pensioenfonds Rail & Openbaar Vervoer.

Seada van den Herik (1972)

Dutch. Managing Director of Onderlinge 's-Gravenhage. Former CEO of Zwitserleven and former board member of Vivat Verzekeringen.

Areas of expertise: personnel and organisation, customer management, finance, risk management.

Other positions: Managing Director of N.V. Levensverzekering-Maatschappij "De Hoop" and member of the advisory committee of Women in Financial Services.

Theo Eysink (1966)

Dutch. CFO KPN Business Market and former CFO Stork Technical Services Holding B.V.

Areas of expertise: risk management, audit, finance and compliance.

Other positions: member of the Supervisory Board and Audit Committee of Stedin Holding N.V.

Eva Klein Schiphorst (1964)

Dutch. Director Schiphol Area Development Company (SADC) and former Director of Public Buildings Business Unit of Royal HaskoningDHV.

Areas of expertise: real estate, energy transition, organisational development and project management.

Other position: member of the Supervisory Board of IPSE de Bruggen.

The table below provides an overview of the composition of the Supervisory Committee as per 16 March 2022 and the rotation schedule.

Name	Committee	Date of first appointment	End of current term
Jaap Blokhuis (Chairman)		11 September 2017	11 September 2025 (second term)
Hans Copier	Audit Committee	12 February 2016	12 February 2024 (second term)
Seada van den Herik	Chairman NomRem Committee	9 December 2015	9 December 2023 (second term)
Theo Eysink	Chairman Audit Committee	1 May 2019	1 May 2023 (first term)
Eva Klein Schiphorst	NomRem Committee	17 October 2019	17 October 2023 (first term)

All members of the Supervisory Committee are deemed independent.

Annex 4: GRI Content Index for 'In accordance' - Core

Unless otherwise indicated, all GRI Standards listed refer to the 2016 version of the Standards.

GRI Content Index Vesteda – Core

SRS	Disclosure	Reference
GRI 102: GENERAL DISCLOSURES		
1. Organisational profile		
102-1	Name of the organisation	Notes to the consolidated financial statements: Corporate information, p.86
102-2	Activities, brands, products, and services	Vesteda at a glance, p.7-9
102-3	Location of the organisation's headquarters	Notes to the consolidated financial statements: Corporate information, p.86
102-4	Number of countries operating	Vesteda operates exclusively in the Netherlands Vesteda at a glance, p.7-9
102-5	Nature of ownership and legal form	Notes to the consolidated financial statements, p.86
102-6	Markets served	Vesteda operates exclusively in the Netherlands Vesteda at a glance, p.7-9
102-7	Scale of the reporting organisation	Vesteda at a glance, p.7-9 Portfolio, p.17-23 Consolidated financial statements, p.82-83
102-8	Information on employees and other workers	Organisation and staff, p.25-28
102-9	Supply chain	Strategy and long-term objectives, p.10-11 Sustainability in the chain, p.53 Our impact on the Sustainable Development Goals (SDGs along our value chain), p.60
102-10	Significant changes to the organisation and its supply chain	In 2021, no significant changes have taken place in our organisation, in our supply chain, nor in our relationship with supply chain partners. Participants, p.24
102-11	Precautionary Principle or approach	Risk management, p.68-74
102-12	External initiatives	Financial and non-financial information: INREV Guidelines, p.77 Compliance and integrity, p.66-68 Corporate Sustainability and Social Responsibility (GRI, SDGs, GRESB), p.50-61 Sustainability in the chain, p.53
102-13	Memberships of associations	Dialogue with stakeholders, p.76
2. Strategy		
102-14	Statement from senior decision-maker	Foreword by the Management Board, p.5-6
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Our core values, p.10 Compliance and integrity, p.66-68
4. Governance		
102-18	Governance structure	Corporate Sustainability and Social Responsibility, p.50-61 Corporate governance, p.63-65
5. Stakeholder Engagement		
102-40	List of stakeholder groups	Dialogue with stakeholders, p.76
102-41	Collective bargaining agreements	Workforce, p.25-28
102-42	Identifying and selecting stakeholders	About this report, p.75-77

GRI Content Index Vesteda – Core

SRS	Disclosure	Reference
102-43	Approach to stakeholder engagement	Dialogue with stakeholders, p.76
102-44	Key topics and concerns raised	Dialogue with stakeholders, p.76
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	Basis of consolidation, p.87-88
102-46	Defining report content and topic Boundaries	About this report, p.75-77
102-47	List of material topics	About this report, p.75
102-48	Restatements of information	About this report, p.75
102-49	Changes in reporting	About this report, p.75
102-50	Reporting period	About this report, p.75
102-51	Date of most recent report	About this report, p.75
102-52	Reporting cycle	About this report, p.75
102-53	Contact point for questions regarding the report	Colophon, p.175
102-54	Claims of reporting in accordance with the GRI Standards	About this report, p.75
102-55	GRI Content Index	Annex 4: GRI Content Index, p.156-159
102-56	External assurance	Assurance report of the independent auditor, p.78-80
Topic Specific Standards		
Economic topics		
GRI 201: ECONOMIC PERFORMANCE 2016 (Economic performance)		
103-1	Explanation of the material topic and its Boundary	Strategy and long-term objectives, p.10-11 Notes to the results, p.31-34
103-2	The management approach and its components	Strategy and long-term objectives, p.10-11 Notes to the results, p.31-34 Corporate governance, p.63-65
103-3	Evaluation of the management approach	Corporate governance, p.63-65 Report of the Supervisory Committee, p.42-49
201-1	Direct economic value generated or distributed	Consolidated statement of profit or loss and other comprehensive income, p.82
GRI 205: ANTI-CORRUPTION 2016 (Business integrity and compliance)		
103-1	Explanation of the material topic and its Boundary	Compliance and integrity: The role of compliance in the organisation, p.66 Compliance and integrity: Compliance focal points 2021, p.67-68 About this report, p.75-77
103-2	The management approach and its components	Compliance and integrity, p.66-68
103-3	Evaluation of the management approach	Compliance and integrity: Compliance focal points 2021, p.67-68
205-2	Communication and training about anti-corruption policies and procedures	Sustainability in the chain, p.53 Compliance and integrity: Vesteda's view on compliance and integrity, p.66-67 Not applicable: As adherence to the code of conduct is expected from all employees, including management and members of the supervisory committee, a breakdown into employee category is not considered steering-relevant. Training on anti-corruption is not given, as employees are expected to read and adhere to the code of conduct which is descibed elaborately.

GRI Content Index Vesteda – Core

SRS	Disclosure	Reference
205-3	Confirmed incidents of corruption and actions taken	Compliance and integrity: Vesteda's view on compliance and integrity, p.66-67
Own indicator	Insight into corporate governance	Report of the Supervisory Committee, p.42-49 Corporate Governance, p.63-65 Compliance and integrity, p.66-68 Legal structure, p.62
Environmental topics		
GRI 305: EMISSIONS 2016 (Sustainable business operations)		
103-1	Explanation of the material topic and its Boundary	Strategy and long-term objectives, p.10-11 Environmental - Improve sustainable performance, p.51-58
103-2	The management approach and its components	Strategy and long-term objectives, p.10-11
103-3	Evaluation of the management approach	Measuring and managing resource consumption, p.55
305-4	GHG emissions intensity	CO_2 footprint, p.53-58
305-5	Reduction of GHG emissions	CO2 footprint, p.53-58
Own indicator	Circularity in business operations	Circularity, p.54
Social topics		
GRI 416: CUSTOMER HEALTH AND SAFETY 2016 (Healthy and safe homes)		
103-1	Explanation of the material topic and its Boundary	Healthy and safe homes, p.52
103-2	The management approach and its components	Healthy and safe homes, p.52 Strategic project: Health & Well-being, p.59
103-3	Evaluation of the management approach	Healthy and safe homes, p.52
416-1	Assessment of the health and safety impacts of product and service categories	Healthy and safe homes, p.52
Other for Vesteda material indicators that are not included in the topic specfic GRI indicators		
Tenant satisfaction		
103-1	Explanation of the material topic and its Boundary	Focus on tenant satisfaction, p.13 Tenant satisfaction surveys, p.15-16
103-2	The management approach and its components	Focus on tenant satisfaction, p.13 Tenant satisfaction surveys, p.15-16
103-3	Evaluation of the management approach	Tenant satisfaction surveys, p.15-16 Management agenda 2022, p.36-38
Own indicator	Tenant satisfaction	Tenant satisfaction surveys, p.15-16
Sustainable Portfolio		
103-1	Explanation of the material topic and its Boundary	Environmental - Improve sustainable performance, p.51-59
103-2	The management approach and its components	Environmental - Improve sustainable performance, p.51-59
103-3	Evaluation of the management approach	Environmental - Improve sustainable performance, p.51-59 Management Report: Management agenda 2022, p.36-38

GRI Content Index Vesteda – Core

SRS	Disclosure	Reference
GRI CRE8: Products and Service Labelling	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	Environmental - Improve sustainable performance, p.51-59 Corporate Sustainability and Social Responsibility: Measuring and managing resource consumption, p.55 Strategic project: portfolio sustainability improvement, p.51-52
Own indicator	Number and discription of sustainalibity innovations	Overview energy performance measures, p.51
Affordable Housing		
103-1	Explanation of the material topic and its Boundary	Strategy and long-term objectives, p.10-11 The outlook for 2022, p.34-36 Management Agenda 2022 - Portfolio, p.37
103-2	The management approach and its components	The outlook for 2022, p.34-36 Tenants: Affordability, p.14 Portfolio: Segmentation, p.17-18 Management Agenda 2022 - Portfolio, p.37
103-3	Evaluation of the management approach	The outlook for 2022, p.34-36 Tenants: Affordability, p.14 Management Agenda 2022 - Portfolio, p.37
Own indicator	Percentage of portfolio in mid-rental segment	Portfolio, p.17-23
Own indicator	Percentage of acquisitions in mid-rental segment	Portfolio, p.17-23
Employee engagement		
103-1	Explanation of the material topic and its Boundary	Strategy and long-term objectives: Organisation and staff, p.11 Management agenda 2022: Organisation and staff, p.38 Risk: Insufficient experience and capabilities within the organisation, p.73-74
103-2	The management approach and its components	Strategy and long-term objectives: Organisation and staff, p.11 Workforce, p.25-28 Management agenda 2022: Organisation and staff, p.38 Risk: Insufficient experience and capabilities within the organisation, p.73-74
103-3	Evaluation of the management approach	Strategy and long-term objectives: Organisation and staff, p.11 Workforce, p.25-28 Management agenda 2022, p.38 Risk: Insufficient experience and capabilities within the organisation, p.73-74
Own indicator	Employee turnover rate	Workforce, p.27
Own indicator	High Performance Organisation score	Organisation and staff, p.25-28

