Bouwinvest Real Estate Investors

Bouwinvest Dutch Institutional Office Fund N.V.

Annual report 2022

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The Fund
at a glance

Real Value for Life

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

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

The Fund's strategy

Quality
High-quality spaces to work and meet

Diversification
Diversified office solutions

Sustainability
Sustainable and responsible investments

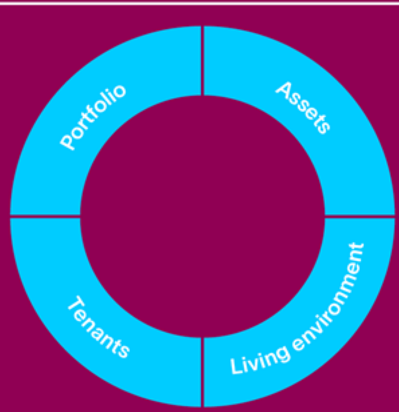
The Fund's key strategic objectives

- Low-risk profile

- Multi-tenant assets
- Spread across regions

- Future-proof and sustainable portfolio
- Reducing environmental impact
- Liveable, attainable and inclusive places
- Healthy, safe and responsible operations

The Fund's strategic actions



The Fund's financial, social and environmental return 2022

Total return	Average occupancy rate	NAV IFRS
-3.2%	90.4%	€1,199 MILLION

Transactions	Investments	Divestments	Funding
€24 MILLION	€59 MILLION	€0 MILLION	€195.8 MILLION

GRESB 5-star	Paris Proof	Tenant satisfaction	Stakeholder engagement
★★★★★	end of 2045 & increase climate resilience of the portfolio	SCORE 7.3	ACTIVE ENGAGEMENT WITH OUR COMMUNITY

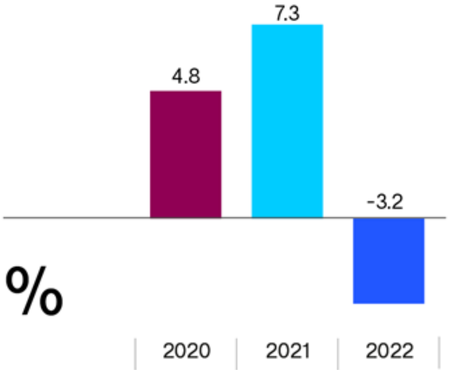
Real Value for Life

Stable long-term pension benefits with limited environmental impact

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

The Fund's contribution to Real Value for Life

Fund return



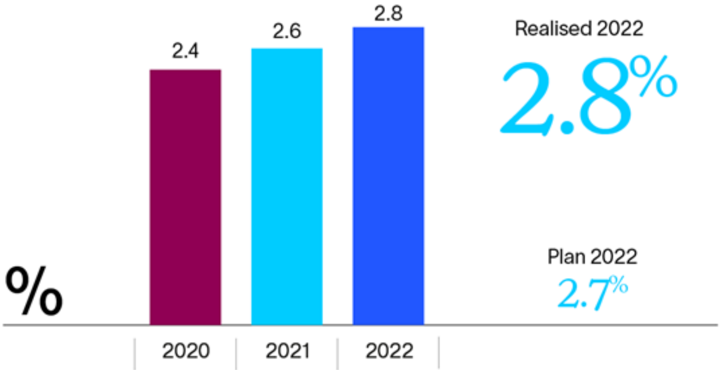
Realised 2022

-3.2%

Plan 2022

4.4%

Fund income return



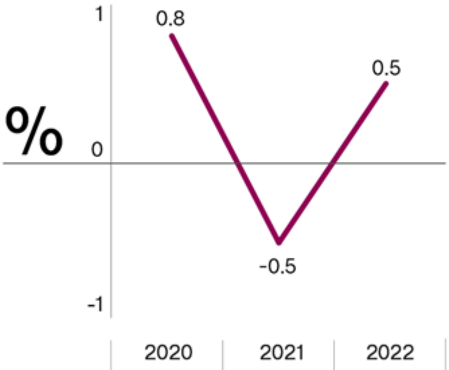
Realised 2022

2.8%

Plan 2022

2.7%

Relative performance MSCI



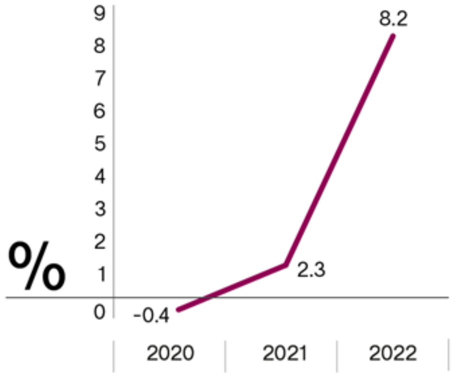
Realised 2022

0.5%

Plan 2022

> 0%

Like-for-like rental income



Realised 2022

8.2%

Plan 2022

3.6%

Acquisitions (x € MILLION)

Realised 2022

24

Plan 2022

€ 50

Investments (x € MILLION)

Realised 2022

€ 59

Plan 2022

€ 67

Occupancy rate

Realised 2022

90.4%

Plan 2022

88.9%

Divestments (x € MILLION)

Realised 2022

€ 0

Plan 2022

€ 31

Core regions (G4)

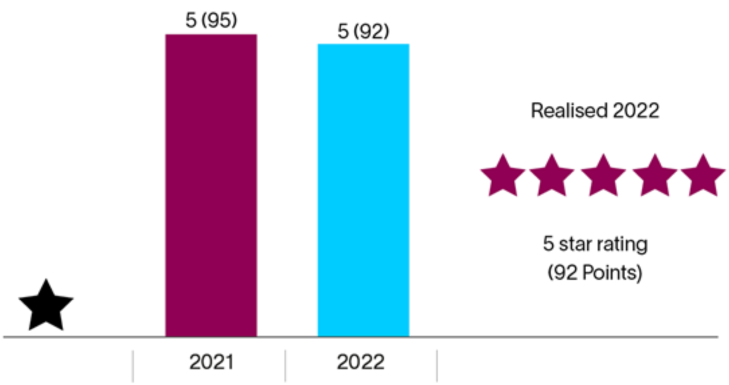
Realised 2022

100%

Plan 2022

>80%

GRESB star rating (score)

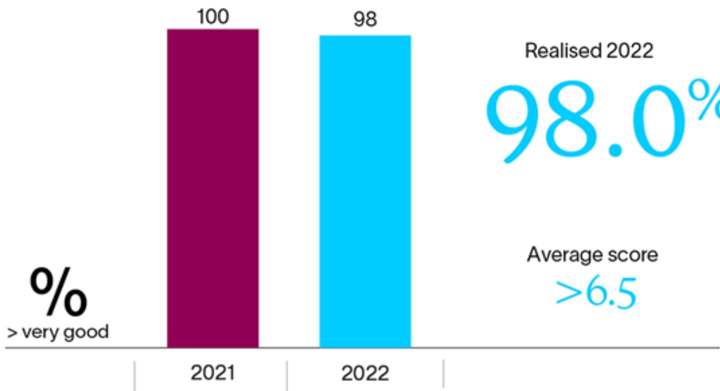


Realised 2022

★★★★★

5 star rating
(92 Points)

BREEAM building label



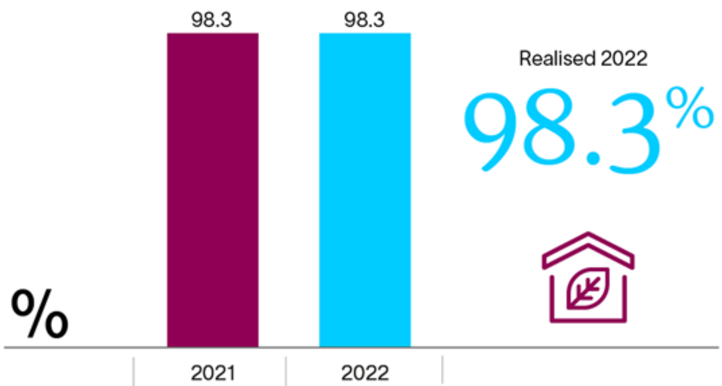
Realised 2022

98.0%

Average score

>6.5

Energy label (A)



Realised 2022

98.3%

Tenant satisfaction (score)

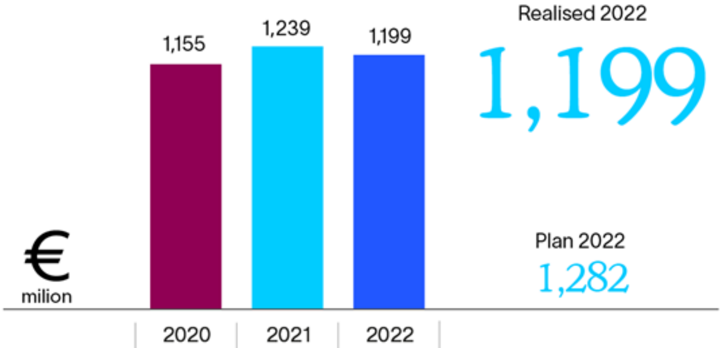
Plan 2022

7.0

Realised 2022

7.3

NAV (x € MILLION)



Realised 2022

1,199

Plan 2022

1,282

Dividend paid per share

Plan 2022	Realised 2022
€ 83.01	€ 109.97

Issued capital (x € MILLION)