Annex 5: TCFD recommended disclosure

Topic		Disclosure	Page
Governance	a	Describe board's oversight of climate related risks & opportunities	69
	b	Describe management's role in assessing and managing climate-related risks & opportunities	69
Strategy	a	Describe the climate related risks & opportunities the organization has identified over the short, medium and long term	53, 57-58
	b	Describe the impact of climate related risks and opportunities on the organisation's business, strategy & financial planning	50-51
	c	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	53, 57-58
Risk management	a	Describe the organisation's processes for identifying and assessing climate-related risks	68-70
	b	Describe the organisation's processes for managing climate-related risks	72
	c	Describe how processes for identifying, assessing, and managing climate-related risks are integrated in the organisation's overall risk management	71-72

Annex 6: Composition of the investment portfolio

Key

City, Street, Name of complex, Province (**GR**=Groningen, **FR**=Friesland, **DR**=Drenthe, **OV**=Overijssel, **GD**=Gelderland, **UT**=Utrecht, **FL**=Flevoland, **NH**=Noord-Holland, **ZH**=Zuid-Holland, **NB**=Noord-Brabant, **ZL**=Zeeland, **LB**=Limburg), Construction year (the year before the first year of full letting).

LAND Owned versus leased (**O**=Owned, **LH**=Leasehold) | **RS** Rental segment (**M**=Mid, **RM**=Regulated mid, **R**=Regulated, **H**=High) | **R** Region (**P**=Primary, **S**=Secondary, **O**=Other) | **U** Number of residential properties (units) | **SF** Number of single-family residential properties (units) | **MF** Number of multi-family residential properties (units) | **UA** Useable area of the residential properties (sqm x 100) | **COG** Commercial space (sqm x 100) | **P** Parking and garage spaces (units).

City, Street, Name, Province, Construction year	LAND	RS	R	U	SF	MF	UA	COG	P
Aalsmeer, Marconistraat, Proosdij, NH, 1983	O	M	P	4	4	-	4	-	-
Abcoude, Broekzijdselaan, Fluitekruid App. I, UT, 1989	O	M	P	23	-	23	18	-	-
Abcoude, Broekzijdselaan, Fluitekruid I, UT, 1989	O	H	P	31	31	-	34	-	-
Abcoude, Ereprijs, Fluitekruid App. II, UT, 1989	O	M	P	25	-	25	20	-	-
Abcoude, Ereprijs, Fluitekruid II, UT, 1989	O	M	P	50	50	-	48	-	-
Alkmaar, Braspenningstraat E.A. 58-261, NH, 1988	O	M	P	42	42	-	45	-	-
Alkmaar, Daalderstraat, Daalderstraat E.A. 58-80, NH, 1985	O	M	P	85	85	-	88	-	-
Almere, Azaleastraat, Bloemenbuurt, FL, 1990	O	M	P	59	59	-	67	-	-
Almere, Bankierbaan, Bankierbaan, FL, 1988	O	M	P	100	-	100	91	-	-
Almere, Cypergrasweg, Kruidenwijk, FL, 1988	LH	M	P	84	84	-	97	-	-
Almere, De Hoopstraat, Oostvaardersbuurt, FL, 2001	O	M	P	42	42	-	55	-	-
Almere, Drijfanker., Poolanker 22-560, FL, 2006	O	M	P	50	50	-	73	-	-
Almere, Elzenstraat, Parkwijk, FL, 1995	O	M	P	62	62	-	85	-	-
Almere, Fugaplantsoen, Muziekwijk Rondostraat, FL, 1992	O	M	P	25	25	-	33	2	-
Almere, Gaffel, Noorderplassen, FL, 2004	O	M	P	32	32	-	49	-	-
Almere, Harderwijkoever, Boulevardflat, FL, 1984	O	M	P	125	-	125	105	-	125
Almere, Havenhoofd, Havenhoofd, FL, 1986	O	M	P	47	-	47	47	-	-
Almere, J.J. Slauerhoffstraat, Literatuurwijk, FL, 1998	O	M	P	38	38	-	47	-	-
Almere, Jacques Tatilaan, Filmwijk, FL, 1998	O	M	P	90	90	-	114	-	-
Almere, Koetsierbaan, Side by Side toren I, FL, 2007	O	H	P	5	-	5	6	-	4
Almere, Koetsierbaan, Side by Side toren II, FL, 2007	O	M	P	82	-	82	83	1	88
Almere, Marktmeesterstraat, Marktmeesterstraat, FL, 1988	O	M	P	18	-	18	16	-	-
Almere, Marktmeesterstraat, U Blok - Centrum, FL, 1988	O	M	P	104	-	104	92	-	87
Almere, Messiaenplantsoen, Messiaenplantsoen, FL, 1990	O	M	P	52	-	52	42	-	1
Almere, Nova Zemblastraat, Eilandenbuurt, FL, 2003	O	M	P	43	43	-	49	-	-
Almere, Oktoberstraat, Seizoenenbuurt, FL, 1999	O	M	P	40	40	-	45	-	-
Almere, Preludeweg, Muziekwijk Preludeweg, FL, 1994	O	M	P	115	115	-	145	-	-
Almere, Rozemarijnstraat, Pimpernelstraat E.A. 58-123, FL, 1986	O	M	P	51	51	-	58	1	-
Almere, Septemberstraat 58-450, FL, 1999	O	M	P	32	32	-	35	-	-
Almere, Soerabajastraat, Bandoengplantsoen E.A. 58-537, FL, 2005	O	M	P	62	62	-	74	-	-
Almere, Tjeukemeerstraat, Waterwijk, FL, 1983	O	M	P	19	19	-	20	-	-
Almere-Stad, Quickstepstraat, Danswijk, FL, 1999	O	M	P	31	31	-	34	-	-
Alphen aan den Rijn, Klaverhof, Klaverhof 58-102, ZH, 1975	O	M	P	85	-	85	84	-	-
Amersfoort, Amsterdamseweg, Puntenburg Hoogbouw, UT, 2011	O	H	P	49	-	49	58	2	53
Amersfoort, Blekerssingel, Willem III Swaenenborgh, UT, 1988	O	M	P	13	-	13	11	-	-

Amersfoort, Blekerssingel, Willem III, UT, 1988	O	M	P	18	-	18	15	-	-
Amersfoort, Bombardonstraat, Zielhorst App., UT, 1990	O	M	P	36	-	36	29	-	-
Amersfoort, Bombardonstraat, Zielhorst, UT, 1990	O	M	P	20	20	-	20	-	-
Amersfoort, Bruggensingel-Zuid, Kattenbroek App., UT, 1991	O	M	P	55	-	55	53	-	-
Amersfoort, Drapiersgilde, Zeven Provinciën, UT, 2004	O	H	P	58	-	58	66	-	-
Amersfoort, Grenspolder, Duifpolder 58-548, UT, 2005	O	M	P	28	28	-	32	-	-
Amersfoort, Juliettestraat, Schuilenburg, UT, 1969	O	M	P	116	116	-	142	-	50
Amersfoort, Kasteel, Kattenbroek, UT, 1991	O	M	P	79	79	-	106	-	-
Amersfoort, L. Costerplein, L.Costerplein 55-52, UT, 1936	O	R	P	1	1	-	2	-	-
Amersfoort, Sint Ansfridusstraat 58-238, UT, 1976	O	R	P	48	-	48	23	-	-
Amersfoort, Stephensonstraat-Voltastr 58-31, UT, 1936	O	M	P	1	1	-	1	-	-
Amersfoort, Stuurboord, Kattenbroek Eiland, UT, 1993	O	M	P	101	101	-	139	-	-
Amersfoort, Zeeuwsestraat, Puntenburg Laagbouw, UT, 2010	O	H	P	59	-	59	57	-	59
Amstelveen, Adriaen van Ostadelaan 55, NH, 1955	O	R	P	5	4	1	4	-	-
Amstelveen, Brantwijk, Brantwijk 58-601, NH, 1958	O	M	P	8	8	-	9	-	3
Amstelveen, Brink, Brink-Melkweg App. 58-287, NH, 1989	O	M	P	66	-	66	48	-	-
Amstelveen, Fideliolaan, Fideliolaan 58-111, NH, 1974	O	R	P	105	-	105	55	-	-
Amstelveen, Groenhof, Cirrus, NH, 1972	O	M	P	55	-	55	46	-	11
Amstelveen, Groenhof, Stratus, Multatuli, Meridiaan, NH, 1974	O	M	P	117	-	117	97	-	21
Amstelveen, Melkweg-Grote Beer 58-296, NH, 1989	O	M	P	50	50	-	53	-	-
Amstelveen, Mr. Rendorplaan, V.D.Hoochlaan E.A. 55-72, NH, 1937	O	H	P	1	1	-	2	-	1
Amstelveen, Schokland, Schokland 58-141, NH, 1971	O	R	P	96	-	96	47	-	-
Amstelveen, Westwijkplein, Westwijk 60-392, NH, 1994	O	M	P	51	-	51	49	-	-
Amstelveen, Westwijkplein, Westwijkplein 781, NH, 2016	O	H	P	20	-	20	19	-	-
Amstelveen, W. Borsselenweg, Waverenstr. E.A. 58-65, NH, 1936	O	H	P	93	93	-	83	1	5
Amsterdam, Amstelboulevard 58-511, NH, 2002	O	H	P	25	-	25	36	-	21
Amsterdam, Amstelboulevard, Omval, MGW-COG 34-419, NH, 1997	O	H	P	95	-	95	94	7	-
Amsterdam, B. Merkelbachsingel, 14Noord, NH, 2015	LH	H	P	14	-	14	13	-	-
Amsterdam, Bart de Ligtstraat, Julianapark App., NH, 1991	LH	H	P	186	-	186	155	-	-
Amsterdam, Bart de Ligtstraat, Julianapark, NH, 1991	LH	H	P	40	40	-	51	-	16
Amsterdam, Bert Haanstrakade, IJzicht, NH, 2009	LH	H	P	120	-	120	149	10	128
Amsterdam, Bijlmerdreef, Gerenstein-Gallery, NH, 2007	LH	M	P	96	-	96	94	-	-
Amsterdam, Boeierstraat, Steigereiland De Tjalk, NH, 2010	LH	H	P	26	-	26	32	7	46
Amsterdam, Bonhoeffersingel, M Akerveldsepolder App. I, NH, 1989	LH	M	P	48	-	48	36	-	-
Amsterdam, Bonhoeffersingel, M Akerveldsepolder I, NH, 1989	LH	M	P	160	160	-	184	-	-
Amsterdam, Cas Oorthuyskade, De Waterlinie, NH, 2004	LH	H	P	41	-	41	44	4	59
Amsterdam, Ceramiquelaan, De Zeearend, NH, 2012	LH	H	P	9	-	9	10	-	16
Amsterdam, Churchilllaan, Churchilllaan Amsterdam, NH, 1926	LH	H	P	172	-	172	138	13	-
Amsterdam, C. Outshoornstraat, De Drie Bouwmeesters, NH, 2006	LH	H	P	37	37	-	51	-	-
Amsterdam, De Boelelaan, De Boel, NH, 1963	LH	H	P	154	-	154	112	32	13
Amsterdam, Diopter, Diopter, NH, 1998	LH	H	P	53	53	-	66	-	-
Amsterdam, Galjootstraat, Steigereiland De Klipper, NH, 2009	LH	H	P	59	-	59	59	-	68
Amsterdam, Gustav Mahlerlaan, New Amsterdam, NH, 2008	LH	H	P	171	-	171	204	32	-
Amsterdam, Hammarbystraat, De Willem Barentsz, NH, 2012	LH	H	P	13	-	13	14	-	14
Amsterdam, Henri Dunantstraat, De Dunant, NH, 2017	LH	H	P	73	23	50	73	-	22
Amsterdam, Hooivletstraat, Steigereiland Schoener, NH, 2009	LH	H	P	59	-	59	59	-	68
Amsterdam, Huddekade, Huddekade 58-676, NH, 2008	O	H	P	19	-	19	18	-	-
Amsterdam, IJburglaan, Blok 4 App., NH, 2003	LH	H	P	26	-	26	34	-	26

Amsterdam, IJburglaan, Blok 4 Maisonnettes, NH, 2005	LH	H	P	11	-	11	24	-	11
Amsterdam, IJburglaan, De Ontdekking, NH, 2008	LH	H	P	43	-	43	47	-	43
Amsterdam, IJburglaan, De Uitkijk, NH, 2005	LH	H	P	31	-	31	37	-	34
Amsterdam, J.P. Kloosstraat, De Hagen, NH, 2016	LH	H	P	64	-	64	55	-	64
Amsterdam, Jean Desmetstraat, Jean Desmetstraat, NH, 2008	LH	H	P	12	12	-	14	-	12
Amsterdam, Joan Muyskenweg, Joan Muyskenweg 1, NH, 2018	LH	H	P	191	-	191	134	-	101
Amsterdam, Johan Huizingalaan, Huizingalaan, NH, 1990	LH	M	P	167	-	167	149	-	143
Amsterdam, John Blankensteinstraat, De Generaal, NH, 2015	LH	H	P	56	-	56	44	-	45
Amsterdam, Julianaplein, Amstel Tower, NH, 2017	LH	RM	P	192	-	192	94	-	-
Amsterdam, Mijndenhof, Mijndenhof, NH, 1984	LH	M	P	109	109	-	102	-	-
Amsterdam, Olympiaplein, Olympiaplein, NH, 1926	LH	H	P	29	-	29	27	-	-
Amsterdam, Omval Parkeergarage 34-427, NH, 1997	O	N/A	P	-	-	-	-	-	87
Amsterdam, Omval, Staalmeesters 58-420, NH, 1997	O	H	P	21	-	21	24	-	24
Amsterdam, Overhoeksparklaan, De Europa, NH, 2011	LH	H	P	61	-	61	72	-	91
Amsterdam, Parkeergarage Huddekade 58-677, NH, 2008	O	N/A	P	-	-	-	-	-	50
Amsterdam, Parkeergarage Nieuw Amerika, NH, 2006	LH	N/A	P	-	-	-	-	-	291
Amsterdam, Peelstraat, De Miranda, NH, 1998	O	H	P	90	-	90	91	34	92
Amsterdam, Pieter Calandlaan, Calandtoren, NH, 2004	LH	M	P	65	-	65	62	16	63
Amsterdam, Pieter Postpad, De Drie Bouwmeesters App., NH, 2006	LH	M	P	46	-	46	43	-	48
Amsterdam, President Kennedylaan, Kennedylaan, NH, 1939	LH	M	P	8	-	8	6	-	-
Amsterdam, Prof. Tulpstraat Even 58-436, NH, 1900	O	H	P	7	-	7	11	-	-
Amsterdam, Prof. Tulpstraat Oneven 58-435, NH, 1900	O	H	P	8	-	8	7	-	-
Amsterdam, Purperhoedenveem, Boston, NH, 2006	LH	H	P	90	-	90	95	-	-
Amsterdam, Purperhoedenveem, Detroit, NH, 2004	LH	H	P	81	-	81	107	24	-
Amsterdam, R. Bloemgartensingel, M Akerveldsepolder, NH, 1990	LH	M	P	48	-	48	36	-	-
Amsterdam, R. Bloemgartensingel, M Akerveldsepolder, NH, 1990	LH	M	P	177	177	-	226	-	-
Amsterdam, Spakenburgstraat, Reigersbos, NH, 1984	LH	M	P	153	153	-	144	-	-
Amsterdam, Surinameplein 37, 51 2-21, NH, 1959	LH	R	P	24	-	24	14	-	-
Amsterdam, Surinameplein 55 58-608, NH, 1959	LH	R	P	144	-	144	44	-	-
Amsterdam, Surinameplein, NH, 1962	LH	N/A	P	-	-	-	-	14	-
Amsterdam, Surinameplein, NH, 1962	LH	N/A	P	-	-	-	-	37	-
Amsterdam, Surinameplein, NH, 1962	LH	N/A	P	-	-	-	-	8	-
Amsterdam, Vaartstraat, Schinkelhof, NH, 2017	O	M	P	64	-	64	42	11	37
Amsterdam, Westerdok, Westerdoksdyk 58-618, NH, 2007	LH	H	P	123	-	123	118	-	140
Amsterdam, Wethouder Driessenstraat, Wethouderbuurt, NH, 1987	LH	M	P	155	155	-	179	-	-
Amsterdam, Wethouder Tabakstraat, Wethouderbuurt, NH, 1986	LH	M	P	178	178	-	191	1	-
Amsterdam, Wolbrantskerkweg, De Drie Wachters, NH, 2005	LH	R	P	73	-	73	64	-	54
Anna Paulowna, Meerkoetstraat E.A. 58-117, NH, 1981	O	R	O	44	44	-	50	-	-
Apeldoorn, Disselhof, De Stadhouder, GD, 2009	O	M	P	76	-	76	89	-	117
Apeldoorn, Pascalstraat, Pascalstr.-Sluisoordln. 58-24, GD, 1968	O	M	P	2	2	-	2	-	-
Arnhem, Arcadiastraat, Parnassushof, GD, 2017	O	M	P	54	54	-	60	-	-
Arnhem, Boreasplantsoen, Lunahof, GD, 2016	O	M	P	31	31	-	37	-	26
Arnhem, Bredasingel, Bredasingel E.A. 58-109, GD, 1977	O	M	P	38	38	-	47	-	3
Arnhem, Callunastraat, Callunastraat 55-53, GD, 1930	O	R	P	1	1	-	1	-	-
Arnhem, Castorstraat, Helioshof, GD, 2015	O	M	P	29	29	-	32	-	29
Arnhem, Drentesingel, Vredenburg, GD, 1974	O	M	P	111	111	-	140	-	5
Arnhem, Ginnekenstraat, Kroonse Wal, GD, 1988	O	M	P	30	-	30	26	-	-
Arnhem, Helenastraat, Helenahof, GD, 2019	O	M	P	20	20	-	24	-	-