Plan 2022	Realised 2022
€ 35	€ 45

Key performance over five years

All amounts in € thousands, unless otherwise stated	**2022**	2021	2020	2019	2018
Statement of financial position					
Total assets	1,318,103	1,336,368	1,252,079	1,168,142	782,645
Total shareholders' equity	1,198,693	1,238,539	1,154,720	1,077,155	771,241
Total debt from credit institutions	-	-	-	-	-
Performance per share					
Dividends (in €)	109.97	80.38	65.77	49.65335	52.98
Net earnings (in €)	(104.46)	219.23	140.45	514.04	266.98
Net asset value IFRS (in €, at year-end)	2,964.33	3,172.38	3,034.73	2,959.53	2,506.33
Net asset value INREV (in €, at year-end)	2,968.82	3,172.38	3,034.73	2,959.53	2,511.10
Result					
Net result	(41,334)	84,976	51,844	172,585	75,962
Total Global Expense Ratio after tax (TGER)	0.51%	0.53%	0.52%	0.53%	0.56%
Real Estate Expense Ratio (REER)	1.32%	1.23%	1.36%	1.70%	2.50%
Distributable result	35,397	30,782	27,389	20,060	15,074
Pay-out ratio	100%	100%	100%	100%	100%
Fund return					
Income return	2.8%	2.6%	2.4%	2.3%	2.1%
Capital growth	-5.9%	4.6%	2.3%	17.7%	9.2%
Total Fund return	-3.2%	7.3%	4.8%	20.3%	11.5%
Portfolio figures					
Investment property	1,299,146	1,315,856	1,105,935	826,323	536,054
Investment property under construction	-	-	115,763	263,180	210,857
Gross initial yield	5.1%	4.6%	5.0%	5.8%	6.8%
Total number of properties	19	18	18	18	18
Average monthly rent per square metre (in €)	229	225	216	195	177
Financial occupancy rate (average)	90.4%	90.4%	92.8%	90.0%	89.2%
Sustainability (A, B or C label)	99.6%	99.6%	80.1%	75.5%	73.0%
Property performance (all properties)					
Income return	3.4%	3.3%	2.7%	2.3%	3.0%
Capital growth	(6.0)%	4.5%	2.8%	19.80%	10.00%
Total property return	**(2.8)%**	**8.0%**	**5.5%**	**22.5%**	**13.3%**
MSCI (Netherlands Property Index) office real estate (all properties)					
Income return	3.1%	3.3%	3.5%	3.9%	4.2%
Capital growth	(6.2)%	5.0%	1.2%	12.7%	10.60%
Total return MSCI (NPI)	**(3.2)%**	**8.5%**	**4.7%**	**17.1%**	**15.2%**

Message from the Director Dutch Office Investments

Last year was another challenging year for both real estate markets and the wider economy. Russia's invasion of Ukraine led to a huge rise in energy prices and a surge in inflation. With no end in sight for the conflict, the outlook for 2023 is fragile, which is reflected in low consumer and business confidence, despite government aid for both consumers and the SME sector. Unemployment has remained low, but rising staff shortages in a growing number of sectors is putting a lot of pressure on economic growth. And while wages have risen quite sharply, they have not been able to keep pace with burgeoning inflation. The increase in construction costs, fuelled by staff shortages and related wage increases plus rising material costs, is also putting pressure on new-build projects, with some being postponed or even cancelled. At the same time, rising energy prices and government regulations related to the energy efficiency of office building is increasing the demand for sustainable offices close to public transport hubs.

Investment market

The Dutch government's proposed regulatory changes and the increase in the real estate transfer tax create impact on the real estate investment market. Investment managers are also dealing with a stream of new (EU) sustainability regulations, including the SFDR and the EU taxonomy. On top of this, the sharp rise in interest rates has had a major impact on the investment market. Despite this and the above-mentioned inflationary pressures and rising construction costs, there is still a lot of interest in the office real estate market, although rising interest rates and economic uncertainty has led to a widening of yields, something set to continue in 2023.

All of this led to a decline in the valuations of office assets from the third quarter onwards last year, driven by high interest rates and historically low yields, although investors are still very much interested in prime offices in good multifunctional locations. The Office Fund expects to see the gap between prime and secondary office location to widen as we move forward. The sharp decline in stocks and bonds also triggered the so-called denominator effect, leaving investors (temporarily) overallocated to real estate and forcing some to trim their holdings. However, long-term investors, including Bouwinvest, are already looking beyond the current difficult market circumstances and see the potential for healthy long-term returns. Our confidence in this market and the confidence of our clients is reflected in our acquisition of De Zeven Provinciën in The Hague in December.

Responding to uncertainties

Of course, this uncertainty has also had an impact on the demands of our clients. As long-term investors, they are focused on stability and predictability. They are also more engaged with the world than ever before and have set targets in terms of environmental performance, environmental risk, social impact and solid governance. The Fund's challenge is to continue to meet these demands in even these uncertain market conditions. With this mind, the Fund also converted to a fund for mutual account (FGR in Dutch) as of 1 January 2023, a full two years ahead of the abolition of the FII regime for direct real estate investments.

Bouwinvest has responded to the demands of our clients and regulators by refining our strategy and strengthening our risk management, compliance, financial and ESG reporting capabilities, while also investing in sustainability measures that will help make our portfolio fit for the future. We are a long-term investor and as we have proven in the past, this long-term view will enable us to continue to create real value for life in even the most challenging of markets.

The Fund's strategy

The Fund's fundamental strategy was unchanged and we continued to focus on our main strategic pillars of sustainability, the G4 cities and multi-tenant assets. Despite the above developments, the Fund performed relatively well in 2022. The above mentioned market circumstances affected the total fund return, which came in at -3.2% and was 7.6% below plan and 6.1% below forecast. However the Fund increased its occupancy rate and secured a number of new leases and lease extensions. The Fund and its tenants continued to invest in upgrading and updating assets, including sustainability measures. The Fund retained its 5-star GRESB rating and worked hard on our Paris proof roadmaps and now have more detailed road maps for all the assets we plan to retain. All of these assets now have a minimum of a BREEAM Very Good rating, except for the intended sales. The Fund also acquired De Zeven Provinciën in The Hague and worked on the disposal of two assets in Amsterdam to optimise its portfolio.

Market outlook

Given the level of uncertainty in the market, it is difficult to predict what will happen in the office sector in the near term. However, we do expect there to be opportunities, as we saw last year. Less committed amongst other driven by the denominator effect, less long-term investors or investors that rely on substantial leverage may partially withdraw from the market and we could well see high-quality assets coming to the market at discounted prices. Provided we have the funding, we will seize those opportunities to optimise the Fund's portfolio.

All that remains is for me to thank our clients for their continued trust in us and our strategy. And of course I would like to thank our team for their hard work, professionalism and collaborative efforts. It is thanks to them that we emerged as strongly as we did from another dynamic year.

Bas Jochims
Director Dutch Office & Hotel Investments

Report of the

Management Board

Market environment

Key macro developments

Following the reopening of the economy early 2022, after the last national lockdown due to Covid 19 in December 2021, the first economic indicators looked fairly positive at the beginning of the year. However after the invasion of Ukraine by Russia in February the situation started to change quite rapidly. While the pandemic became more controlled, energy and food prices were already climbing and political sanctions and additional supply-demand imbalances resulting from the Russian-Ukraine war, fuelled inflation further to double-digit figures not seen since the 1970s. This was followed by a series of increases of policy interest rate increases by central banks to temper inflationary growth and future new increases are expected.

The key events and developments for the Dutch economy can be summarised as follows:
- The Russian invasion of Ukraine and rapidly escalating events in late February and in March 2022 were a significant tragedy for the people and caused disruption to business and economic activity in the region and worldwide. The war is not expected to end soon and its effects will be felt into 2023.
- The Dutch economy recorded a positive growth in 2022, with year-on-year GDP growth of 4.5%. However there were significant fluctuations during the course of the year. After the reopening from the last lockdown, the economy saw a strong growth in the first half of the year with year-on-year GDP growth of respectively 6.5% in Q1 and 5.2% in Q2. However as the effects of the Russian invasion of Ukraine at the end of February became evident, quarter-on-quarter growth figures in the remaining two quarters were negative. This eventually resulted in a lower but still positive year-on-year GDP growth in 2022.
- The energy crisis that had already started to unwrap in the second half of 2021, further escalated during 2022 and resulted in record high double digit inflation rates in September and October. Energy costs stabilised from November due to the relatively warm temperatures. The overall average inflation for 2022 was 10.0%.
- As a result of the record high inflation and overall uncertainty, consumer confidence deteriorated in 2022 and reached an all-time low of -59 in September. By the end of 2022 there was a slight recovery of consumer confidence again. Producer confidence also dropped and remained just on the positive side (+3), despite challenging market characteristics.
- The ECB increased its benchmark deposit rate four times during 2022 to temper inflationary growth. The first increase was in July by 50 basis points followed by two increases of 75 basis points in September and October and finally by 50 basis points in December. The ECB rate went from -0.5% at the beginning of 2022 to 2.0% at the end of the year and further increases in 2023 are very likely to occur, whereby a 50 basis points increase in February 2023 and a 50 basis points increase in March 2023 took already place.
- As a result Dutch government bond rates increased substantially over the year, from 0.15% at the end of 2021 to 2.35 % at the end of 2022, while mortgage rates increased from 1.65% (December 2021) to 3.37% (December 2022).
- After a gradual increase during Q2 and Q3, unemployment rates declined marginally to 3.5% in December from 3.8% (December 2021). Under the current high inflation and uncertain economic circumstances, the situation on the labour market remains tight. Shortages in the labour market are visible in a growing number of sectors, hampering productivity. The number of bankruptcies continued to remain fairly stable and at a very low level, although forecasts are also increasingly dire on this front.
- The short-term economic outlook for the Netherlands is slightly positive but fragile, as the country faces a number of challenges on the road to recovery from the Covid-19 pandemic, combined with new uncertainties triggered by the geopolitical and economic effects of the war in Ukraine and rising inflation and interest rates across the world.