Arnhem, Helenastraat, Helenatoren, GD, 2019	O	M	P	35	-	35	27	-	-
Arnhem, Hoogstedelaan, Hoogstedelaan E.A. 55-50, GD, 1934	O	R	P	1	1	-	1	-	-
Arnhem, Kluizeweg, Kluizeweg 58-598, GD, 1962	O	R	P	60	-	60	50	-	23
Arnhem, Veerpolderstraat, Aan de Rijn, GD, 2017	O	M	P	94	-	94	80	-	112
Assen, Boergoorn, Marsdijk, DR, 1990	O	M	S	23	23	-	29	-	-
Assen, Bovist, Diepstroeten, DR, 2017	O	M	S	45	45	-	54	-	-
Assen, Groenkampen, Peelo, DR, 1986	O	M	S	30	30	-	37	-	-
Assen, Zuidhaege, Zuidhaege, DR, 1997	O	M	S	60	-	60	57	-	56
Badhoevedorp, Dellaertlaan, Egelantierstraat E.A. 58-21, NH, 1970	O	M	P	71	71	-	91	-	23
Badhoevedorp, Fazantstraat 58-602, NH, 1956	O	M	P	2	2	-	3	-	-
Badhoevedorp, Keesomstraat E.A. 55-42, NH, 1960	O	M	P	2	2	-	2	-	-
Bergen op Zoom, Ansjovislaan, De Weer I, NB, 1994	O	M	S	20	-	20	22	-	24
Bergen op Zoom, Ansjovislaan, De Weer II, NB, 1994	O	M	S	76	-	76	84	-	84
Bergen op Zoom, Ansjovislaan, Laguna, NB, 2008	O	M	S	33	-	33	35	-	34
Bergen op Zoom, Ansjovislaan, Villa Murano, NB, 2008	O	M	S	17	-	17	18	-	17
Bergen op Zoom, Fort Moermont, Leemberg, NB, 1975	O	R	S	21	21	-	19	-	-
Bergen op Zoom, Schoudee, Bergse Plaat Duvenee, NB, 1991	O	M	S	92	92	-	111	-	-
Breda, Argusvlinder, Argusvlinder, NB, 1999	O	R	P	64	-	64	42	-	-
Breda, Blauwtjes, Blauwtjes, NB, 1999	O	M	P	36	-	36	33	-	41
Breda, Joh. van Polanentoren, De Stads- & Pleinwachter, NB, 2016	O	M	P	75	-	75	69	-	75
Breda, Lachappellestraat, Lachappellestraat, NB, 1961	O	R	P	21	-	21	14	-	8
Breda, Lovensdijkstraat COG, Vredenbergh, NB, 2001	LH	N/A	P	102	-	102	-	17	56
Breda, Lovensdijkstraat, Nieuw Vredenbergh, NB, 2011	O	H	P	124	-	124	148	-	138
Breda, Markhoek, Marckhoek, NB, 2014	O	H	P	23	-	23	27	-	25
Breda, Nonnenveld, Het Paleis, NB, 2005	O	H	P	47	-	47	63	-	47
Breda, Terheijdenstraat, Drie Hoefijzers, NB, 2010	O	H	P	42	-	42	49	-	46
Bunnik, Esdoorn, Dalenoord, UT, 1989	O	M	P	15	15	-	14	-	-
Bunnik, Koekoeksbloem, Dalenoord App., UT, 1989	O	M	P	16	-	16	12	-	-
Bussum, Bijenschans, Byenschans E.A. 55-10, NH, 1962	O	R	P	6	6	-	6	-	-
Bussum, Brinklaan, Brinklaan 773, NH, 2016	O	M	P	54	-	54	42	-	54
Bussum, Cacaostraat, Bensdorp, NH, 2019	O	M	P	40	-	40	31	-	40
Bussum, Pr. Beatrixplantsoen 55-13, NH, 1938	O	H	P	1	1	-	2	-	-
Capelle a/d IJssel, Doelen, Doelen en Louvre, ZH, 1983	O	M	P	72	72	-	71	-	-
Capelle a/d IJssel, Hermitage, Hermitage, ZH, 1983	O	M	P	49	49	-	48	-	-
Capelle a/d IJssel, Rigoletto, Louvre/Rigoletto, ZH, 1983	O	M	P	41	-	41	31	-	-
Capelle a/d IJssel, Slotplein, Slotplein, ZH, 1997	O	M	P	80	-	80	86	-	-
Capelle a/d IJssel, Wijde Wormer, Wijde Wormer 766, ZH, 2009	O	M	P	85	-	85	89	-	35
Castricum, Belle van Zuylenlaan E.A. 58-271, NH, 1988	O	M	P	53	53	-	57	-	-
Castricum, H.R. Holststraat E.A. 58-311, NH, 1991	O	M	P	30	30	-	37	-	-
Castricum, Margaret Krophollerlaan 58-466, NH, 2001	O	M	P	21	21	-	23	-	-
Castricum, Tolweid, Tolweid 58-118, NH, 1984	O	M	P	47	47	-	45	-	-
Culemborg, Loek van Ierselstraat, Parijsch, GD, 2019	O	M	S	42	42	-	45	-	-
De Meern, Molenpolder, Meiborg, UT, 2003	O	H	P	28	-	28	43	-	42
De Meern, Molenpolder, Weideborg, UT, 2003	O	M	P	32	-	32	33	2	31
De Meern, Spinsterlaan, Gouvernantelaan E.A. 58-120, UT, 1986	O	M	P	28	28	-	28	-	-
Den Bosch, Antoon der Kinderenlaan, Amazones, NB, 2014	O	H	P	42	-	42	49	-	63
Den Bosch, Gheert van Calcarplein, Pelssingel 768, NB, 2010	O	M	P	14	-	14	13	-	10
Den Bosch, Goudsbloemvallei, Goudsbloem, NB, 2017	O	M	P	25	-	25	24	-	38

Den Bosch, Harteveldstede, Maaspoort, NB, 1987	O	M	P	48	48	-	45	-	-
Den Bosch, Hofvijver, Jheronimus, NB, 2014	O	H	P	44	-	44	45	-	48
Den Bosch, Pisastraat, Pisastaete, NB, 1989	O	M	P	57	-	57	46	-	72
Den Haag, Abdijbrink, De Brinken, ZH, 1975	O	M	P	224	224	-	273	-	-
Den Haag, Domburglaan, Westkapellelaan, ZH, 1972	O	M	P	96	-	96	79	-	25
Den Haag, Prins Willem-Alexanderweg, La Fenêtre, ZH, 2005	LH	H	P	33	-	33	42	-	49
Den Haag, Slachthuisstraat, Piazza, ZH, 1998	LH	M	P	73	-	73	65	-	58
Den Haag, Van Hogenhoucklaan, Hubertusstaete, ZH, 2010	O	H	P	2	-	2	3	-	3
Den Haag, Van Montfoortlaan 58-87, ZH, 1958	O	M	P	36	-	36	38	-	4
Deventer, Bitterzoet, Colmschate II, OV, 1984	O	M	P	39	39	-	45	-	-
Deventer, Bonte salie, Colmschate I, OV, 1984	O	M	P	59	59	-	67	-	-
Diemen, Diemerplein, Diemerplein 58-717, NH, 2012	O	M	P	23	-	23	20	-	-
Diemen, Groote Peel, Biesbosch, NH, 1978	O	H	P	117	117	-	151	-	-
Diemen, Hartschelp, Hartschelp, NH, 1983	O	M	P	62	62	-	66	-	-
Diemen, Ouddiemerlaan 301, 349, 343 8-99, NH, 2012	O	H	P	22	-	22	24	-	-
Diemen, Ouddiemerlaan App. 58-59, NH, 1969	O	M	P	87	-	87	76	-	20
Diemen, Ouddiemerlaan, De Diemer, NH, 2017	O	M	P	98	-	98	75	-	98
Diemen, Polderland, Polderland, NH, 1986	O	M	P	169	169	-	183	-	-
Diemen, Punt Sniep, Punt Sniep, NH, 2020	O	M	P	202	-	202	168	5	207
Doetinchem, Boekweitdreef, De Huet, GD, 1983	O	M	S	47	47	-	52	-	-
Doetinchem, Boerhaavelaan, Boerhaavelaan, GD, 1974	O	M	S	105	105	-	135	-	-
Dordrecht, Atmosfeerstraat E.A. 58-130, ZH, 1970	O	M	P	51	51	-	76	-	18
Dordrecht, Cereslaan, Cereslaan E.A. 58-75, ZH, 1970	O	M	P	95	95	-	123	-	22
Dordrecht, Piet Heynstraat, Tromppark, ZH, 2020	O	M	P	40	40	-	56	-	-
Dordrecht, Spuiboulevard, Paradium 3, ZH, 1967	O	M	P	62	-	62	53	-	-
Dordrecht, Van Ravesteyn-erf, Groene Oever, ZH, 1997	O	M	P	84	-	84	77	-	-
Driebergen, Park Seminarie 58-26, UT, 1987	O	M	S	124	-	124	105	-	-
Ede, Bergansiuslaan, Kazerneterrein, GD, 2018	O	M	P	37	-	37	36	-	7
Ede, Pomphuislaan, Pomphuislaan 758, GD, 2014	O	M	P	31	31	-	37	-	-
Eindhoven, Opwettensemolen I, NB, 1986	O	M	P	1	1	-	1	-	-
Eindhoven, Bosuil, Milestone, NB, 2020	O	M	P	30	-	30	35	9	32
Eindhoven, Cassandraplein, De Ranken, NB, 2008	O	H	P	25	25	-	24	-	-
Eindhoven, Generaal Marshallweg, Rapenland, NB, 1984	O	M	P	54	-	54	39	-	-
Eindhoven, Generaal Stedmanstraat, Stedman Staete, NB, 1984	O	R	P	36	-	36	40	-	36
Eindhoven, Monseigneur Swinkelsstraat, Kloosterdreef, NB, 2008	O	H	P	178	-	178	133	-	112
Eindhoven, Opwettensemolen II, NB, 1988	O	M	P	18	-	18	15	-	-
Eindhoven, Opwettensemolen, Woenselse Watermolen, NB, 1988	O	M	P	202	202	-	243	-	-
Eindhoven, Picushof, Picushof App., NB, 2001	O	M	P	36	-	36	33	-	-
Eindhoven, Picushof, Picushof, NB, 2001	O	M	P	22	22	-	27	-	-
Eindhoven, Tesselschadelaan, Granida, NB, 2004	O	H	P	20	-	20	20	-	34
Eindhoven, Venbergsemolen, Venbergsemolen, NB, 1989	O	M	P	134	-	134	113	-	-
Eindhoven, Vestdijk, Vestedatoren, NB, 2006	O	H	P	12	-	12	16	9	30
Emmen, Eidereend, Eendenveld, DR, 1990	O	M	O	33	33	-	34	-	-
Enschede, H.J. van Heekplein, Twentec, OV, 2003	O	M	P	87	-	87	90	9	-
Enschede, Walkottelanden, Stroinkslanden, OV, 1982	O	M	P	29	29	-	31	-	-
Etten Leur, Artezielaan, Markenland E.A. 58-93, NB, 1973	O	M	S	90	90	-	114	-	-
Etten Leur, Beiaard, Beiaard E.A. 58-149, NB, 1974	O	M	S	88	88	-	97	-	36
Geldrop, Herdersveld, Grote Bos, NB, 1978	O	M	S	45	45	-	46	-	-

Gorinchem, A.B. Corneliszstraat 775, ZH, 2016	O	M	S	29	29	-	32	-	-
Gorinchem, Adjudant, Hoog Dalem, ZH, 2019	O	M	S	40	40	-	47	-	-
Gouda, Welgelegen, Westergouwe, ZH, 2019	O	M	P	71	71	-	83	-	-
Groesbeek, Bachstraat, Bachstraat 58-600, GD, 1976	O	M	O	48	48	-	63	-	12
Groningen, Bloemersmaborg, Klein Martijn, GR, 1997	O	M	P	28	-	28	29	-	-
Groningen, Eelkemastraat, Kolenpark, GR, 2019	O	M	P	139	-	139	94	-	70
Groningen, Reitdiephaven, Reitdiep Haven, GR, 2010	O	M	P	47	-	47	45	-	49
Groningen, Steenhouwerskade, Zuiderhavenring I, GR, 1982	O	M	P	53	-	53	47	-	92
Groningen, Steenhouwerskade, Zuiderhavenring II, GR, 1983	O	M	P	70	-	70	56	-	-
Groningen, Van Drielstlaan, Hoogkerk, GR, 1976	O	R	P	72	72	-	74	-	10
Groningen, Van Goghstraat, Waterrand, GR, 1994	O	M	P	72	-	72	59	-	74
Haarlem, Marsstraat, Marsstraat 55-60, NH, 1937	O	R	P	2	2	-	3	-	-
Haarlem, Spijkerboorweg, Tango, NH, 2017	O	M	P	55	-	55	53	-	55
Haarlemmermeer, Warande, Warande, NH, 1969	O	M	P	23	23	-	26	-	10
Harderwijk, Beugpad, Schippersmeen E.A. 58-97, GD, 1974	O	M	S	105	105	-	135	-	60
Heemskerk, A. Poelmanstraat-Calcarstr. 58-154, NH, 1987	O	M	P	45	45	-	49	-	-
Heemstede, Alberdinck Thijmlaan 55-96, NH, 1938	O	H	P	1	1	-	1	-	-
Heemstede, Floradreef, Prinseneiland, NH, 1990	O	M	P	38	38	-	43	-	-
Heerenveen, Barten, Nye Haske, FR, 1987	O	M	O	69	69	-	80	-	-
Heerhugowaard, Dampkring, Dampkring 762, NH, 2016	O	M	S	48	-	48	48	-	-
Heerhugowaard, Dotterbloem erf, De Draai, NH, 2019	O	M	S	31	31	-	37	-	-
Heerlen, Marjoleingaard, Douve Weien Marjoleingaard, LB, 1978	O	M	S	38	38	-	41	-	-
Heerlen, Oude Molenweg, Douve Weien Oude Molenweg, LB, 1978	O	M	S	79	79	-	81	-	-
Heerlen, Putgraaf, Putgraaf Parkflat, LB, 1982	O	R	S	93	-	93	71	-	183
Heerlen, Putgraaf, Putgraaf Residentie, LB, 1989	O	M	S	67	-	67	60	-	77
Heerlen, Vrusschemigerweg, D.W. Vrusschemigerweg, LB, 1978	O	M	S	82	82	-	93	-	-
Helmond, Coxdonk, Mommersdonk 791, NB, 2017	O	M	P	35	35	-	39	-	-
Hengelo, Hans Vonkstraat, Hans Vonkstraat 58-551, OV, 2005	O	M	S	44	-	44	44	-	46
Hengelo, Jan van Galenstraat, Gerarduspark, OV, 1995	O	M	S	44	-	44	35	-	-
Hillegom, Jan Prinsheem, Prinsheem, ZH, 1983	O	M	S	64	64	-	67	-	-
Hillegom, L. van Deyssellaan, L. van Deysselaan, ZH, 1983	O	M	S	36	36	-	38	-	-
Hilversum, J. A. Kalfflaan, J.A.Kalfflaan 55-1, NH, 1930	O	R	P	1	1	-	1	-	-
Hilversum, Kapittelweg 58-51, NH, 1969	O	M	P	80	-	80	66	1	83
Hilversum, Loosdrechtse Bos, Zonnestraal App., NH, 2004	O	H	P	42	-	42	62	-	48
Hoogezand-Sappemeer, P.S. Gerbrandyhof, Drevenborg, GR, 1991	O	M	O	22	-	22	19	-	-
Hoorn, Botter, Botter 58-128, NH, 1976	O	M	P	64	64	-	65	-	-
Hoorn, Brik, Brik-Sjees 58-136, NH, 1976	O	M	P	79	79	-	86	-	-
Hoorn, Leemhorststraat, De Toren, NH, 2019	O	M	P	72	-	72	63	-	54
Houten, Bladmos, Bladmos-Puntmos 58-478, UT, 2001	O	M	P	48	48	-	51	-	-
Huis ter Heide, Ruysdaellaan, De Horst, UT, 2003	O	N/A	P	51	-	51	-	-	-
Huizen, Wikke, Huizermaat, NH, 1976	O	M	P	199	199	-	186	-	29
IJsselstein, Alexandrietpad E.A. 58-48, LB, 1976	O	M	P	90	90	-	127	-	9
IJsselstein, Alexandrietpad, Opaalhof E.A. 58-94, LB, 1976	O	M	P	51	51	-	62	-	5
IJsselstein, De Biezen, De Biezen 58-597, LB, 1989	O	M	P	14	-	14	11	-	-
Kerkrade, Friets Ploumstraat, Straterweg, LB, 1987	O	M	O	27	27	-	28	-	-
Krommenie, Marslaan, Marslaan E.A. 58-127, NH, 1973	O	M	P	214	214	-	253	-	-
Laren, Tony Offermansweg, Mauvezand 55-5, NH, 1936	O	R	S	1	1	-	1	-	-
Leeuwarden, Albadastins, Groene Hart, FR, 1986	O	M	S	134	134	-	155	-	4

Leeuwarden, De Malus, De Malus, FR, 2007	O	M	S	31	-	31	29	-	-
Leeuwarden, Heggewinde, Aldlan Oost, FR, 1977	O	M	S	160	160	-	165	-	11
Leeuwarden, Krommezijl, Krommezijl, FR, 2005	O	M	S	26	-	26	32	-	26
Leeuwarden, Ubbemastins, Parkflat, FR, 1987	O	M	S	62	-	62	54	-	-
Leiden, Betaplein, Alpha, ZH, 2017	O	M	P	134	-	134	105	4	-
Leiden, Molenzicht, Molenzicht, ZH, 1979	O	M	P	18	-	18	13	-	1
Leiden, Parkzicht, Parkzicht, ZH, 1979	O	M	P	97	-	97	75	-	-
Leiden, Prins Clausweg, Prins Clausweg 790, ZH, 2017	O	H	P	50	-	50	55	-	63
Leiden, Stadzicht, Stadzicht, ZH, 1979	O	R	P	43	-	43	32	-	1
Leiderdorp, Dalkruidzoom, Voorhof, ZH, 1978	O	M	P	78	78	-	97	-	-
Leiderdorp, Kamperfoeliezoom, Voorhof App., ZH, 1979	O	R	P	120	-	120	93	-	9
Leiderdorp, Koolmeesstraat, Vogelwijk, ZH, 1972	O	M	P	31	-	31	24	-	6
Leiderdorp, Laan van Berendrecht, ZH, 2004	O	H	P	72	-	72	102	5	-
Leidschendam, Herberg, 't Lien, ZH, 1985	O	M	P	127	127	-	135	-	-
Leidschendam, Neherpark, Neherpark, ZH, 2008	O	H	P	14	-	14	15	-	17
Lelystad, Kogge 3, De Kogge I, FL, 1977	O	M	S	34	34	-	37	-	-
Lelystad, Kogge 4, De Kogge II, FL, 1977	O	M	S	34	34	-	38	-	-
Lelystad, Tjalk 41, Tjalk, FL, 1981	O	R	S	70	70	-	73	-	-
Leusden, Hertenhoeve, Hertenhoeve, UT, 1979	O	M	P	40	40	-	37	-	14
Leusden, Madelagehof, Nieuw Princenhof, UT, 2016	O	H	P	25	25	-	28	-	-
Maarssen, B. Dolmanslaan, W. van Leusdenlaan, UT, 2006	O	M	P	28	-	28	30	-	30
Maarssen, de Hoopkade, Hoogevecht, UT, 2010	O	H	P	18	-	18	23	-	33
Maarssen, de Hoopkade, Neerbeek, UT, 2011	O	H	P	4	-	4	5	-	5
Maarssen, Dr. R. van Lutterveltstraat, Nieuw Vechtevoort, UT, 2011	O	H	P	34	-	34	34	-	35
Maarssen, J. Homan van der Heideplein, Cruydenborgh, UT, 2010	O	H	P	10	-	10	11	-	12
Maarssen, Proostwetering, Sluisoord, UT, 2009	O	H	P	23	-	23	28	-	33
Maarssen, Proostwetering, Soetendael (9a), UT, 2012	O	H	P	1	-	1	1	-	1
Maarssen, Proostwetering, Soetendael, UT, 2012	O	H	P	18	-	18	18	-	18
Maastricht, Akerstraat, Porta I, LB, 1993	O	M	P	57	-	57	56	-	46
Maastricht, Avenue Ceramique, Cortile I, LB, 1999	O	H	P	37	-	37	39	5	-
Maastricht, Avenue Ceramique, Maison Céramique, LB, 2009	O	H	P	12	-	12	13	10	22
Maastricht, Avenue Ceramique, Toren van Siza, LB, 2001	O	H	P	40	-	40	47	7	-
Maastricht, Avenue Ceramique, Wiebengahal, LB, 2006	LH	N/A	P	-	-	-	-	34	-
Maastricht, Bellefroidlunet Parkeren, Stoa, LB, 2002	O	H	P	66	-	66	104	-	87
Maastricht, Boschcour, Piazza Céramique, LB, 2007	O	H	P	54	-	54	68	8	81
Maastricht, Ellecuylgaard, Eyldergaard, LB, 1982	O	M	P	18	18	-	21	-	-
Maastricht, Erasmusdomein, Erasmusdomein, LB, 1986	O	M	P	81	-	81	64	-	59
Maastricht, Glacisweg, Terminus, LB, 2008	O	H	P	7	-	7	9	4	1
Maastricht, Heerderweg, Heerderweg, LB, 1985	O	R	P	202	-	202	145	-	108
Maastricht, Mosalunet, Cortile II, LB, 2002	O	H	P	54	-	54	56	-	-
Maastricht, Mosalunet, Cortile III, LB, 2002	O	H	P	66	-	66	70	-	-
Maastricht, Plein 1992, La Residence, LB, 2000	O	H	P	28	-	28	31	-	-
Maastricht, Prins Bisschopsingel, Poort Waerachtig, LB, 2007	O	H	P	25	-	25	37	-	37
Maastricht, Sphinxlunet parkeren, Cortile Parking, LB, 1999	O	N/A	P	-	-	-	-	-	192
Maastricht, Sphinxlunet, Porta II, LB, 1993	O	M	P	26	-	26	20	-	14
Middelburg, Fazantenhof, Fazantenhof 769, ZE, 2007	O	M	S	19	-	19	19	-	-
Middelburg, Touwbaan, Maisbaai, ZE, 1990	O	M	S	27	-	27	28	-	18
Naarden, Graaf Janlaan E.A. 55-14, NH, 1937	O	M	P	1	1	-	1	-	-