More detailed information can be found in Bouwinvest's Dutch Real Estate Market Outlook 2023-2025.

	2023 forecast	2022	2021
GDP	0.4%	4.2%	4.9%
Consumer spending	0.2%	6.1%	3.6%
Consumer price index (CPI)*	4.2%	10.0%	2.7%
Interest rate government bonds, long-term*	2.5%	1.5%	(0.2)%
Unemployment rate*	4.2%	3.5%	4.2%

*Average number over the year
Source: Oxford Economics (10 February 2023)

Market update 2022

Public policies

Government plans

In 2022, the Dutch government continued to face a vast number of fundamental challenges. In addition to dealing with the aftermath of the Covid-19 crisis, it had to deal with the Ukraine war, rising inflation, the nitrogen emissions crisis, as well as increased uncertainty in the housing market. In the national Budget Memorandum ('Miljoenennota') published in September, the cabinet has allocated budgets and introduced new measures to combat some of these challenges. The focus was very much on supporting the purchasing power of lower and middle-income households by introducing an energy cap, increasing the minimum wage and related social security benefits, income-related rent increases for tenants and several additional tax and allowance interventions.

The most significant elements in the new budget plans regarding real estate in general are twofold. First, the increase in the real estate transfer tax (RETT) to 10.4% from 8.0%, putting downward pressure on property prices. Secondly, as of 1 January 2025, fiscal investment institutions (FIIs) will no longer be allowed to invest in directly held real estate. If no additional measures are taken, the Fund would become subject to corporate income tax ('vennootschapsbelasting') as from this date. Bouwinvest will mitigate this risk by restructuring the Fund into the legal form of a so-called closed Fund for Mutual Account (FMA, or 'Fonds voor Gemene Rekening' (FGR) in Dutch) as per 1 January 2023.

Office real estate policies

As of 2023, all non-historical Dutch office buildings need to meet C-label sustainability standards. At 1 January 2023, however, approximately 10% of all office buildings still do not meet these standards, while another 35% do not yet have an official label. Enforcement of this legislation is in the hands of municipalities and, after sending out official notifications, owners will have a maximum of 12 months to implement the necessary measures. This could ultimately result in office buildings being withdrawn from the market when leasing risks do not justify the necessary investments. These changes are likely to favour the best office locations, where the office stock generally meets the label C requirements.

Occupier market

While office workers have gradually returned to their desks over the past 12 to 18 months, the Covid-19 pandemic seems to have had a lasting effect: working from home for 1-2 days per week has become the new normal for many employees in the Netherlands. In the longer term, this will result in a lower total need for office space and the Fund expects this to mainly affect less attractive and secondary locations.

On the other hand, occupier activity increased in 2022 after two lacklustre years and overall take-up was 10.4% higher than 2021. While still well below pre-Covid levels, companies seem to be catching up after postponing their relocation plans for two years, while a fair number of new high-quality office buildings are now being realised. Taking the battle for talent into account, companies are expected to put even more effort into making sure their offices provide high-quality work spaces and are located in vibrant and easily accessible locations.

Transformation of vacant office buildings is still ongoing, very much driven by the housing shortage and favourable residential pricing. As a result, vacancy in the office market dropped to 6.3% from 6.9% in 2021. Vacancy in the prime office markets remained low at 4.2% on average, down from 4.7%. The low vacancy in prime locations resulted in a further increase in prime rents in Amsterdam, Rotterdam, The Hague and Utrecht, while rents remained stable in Eindhoven.

Occupier key factors	2023 forecast	**2022**	2021
Take-up (m^2)	↓	1,050,000	950,000
Vacancy (year-end)	↔	6.3%	6.9%
Prime rent (/m^2/yr, year-end)	↑	€ 500	€ 475

Source: JLL, Bouwinvest Research & Strategic Advisory

Investment market

Investor appetite remained strong in almost all real estate sectors and the overall investment volume totalled € 17.4 billion, just short of the € 18.2 billion in the previous year. Investment volumes were strong in the first half of the year, fell back in the third quarter when the economic outlook turned more negative, and finished strongly in the final quarter of the year, as investors wanted to close their deals before the increase in the real estate transfer tax from 1 January 2023.

The office investment market reached a total of € 3.8 billion over the full year 2022. This is 17.9% lower than the previous year, when two record-large transactions were recorded. The most notable investment in 2022 was the purchase of the booking.com headquarters in Amsterdam for € 566 million.

Driven by the hefty increase in interest rates and an increasingly gloomy economic outlook, 2022 saw a substantial expansion of initial yields in the second half of the year. Amsterdam, which had previously had the smallest yield gap, recorded the largest initial yield increase of the G5 cities.

The potential longer-term effects of working from home on the office sector is leading to some uncertainty in the office market, both on the occupier market and the investment market. The Fund firmly believes that this uncertainty is far greater for secondary office locations. Prime office locations have proven to be resilient in past crises and are likely to remain so.

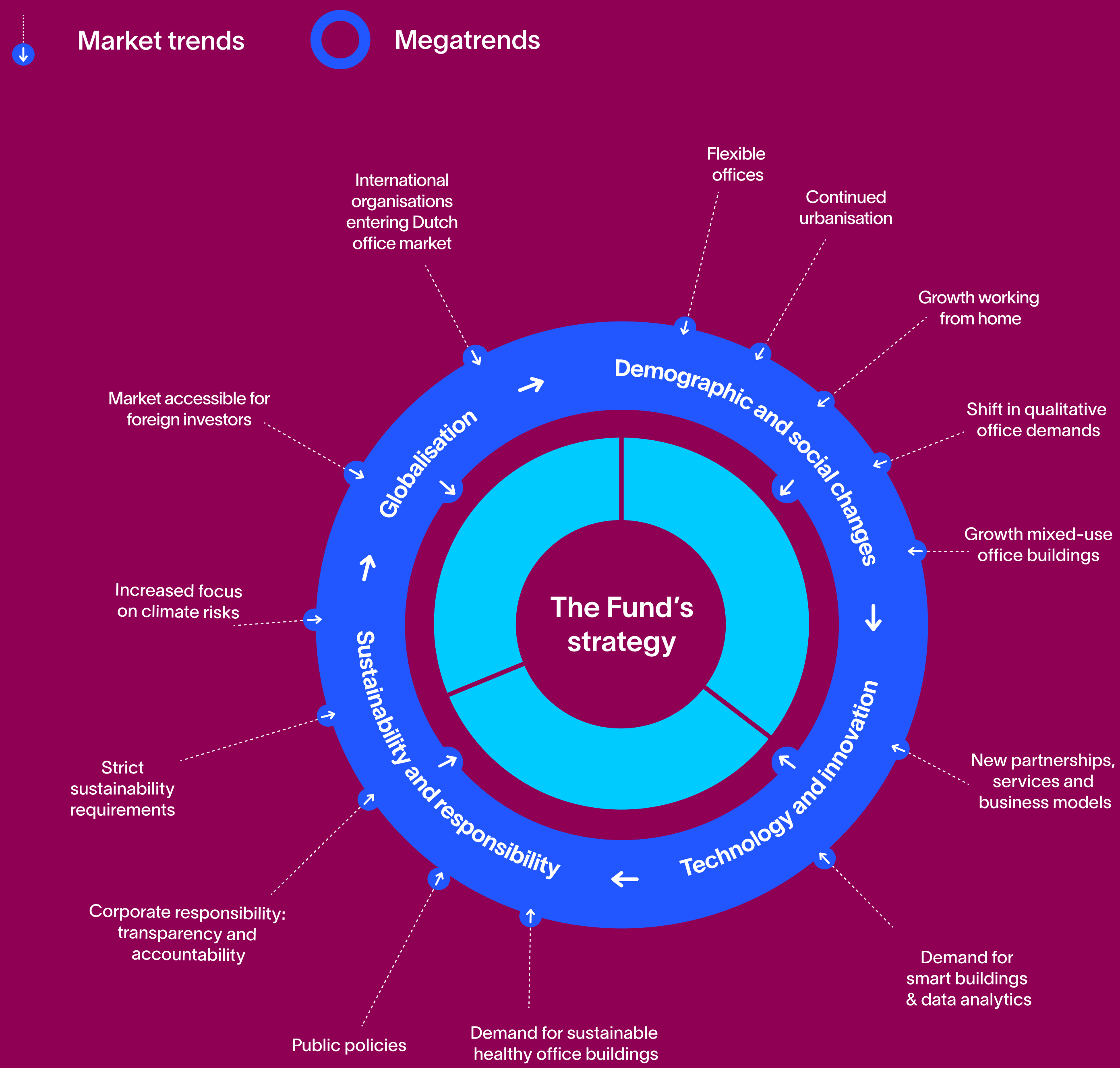
Investor key factors	2023 forecast	**2022**	2021
Prime net initial yields (excl. purchase costs, year-end)	↑	3.6%	2.95%
Investment volumes (€ bln)	↓	3.8	4.7

Sources: JLL, Bouwinvest Research & Strategic Advisory

Market outlook 2023-2025

In November 2022, Bouwinvest published its Real Estate Market Outlook 2023-2025. In this document, you will find more detailed insight into macro trends, real estate market conditions and expectations for the years ahead.