Naarden, H. van Eijkenstraat-Vaartweg 55-22, NH, 1935	O	M	P	1	1	-	1	-	-
Nieuwegein, Hermesburg, Batau Noordrand, UT, 1988	O	M	P	56	56	-	57	-	-
Nieuwerkerk a/d IJssel, Krulmos, Zuidplaspolder, ZH, 1979	O	M	P	22	22	-	23	-	-
Nieuw-Vennep, Haendelplein, Getsewoud, NH, 2002	O	M	P	76	-	76	56	-	-
Nijmegen, G.G. Marquezstraat, G. Lorcastraat 789, GD, 2017	O	M	P	32	32	-	38	-	-
Nijmegen, Lankforst, Lankforst, GD, 1970	O	M	P	45	45	-	59	-	8
Nijmegen, Rode kruislaan, Park Heyendaal, GD, 1996	O	M	P	63	-	63	65	-	-
Nijmegen, Stieltjesstraat, Kronenburger, GD, 1991	O	M	P	122	-	122	117	4	130
Nijmegen, Weezenhof I, GD, 1972	O	M	P	67	67	-	88	-	17
Nijmegen, Weezenhof II, GD, 1972	O	M	P	43	43	-	48	-	9
Noordwijk, Noordhoren, Fuikhoren, ZH, 1985	O	M	P	67	67	-	75	-	-
Noordwijk, Schaalhoren, Schaalhoren, ZH, 1983	O	M	P	65	65	-	67	-	-
Nuenen, Schietbergen, Witte Put E.A. 58-83, NB, 1986	O	M	S	71	71	-	90	-	-
Oegstgeest, Eli Heimanshof, Eli Heimanshof 58-465, ZH, 1999	O	M	P	5	5	-	5	-	-
Oosterhout, Loevensteinlaan, Onder de Linden, NB, 2019	O	M	P	39	39	-	48	-	8
Oosterhout, Schubertlaan, Oosterheide I, NB, 1969	O	M	P	16	16	-	20	-	6
Oosterhout, Wagenaarstraat, Oosterheide II, NB, 1972	O	M	P	11	11	-	15	-	4
Ouder-Amstel, Clarissenhof, Clarissenhof, NH, 1977	O	M	P	101	101	-	101	-	8
Papendrecht, Pontonniersweg, Buitenwaard, ZH, 1991	O	M	P	62	-	62	70	-	14
Pijnacker, Boomkruiperzoom, Keijzersveste, ZH, 2018	O	H	P	39	39	-	51	-	-
Purmerend, Boekweitstraat, De Purmer, NH, 1983	LH	M	P	70	70	-	63	-	-
Purmerend, De Oeverlanden, De Ooievaar, NH, 2008	O	M	P	30	-	30	29	-	32
Purmerend, Vesta, Apollo, NH, 2017	O	M	P	84	-	84	74	-	90
Renkum, Graaf van Rechterenweg, Rechterenborg, GD, 1993	O	M	S	62	-	62	57	-	39
Rhenen, De Hollentoren 58-254, UT, 1988	O	M	S	20	20	-	23	-	-
Rhenen, De Thijmenstoren-Reumersweg 58-284, UT, 1988	O	M	S	16	16	-	18	-	-
Rhoon, Baljuw, Baljuw, ZH, 1982	O	M	S	67	67	-	71	-	-
Rijswijk, Hilvoordestraat, Over De Bogaard, ZH, 1979	LH	R	P	122	-	122	63	-	-
Rijswijk, S.W. Churchilllaan, Churchilllaan, ZH, 1969	O	M	P	215	-	215	229	-	19
Roosendaal, Damastberg, Dilleberg-Damastberg 58-253, NB, 1988	O	M	S	58	58	-	68	-	-
Rosmalen, De Eendrachtswerf 58-545, NB, 2005	O	M	P	26	26	-	36	-	-
Rosmalen, Deken Fritsentraat 40, De Annenborch, NB, 2018	O	M	P	43	43	-	56	-	-
Rosmalen, Lunersingel, De Lanen, NB, 2019	O	H	P	39	39	-	52	-	-
Rosmalen, Majeurhof 58-709, NB, 2010	O	M	P	24	24	-	28	-	-
Rosmalen, Octaafstraat, Cadansstraat 58-754, NB, 2014	O	M	P	20	20	-	25	-	-
Rosmalen, Vlinderlaan, Vlinderlaan 58-567, NB, 2006	O	M	P	36	36	-	44	-	-
Rotterdam, Admiraal de Ruyterweg, Linker Rottekade, ZH, 1985	LH	R	P	246	-	246	149	3	159
Rotterdam, Bataviakade, Voc Plein App 58-703, ZH, 2008	O	M	P	26	-	26	26	-	-
Rotterdam, Bottelroos, Heydnahof, ZH, 1983	LH	M	P	161	161	-	175	-	-
Rotterdam, Buitenbassinweg, Buitenbassinweg, ZH, 1991	LH	M	P	68	-	68	57	-	-
Rotterdam, Clazina Kouwenbergzoom, Loreleiflat, ZH, 1992	LH	M	P	53	-	53	46	-	-
Rotterdam, Claz. Kouwenbergzoom, Ringvaartplasbuurt, ZH, 1990	LH	M	P	53	53	-	57	-	-
Rotterdam, Cromme Meth, Cromme Meth, ZH, 1988	LH	M	P	12	12	-	12	-	-
Rotterdam, De Monchyplein, Boston, ZH, 2017	O	H	P	48	-	48	43	-	48
Rotterdam, Den Uylsingel, Dosiotoren, ZH, 1989	LH	M	P	56	-	56	44	-	-
Rotterdam, Dirkje Goedhartstraat, Ringvaartplasbuurt II, ZH, 1991	LH	M	P	42	42	-	47	-	-
Rotterdam, Gedempte Zalmhaven, De Hoge Heren I, ZH, 2001	LH	H	P	140	-	140	167	5	330
Rotterdam, Gedempte Zalmhaven, De Hoge Heren II, ZH, 2001	LH	H	P	32	-	32	38	-	-

Rotterdam, Henk Sneevlietstraat, Sneevlietstraat, ZH, 1984	LH	M	P	52	52	-	50	-	-
Rotterdam, Ien Daleshof, Parktoren Prinsenland, ZH, 2009	O	H	P	47	-	47	52	3	66
Rotterdam, Joost van Ospad, Zevenkamp, ZH, 1988	LH	M	P	49	49	-	53	-	-
Rotterdam, Kruipbrem, Brembuurt, ZH, 1973	O	M	P	105	105	-	136	-	21
Rotterdam, Landverhuizersplein, Montevideo, ZH, 2005	LH	H	P	28	-	28	36	-	28
Rotterdam, Maashavenkade, Parkkwartier Katendrecht, ZH, 2010	O	H	P	27	-	27	25	-	28
Rotterdam, Oostmolenwerf, Oostmolenwerf, ZH, 1994	LH	M	P	86	-	86	77	3	69
Rotterdam, Oostmolenwerf, Oude Haven, ZH, 1991	LH	M	P	89	-	89	79	6	40
Rotterdam, Strevelsweg, Poort Van Zuid, ZH, 1994	LH	M	P	70	-	70	62	-	66
Rotterdam, van der Hoevenplein, New Orleans, ZH, 2010	O	H	P	171	-	171	176	51	205
Rotterdam, Verlengde Nieuwstraat, Markthal, ZH, 2014	O	H	P	102	-	102	111	-	102
Rotterdam, VOC Plein, Voc Plein Egw 58-707, ZH, 2008	O	M	P	13	13	-	13	-	-
Rotterdam, Watertorenweg, Watertorenweg, ZH, 1990	LH	M	P	77	-	77	65	-	-
Rotterdam, Zalmstraat, Willemstoren, ZH, 2019	O	M	P	76	-	76	57	-	43
Santpoort-Zuid, Van Dalenlaan-Zinneveltln. 58-19, NH, 1935	O	R	P	2	2	-	2	-	-
Sassenheim, Berline, Berline en Landauer, ZH, 1985	O	M	P	37	37	-	39	-	-
Sassenheim, Caleche, Brik, ZH, 1986	O	M	P	61	61	-	64	-	-
Schagen, Fazantenhof, Fazantenhof, NH, 1973	O	M	O	58	58	-	75	-	-
Schiedam, Slot Haamstedepad, Woudhoek, ZH, 1984	LH	M	P	184	184	-	195	-	-
Sittard, Blijdestein, Blijdestein, LB, 1987	O	M	O	50	-	50	36	-	17
Sittard, Felix Ruttenlaan, Kollenbergerhof App., LB, 1987	O	M	O	52	-	52	38	-	78
Sittard, Kollenberg, Kollenbergerhof, LB, 1988	O	M	O	13	13	-	15	-	-
Soesterberg, Farman, Farman E.A. 58-121, UT, 1975	O	M	P	63	63	-	73	-	-
Stiens, St. Vitusplein, Sint Vitusplein, FR, 1999	O	R	S	14	-	14	10	-	-
Teteringen, Burgemeester Verdaasdonkstraat, Bouverijen, NB, 2017	O	M	P	36	36	-	42	-	-
Tilburg, Anna Paulownahof, Koningsplein, NB, 1989	O	R	P	179	-	179	127	-	53
Tilburg, Brevierstraat, Koningsoord, NB, 2020	O	M	P	65	65	-	80	-	-
Tilburg, Buxusplaats, HollandCarré, NB, 2007	O	H	P	100	-	100	113	-	107
Tilburg, Dinxperlolaan, Drechterlandstraat E.A. 58-268, NB, 1980	O	M	P	32	32	-	34	-	-
Tilburg, Haaksbergenstraat, Reeshof, NB, 1990	O	M	P	56	56	-	73	-	-
Tilburg, Marathonpromenade, Willemsbuiten, NB, 2019	O	M	P	42	42	-	50	-	-
Tilburg, Schoolstraat, Schoolstraat, NB, 1989	O	M	P	174	-	174	140	-	45
Tilburg, Van Anrooylaan, Van Anrooylaan E.A. 58-226, NB, 1972	O	M	P	177	177	-	241	-	84
Uithoorn, Aan de Kant, Aan De Kant E.A. 58-79, NH, 1973	O	M	P	172	172	-	228	-	13
Uithoorn, Zegge 58-124, NH, 1975	O	M	P	52	52	-	75	-	-
Uithoorn, Zijdelwaardplein App. 58-153, NH, 1987	O	M	P	14	-	14	11	1	-
Utrecht, Auriollaan, De Auriol, UT, 2017	LH	M	P	51	-	51	42	-	55
Utrecht, Brusselplein, De Fabiola 4, UT, 2017	LH	M	P	21	-	21	14	-	2
Utrecht, Brusselplein, De Letna 3, UT, 2017	LH	M	P	17	-	17	11	-	-
Utrecht, Centrumboulevard, De Rossfeld, UT, 2019	O	M	P	65	-	65	58	-	-
Utrecht, Churchilllaan, De Churchill, UT, 2017	LH	M	P	52	-	52	42	-	53
Utrecht, Churchilllaan, De Marshall, UT, 2017	LH	M	P	66	-	66	53	-	51
Utrecht, Edmond Audranstraat 58-761, UT, 2012	O	H	P	33	33	-	45	-	-
Utrecht, Grauwaartsingel, De Richmond, UT, 2017	LH	M	P	75	-	75	72	-	75
Utrecht, Hof van Bern, De Belvedere 2, UT, 2019	O	H	P	16	-	16	17	-	16
Utrecht, Luxemburgpromenade, De Belvedere 3, UT, 2019	O	M	P	32	-	32	27	-	32
Utrecht, Luxemburgpromenade, De Fabiola 3, UT, 2017	LH	M	P	22	-	22	19	-	22
Utrecht, Parijsboulevard, De Belvedere 4, UT, 2019	O	M	P	27	-	27	25	-	27

Utrecht, Parijsboulevard, De Boulogne, UT, 2019	O	H	P	45	-	45	44	-	45
Utrecht, Parijsboulevard, De Fabiola 2, UT, 2017	LH	M	P	24	-	24	21	-	24
Utrecht, Prof. Magnuslaan, Dr.J.P.Thysselaan E.A. 58-95, UT, 1937	O	H	P	87	87	-	76	-	2
Utrecht, Rooseveltlaan, De Roosevelt, UT, 2017	LH	H	P	66	-	66	53	-	53
Utrecht, Vaduzdijk, De Victoria 2, UT, 2017	LH	M	P	24	-	24	20	-	24
Utrecht, Vaduzdijk, De Victoria 4, UT, 2017	LH	H	P	15	-	15	14	-	15
Utrecht, Wenenpromenade, De Boulogne 2, UT, 2019	O	M	P	24	-	24	16	-	24
Utrecht, Wenenpromenade, De Victoria 3, UT, 2017	LH	M	P	33	-	33	27	-	33
Utrecht, Willemstraat, Waterstraat-Willemstr. 58-316, UT, 1991	O	M	P	15	-	15	9	1	-
Vaals, Sjwats Jris, Bloemendal, LB, 1997	O	M	O	16	-	16	15	-	13
Valkenburg a/d Geul, Cauberg, Caubergklooster, LB, 2007	O	N/A	O	39	-	39	-	-	-
Valkenburg a/d Geul, De Valk, De Valk/Spoorlaan, LB, 1994	O	M	O	12	-	12	12	-	13
Veenendaal, Raadhuisstraat, Zuidpoort, UT, 2020	O	M	P	34	-	34	31	-	34
Veenendaal, Uiverstraat, De Pionier, UT, 2018	O	M	P	23	-	23	18	-	-
Veenendaal, Willem Barentszstraat 58-547, UT, 2005	O	M	P	26	-	26	22	-	26
Velsen, Maan Bastion, Maanbastion, NH, 1990	O	M	P	74	-	74	53	-	31
Velsen, Ster Bastion, Sterbastion, NH, 2001	O	M	P	67	-	67	63	-	-
Venlo, Bertha Soreestraat, Groeneveld, LB, 1993	O	M	O	21	21	-	25	-	-
Venlo, Gebroeders Daelstraat, Vijverzicht, LB, 1991	O	M	O	10	10	-	11	-	-
Venlo, Harry Meijerstraat, Vijverzicht App., LB, 1991	O	M	O	60	-	60	55	-	-
Venlo, Morion, Morion, LB, 2000	O	M	O	16	16	-	19	-	-
Vianen, Benedictushof, Benedictushof E.A. 58-348, UT, 1983	O	M	S	46	46	-	44	-	-
Vleuten, Mesdaglaan, J.Vermeererf E.A. 58-255, UT, 1988	O	M	P	40	40	-	46	-	-
Vleuten, Prof. Titus Brandsmalaan, Secr.Versteeglaan, UT, 1969	O	M	P	123	123	-	147	-	6
Vleuten, Vincent van Goghlaan, Mondriaanerf E.A. 58-152, UT, 1987	O	M	P	36	36	-	40	-	-
Vogelenzang, Margarethahof-Willemln. 58-233, NH, 1987	O	M	P	47	47	-	53	-	-
Voorburg, Appelgaarde, Appelgaarde, ZH, 1976	O	H	P	46	46	-	52	-	-
Voorburg, Distelweide, Distelweide, ZH, 1974	O	H	P	40	40	-	45	-	14
Voorburg, Kersengaarde, Kersengaarde, ZH, 1976	O	H	P	118	118	-	141	-	-
Voorhout, Bloemenschans, Bloemenschans, ZH, 1985	O	M	P	41	41	-	39	-	-
Voorhout, Hooghkamer, Hooghkamer, ZH, 2018	O	M	P	65	65	-	73	-	-
Voorhout, Mozartlaan, Mozartlaan 58-552, ZH, 2005	O	H	P	23	23	-	30	-	-
Voorschoten, Annie M.G. Schmidtlaan App 58-688, ZH, 2009	O	H	P	36	-	36	44	-	44
Voorschoten, Jan Evertsenlaan-Planciuspl. 58-105, ZH, 1976	O	M	P	40	-	40	34	-	6
Voorschoten, T. Dragtsingel, H. Clausstraat 58-696, ZH, 2009	O	H	P	46	46	-	67	-	-
Waalwijk, Grotestraat, Grotestraat 335, 339 1-14, NB, 1939	O	R	S	2	2	-	3	-	-
Wageningen, Elstar, Park Haagsteeg, GD, 2010	O	H	P	28	-	28	35	-	28
Wageningen, Morfelden-Walldorfplein, Nobelpark, GD, 2011	O	M	P	28	-	28	30	-	28
Wassenaar, Van Polanenpark, van Polanenpark, ZH, 1972	O	H	P	39	39	-	55	-	7
Wassenaar, Van Warmondlaan, Zijlwatering, ZH, 1992	O	H	P	32	32	-	43	-	-
Weert, Ceres, Ceres, LB, 2009	O	M	O	40	-	40	41	-	44
Weesp, Anna Horstinkstraat, Anna Horstinkstraat 58-708, NH, 2010	O	H	P	17	-	17	20	-	-
Wijchen, Abersland, Abersland I, GD, 1987	O	M	S	25	25	-	25	-	-
Wijchen, Abersland, Abersland II, GD, 1988	O	M	S	15	15	-	14	-	-
Woerden, Hoge Rijndijk, Heeren van Woerden, UT, 2010	O	M	P	46	-	46	37	-	69
Woerden, Jan van Beierenlaan, Hollands M, UT, 2018	O	M	P	64	-	64	55	-	-
Zaandam, Boeierlaan, Boeierlaan E.A. 58-70, NH, 1972	O	M	P	164	164	-	247	-	33
Zeist, De Brink, Brink E.A. 58-76, UT, 1985	O	M	P	98	98	-	116	-	-

Zeist, P.C. Hooftlaan, Hooftlaan-Sproncklaan 58-3, UT, 1938	O	M	P	2	2	-	3	-	-
Zeist, Slotlaan, Slotlaan 28-48 App. 35-528, UT, 1956	O	R	P	49	-	49	36	-	22
Zeist, Slotlaan, Slotlaan 50-60 App. 35-529, UT, 1995	O	H	P	4	-	4	7	-	4
Zoetermeer, Bordeauxstraat, Frankrijklaan, ZH, 1987	O	M	P	41	41	-	42	-	-
Zoetermeer, Debussyrode, Beethovenrode E.A. 58-115, ZH, 1972	O	M	P	40	40	-	46	-	-
Zoetermeer, Elia Kazanstrook, De Stroken I, ZH, 1979	O	M	P	244	244	-	284	-	-
Zoetermeer, Marsmanhove, De Hoven, ZH, 1979	O	M	P	60	18	42	52	-	-
Zoetermeer, Oliver Hardystrook, De Stroken II, ZH, 1980	O	M	P	94	94	-	110	-	-
Zoetermeer, Reimsstraat, Reimsstraat, ZH, 1987	O	M	P	108	-	108	82	-	108
Zoetermeer, Stan Laurelstrook, De Stroken App., ZH, 1979	O	M	P	48	-	48	44	2	9
Zoetermeer, Zijlberg, Meerzicht, ZH, 1975	O	M	P	26	26	-	31	-	61
Zutphen, Noorderhavenstraat, Noorderhaven EGW, GD, 2019	O	M	S	7	7	-	9	-	-
Zutphen, Noorderhavenstraat, Noorderhaven MGW, GD, 2019	O	M	S	119	-	119	100	4	81
Zutphen, Verdistraat, Ravel, GD, 2007	O	H	S	34	-	34	43	-	34
Zwolle, Kromme Rijn, AA landen I, OV, 1969	O	M	P	126	126	-	153	-	74
Zwolle, Noordzeelaan, Les Pavillions, OV, 2018	O	M	P	89	-	89	52	-	-
Zwolle, Provincieroute, Oldenelerlanden, OV, 1989	O	M	P	67	67	-	78	-	-
Zwolle, Van bosseware, Ittersumerlanden I, OV, 1984	O	M	P	106	106	-	126	-	-
Zwolle, Van Zuylenware, Ittersumerlanden II, OV, 1987	O	M	P	39	39	-	44	-	5
Zwolle, Zaan, AA landen II, OV, 1969	O	M	P	39	39	-	48	-	25
				27,570	**12,390**	**15,180**	**27,873**	**464**	**9,956**