Office market



Bouwinvest's Real Estate Market Outlook 2023-2025 sets out the political, macro-economic and financial trends and developments impacting the Dutch real estate market in the period through to 2025. For an in-depth view on the Dutch office market, including current and future opportunities and threats, please download the latest Market Outlook document from the Bouwinvest website.

Fund strategy

Fund characteristics

Long-term investor	Core investment style	Robust governance structure	Investment structure for indefinite period of time	Reports in accordance with INREV standards

Strategic pillars

	Strategic objectives	*Performance indicator*
Quality	Low risk profile	• Core regions • Targeted acquisitions • Multifunctional locations • Properties in A-locations • Enhancement of assets
Diversification	Multi-tenant assets	• Type of property • Expiry dates • Tenant mix
	Spread across regions	• Regional spread
Sustainability	Building a future-proof and sustainable portfolio	• GRESB rating and scoring • BREEAM-NL score
	Reducing environmental impact	• Free of natural gas (% m^2) • CO_2 emissions of purchased energy • Energy efficiency • BREEAM-NL In-Use health score
	Liveable, affordable, attainable and inclusive places where people want to reside - now and in the future	• Tenant satisfaction score
	Contributing to healthy, safe and responsible operations	• Construction sites with Considerate Constructors Scheme

Active asset management

Working environment

- Having a keen eye for the best places to invest
- Creating safe and attractive meeting places
- Providing access to a varied range of services and cultural and leisure activities
- Facilitating sustainable mobility (near public transport, good access to roads and plentiful parking)

Portfolio

- Continuously optimising the portfolio
- Conducting regular hold/sell analyses
- Making targeted acquisitions
- Divesting assets that do not meet investment criteria
- Assessing physical climate risks
- Unlocking environmental data via EMS
- Exploring opportunities to improve circularity

Assets

- Continuously investing in assets to keep them up-to-date and fit for the future
- Optimising the Fund's occupancy rate through targeted marketing
- Reducing the tendency to relocate by creating high-quality offices in multifunctional environments
- Performing well-timed and good maintenance
- Making the Fund's assets Paris Proof
- Developing better insight into the performance of installations through smart building technology
- Creating healthy buildings and work environments
- Providing more than one use or purpose wihtin a shared building or environment

Tenants

- Providing a self-service portal for tenants
- Optimising contacts with tenants
- Optimising interactions between tenants and property managers
- Promoting social interaction to improve tenant health and well-being
- Using a client monitoring system to optimise services
- Continuously optimising processes and the tenants' customer journey
- Developing additional services through smart building technology
- Obtaining better insight into tenants' energy consumption

Investment objectives

5-year average Fund return

Long-term objective
6.0%-7.5%

Realised 2022

7.9%

Net asset value of invested capital year-end 2022

Target
€ 1,282 M

Realised 2022

€ 1,199 M

	Target	*Realised 2022*
Total Fund return	4.4%	-3.2%
Targeted investments	€ 67 M	€ 59 M
Targeted divestments	€ 31 M	€ 0 M

Investment restrictions

Investments in single investment property may not exceed 15% of total fund book value

Target
<15%

Realised 2022

WTC The Hague (15.6%), Hourglass (16.3%)**

Invested in non-core (non-office) property

Target
<10 %

Realised 2022

4.4%

No investments will have a material adverse effect on the Fund's diversification guidelines

Target
0

Realised 2022

0

Total (re)development activities shall not exceed 5% of the Fund's total investment portfolio

Target
<5%

Realised 2022

0%

Diversification guidelines

	Target	*Realised 2022*
Low and medium risk investments	>90%	100%
A minimum of 50% of all investments is multi-tenant	>50%	64.5%
Total income of single tenant may not exceed 15% of total potential rental income	<15%	12.1%
Total income of five largest tenants may provide a maximum of 50% of the total potential rental income of the Fund	<50%	36.8%

Invested in the Fund's core regions

Target
>80%

Realised 2022

100%

** The value of this asset is >15% of the Fund. Deviation of the restrictions for this asset was approved by the shareholders. In addition, positive revaluations cannot prevent the value of a single asset rising to a level of >15% of the Fund's total portfolio.*

Performance on strategy

Portfolio characteristics

	2022	2021
Total property value	€ 1,219 million	€ 1,236 million
No. of assets	19	18
m^2 floor space	264,940 m^2	259,713 m^2
Total Fund return	-3.2%	7.3%
Fund income return	2.8%	2.6%
Occupancy rate	90.4%	90.4%
% multi-tenant	64.5%	65.2%
% in core regions	100.0%	100%
GRESB rating & score	5-star (92 points)	5-star (95 points)
BREEAM-NL labelled assets	96.3 ≥Very Good	98.3% ≥Very Good
% green energy label	99.6% (98.3% A-label)	99.6% (98.3% A-label)

Performance on quality

Core regions

The Office Fund has a clear focus on the four largest cities in the Netherlands: Amsterdam, Rotterdam, Utrecht and The Hague (G4). At least 80% of the Fund's NAV will be invested in these defined core regions. All investments in the current portfolio have been made in the G4.