Annex 7: External appraisers

Appraisal process for investment properties

The purpose of the appraisal is to gain an accurate and independent valuation of the assets at the end of each quarter. The valuation of the properties in the investment portfolio complies with the relevant legislation and regulations (AIFMD, IFRS and Dutch legislation and regulations).

The appraisal is conducted in accordance with the guidelines and regulations of the Dutch Register of Real Estate Appraisers (NRVT), the prevailing valuation guidelines and valuation models as laid down by the Dutch property index, IPD, and the RICS Appraisal and Valuation Standards, the Red Book (including the International Valuation Standards, IVS) or the Blue Book (including the European Valuation Standards, EVS). The valuations of the properties are conducted using the Reaturn TM valuation system.

The valuation policy for Vesteda's properties complies with the INREV guidelines for property valuations.

In 2021, the valuations of the properties in the investment portfolio were conducted by the following agencies:

- Capital Value
- Savills
- Dynamis
- MVGM
- Colliers
- Cushman & Wakefield
- CBRE

Valuations are conducted by qualified appraisers from these agencies; the appraisers are registered in the NRVT, which guarantees the initial qualification of the appraiser and his/her continuous training, and preferably also in RICS. In order to guarantee their independence and objectivity, every appraisal agency is contracted for a maximum period of four years (two in-growth quarters – three base years – two out-flow quarters). The contract is for one year and will be tacitly renewed every year.

The current valuation cycle for appraisers is structured as follows:

Two quarters : appraiser A : out-flow quarters and appraiser B : in-growth quarters (slow build up to full valuation)
Four quarters : appraiser B : reappraisal and three quarterly updates
Four quarters : appraiser B : reappraisal and three quarterly updates
Four quarters : appraiser B : reappraisal and three quarterly updates
Two quarters : appraiser B : out-flow quarters and appraiser C : in-growth quarters (slow build up to full valuation)

Each appraisal agency has its own independent part of the portfolio. Once a property has been valued by the same appraisal agency for three years, it is assigned to a different appraisal agency, to guarantee the objectivity of the appraisal. The appraisers value the properties that Vesteda assigns them once every three years, based on a full valuation. For this valuation, the appraiser visits the property in question and incorporates, substantiates and records all the factors relevant to the value of the property in the appraisal. In the remaining two years and quarters, the valuation is an update or a reappraisal of the previously conducted (full) appraisal. For this update or reappraisal, the appraiser does not need to visit the property and will update data and references and adjust the value on the basis of market developments relevant to the property.

The current valuation cycle for the complex is structured as follows:

Four quarters : full valuation and three quarterly updates
Four quarters : reappraisal and three quarterly updates
Four quarters : reappraisal and three quarterly updates

Annex 8: Definitions

	Definition
AFM	Autoriteit Financiële Markten (Financial Markets Authority).
AIFMD	Alternative Investment Fund Managers Directive.
Business Plan	A strategy document that contains the 5 year strategy of Vesteda.
Core fund	Core fund according to the INREV Style Classification.
CPI	Consumer Price Index.
CSSR	Corporate Sustainability and Social Responsibility.
Development portfolio (or Investment property under construction)	Comprises of land and buildings (principally residential properties) under construction with the aim of adding said property to the investment portfolio upon completion.
Dividend yield/distribution to investors (%)	Annual distribution per participation right in year t-1, paid in year t, divided by the opening equity per participation in year t.
GDPR	General Data Protection Regulation: a regulation in EU law on data protection and privacy in the European Union (EU) and the European Economic Area (EEA). It also addresses the transfer of personal data outside the EU and EEA areas.
EBITDA	Consolidated earnings before deduction interest charges, tax, depreciation and amortization, excluding result on property sales, and extraordinary items.
EMTN	Euro Medium Term Note Programme, a programme providing debt instruments.
ESG	The three central factors in measuring sustainability: Environmental, Social and Governance.
FGR	Fonds voor Gemene Rekening: a fund for the joint account of the participants under Dutch law, see section legal structure.
Financial liabilities	Interest bearing debt minus capitalized financing costs.
FSA	Dutch Financial Supervision Act.
GAV	Gross Asset Value: the value of total assets (balance sheet).
GRESB	Global Real Estate Sustainability Benchmark: industry-driven organisation committed to assessing the sustainability performance of real estate portfolios (public, private and direct) around the globe. The dynamic benchmark is used by institutional investors to engage with their investments with the aim to improve the sustainability performance of their investment portfolio, and the global property sector at large.
GRI	Global Reporting Initiative: international independent organisation that helps businesses, governments and other organisations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others.
Gross initial yield	Theoretical rent (on a given reference date) from a residential complex divided by the total investment in that residential complex.
Gross rental income	Theoretical rent less loss of rent.
Gross/net ratio	The percentage of property operating expenses relative to gross rental income.
High rental segment	Sector of the residential property market for rental properties with a net monthly rent of over approximately €1,200, excluding service charges.
HPO	High Performing Organisation.
Interest cover ratio	EBITDA/net interest expenses.
INREV	European Association for Investors in Non-Listed Real Estate Vehicles. Europe's leading platform for the sharing of knowledge on the non-listed real estate industry. Their goal is to improve transparency, professionalism and best practices across the sector, making the asset class more accessible and attractive to investors.
Investment portfolio	All fully-completed and for rent available properties owned by Vesteda.
Investor (or Participant)	Holder of a direct interest in Vesteda Residential Fund.
ISAE 3402	International Standards on Assurance Engagements (ISAE) 3402.
IVBN	Vereniging van Institutionele Beleggers in Vastgoed (Association of institutional property investors in the Netherlands).
KPI	Key Performance Indicator: target used to translate strategy in to measurable results.

Leverage	Net debt/total assets (excluding IFRS 16).
Like-for-like rent increase	Comparison of this year's rent to last year's rent, taking into consideration only those complexes that were in portfolio during both time periods.
Loss of rent	Net financial vacancy plus incentives.
LTV (loan-to-value)	Net debt/investment portfolio.
Management expenses	Any expenses that cannot be allocated directly to the various properties are regarded as management expenses.
Market rent	Rent of a property according to the market at a certain time.
Market value	Value of a property according to the market at a certain time.
Mid rental segment	Sector of the residential property market for rental properties with a net monthly rent from the regulated level to approximately €1,200, excluding service costs.
MSCI IPD Netherlands Residential Benchmark	Benchmark to determine the performance of the portfolio in comparison to other Dutch real estate portfolio's.
NAV	Value of total assets minus the value total liabilities.
Net debt	Total interest bearing debt minus cash and cash equivalents.
Net financial vacancy	Gross financial vacancy less vacancy charged to results on property sales.
Net rental income	Gross rental income minus property operating expenses and other income.
Liberalised rental segment	Residential properties with rents above the regulation limit (€737.14 in 2020). These properties are in the mid and higher rental sectors.
NR Committee	Nomination and Remuneration Committee.
Occupancy rate	The number of residential properties actually generating rental income as a percentage of the number of properties that could generate rental income.
Other region	Regions that are not primary or secondary.
Participant (or Investor)	Holder of a direct interest in Vesteda Residential Fund.
Primary region	Regions that offer the highest market potential for the non-regulated rental sector. These regions are characterised by a high market potential and low market risks.
Property operating expenses	All expenses that can be directly allocated to the various properties in the investment portfolio.
REER	Real Estate Expense Ratio: Total property operating expenses divided by average GAV expressed in basis points.
Regulated mid rental segment	See mid rental segment. In addition, the contract may include additional conditions, such as a maximum initial rental price, a minimum operating period and a maximum annual rental price indexation.
Regulated rental segment	Residential properties with rents below the deregulation limit (€752.33 in 2021).
Return on equity (ROE)	The amount of total comprehensive income divided by opening equity.
Reversionary potential	The difference between market and theoretical rent divided by theoretical rent.
Revolving Facilities Agreement (RFA)	Revolving credit facility for medium term debt.
Secondary region	Secondary regions have a lower score than primary regions but have a positive economic and demographic outlook.
Sustainable Development Goals (SDGs)	Set of goals set up by the World Business Council for Sustainable Development (WBCSD), serving as guidance for enterprises to conduct business in a more sustainable way.
Systematic Compliance Risk Analysis (SCRA)	Analysis performed by Vesteda's compliance department in order to identify risks within the compliance framework.
TER (NAV/GAV)	Total Expense Ratio: Total management expenses divided by average NAV or average GAV expressed in basis points.
Theoretical rent	Passing rent for rented units and market rent for vacant units.
Vesteda Finance B.V.	See Legal structure section of this report.
Vesteda Investment Management B.V.	See Legal structure section of this report.
Vesteda Project Development B.V.	See Legal structure section of this report.
Vesteda Residential Fund	The Vesteda mutual fund, see Legal structure section of this report.

Colophon

The Vesteda Annual Report 2021 is published in the English language only.

Please contact us if you have any questions or comments concerning this Annual Report.

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