The Fund's core regions closely correlate with the urbanisation trend in the Netherlands and the ongoing shift towards a knowledge-based economy. For that reason, the Fund added Eindhoven as a potential target for acquisitions in non-core regions, which can account for a maximum of 20% of the Fund's total portfolio. Due in part to its 'brainport' status, Eindhoven, the fifth largest city in the Netherlands, is attracting a growing number of innovative high-tech start-ups and other companies. This in turn has led to a strong influx of young, highly qualified Dutch and international workers looking to work in the industries of the future. All of this is fuelling demand for smart, state-of-the-art office space. At the same time, a high proportion of Eindhoven's office stock is largely obsolete, and some development and redevelopment projects will match the Fund's other investment criteria, such as the risk/return profile, location, type of buildings, sustainability score and multi-tenant character.

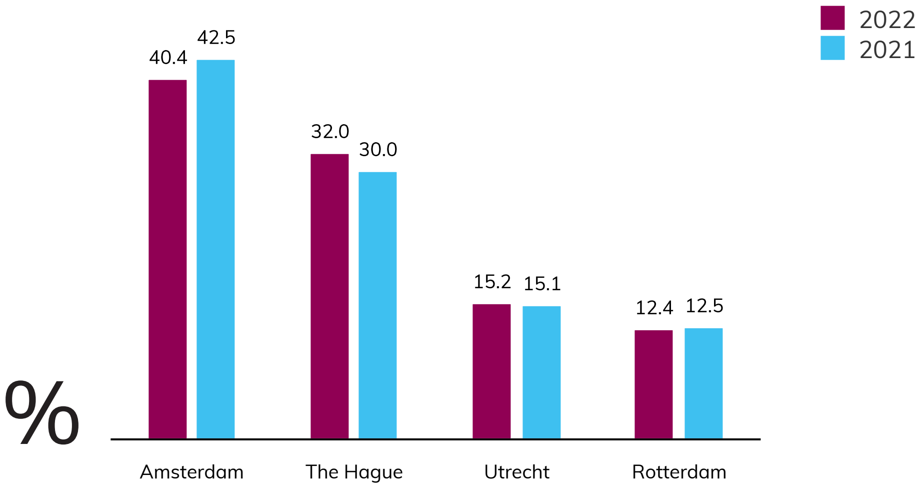
To identify the most attractive municipalities for investments in office real estate, the Fund takes various indicators into account. Characteristics of the exact location (such as proximity to public transport, accessibility by car, visibility and overall attractiveness) and the asset (such as multi-tenant, large and flexible floors, sustainability and inviting entrance area) are part of the model the Fund uses to determine the risk/return profile at asset level.

The Fund has a strong preference for urban locations, as these are likely to be more resilient in the face of any economic downturn. Despite the Covid-19 pandemic and its impact on real estate markets, the urbanisation trend will continue to increase demand for high-grade office space in such urban locations, which tend to be more easily accessible and offer a wider range of other amenities and facilities than more peripheral locations.

Multifunctional locations

Good retail, residential and leisure facilities play an important role in the appeal of (business) meeting places. Locations where a widely diverse group of people come together form a good basis for an inspiring working environment. The blending of leisure, culture, education, sport and work makes a positive contribution to the attractiveness of a location.

Portfolio composition by core region based on book value



Investments and divestments

The Fund has a moderate growth target which has been increased by the obtained new commitment of € 183 million from 1 July 2022. However, purchasing processes have been significantly disrupted by strongly changing market conditions from the second half of the year. Valuations then came under severe pressure, mainly due to the rise in interest rates. This has led to renegotiations and sometimes to the termination of the process.

Investments

The plan for investments in 2022 was € 67 million. The purchase of De Zeven Provinciën was one of the highlights of 2022. The existing building of approximately 5,232 m2 and 23 parking spaces at Lange Voorhout 3 in The Hague was delivered to the Fund on 23 December. The total investment includes € 59 million.

De Zeven Provincien is a good fit with the Fund's strategy of investing in the G4 cities and in flexible, distinctive buildings in easily accessible and attractive multifunctional locations. The building already has an A+ Energy Label, is gas-free and it is realistic to make the building Paris Proof.

Other investments relate to Central Park (Utrecht), where additions to the initial purchase price have been made on the basis of newly realised rental transactions by the seller. In addition, the Fund invested in building improvements at WTC Rotterdam and WTC The Hague. As always, further sustainability improvements played a major role in these investments.

Divestments

The Fund's divestmernt activities were also affected by strongly changed market conditions, as a result of which it was not possible to realise the Fund's planned sales in 2022.

Performance on diversification

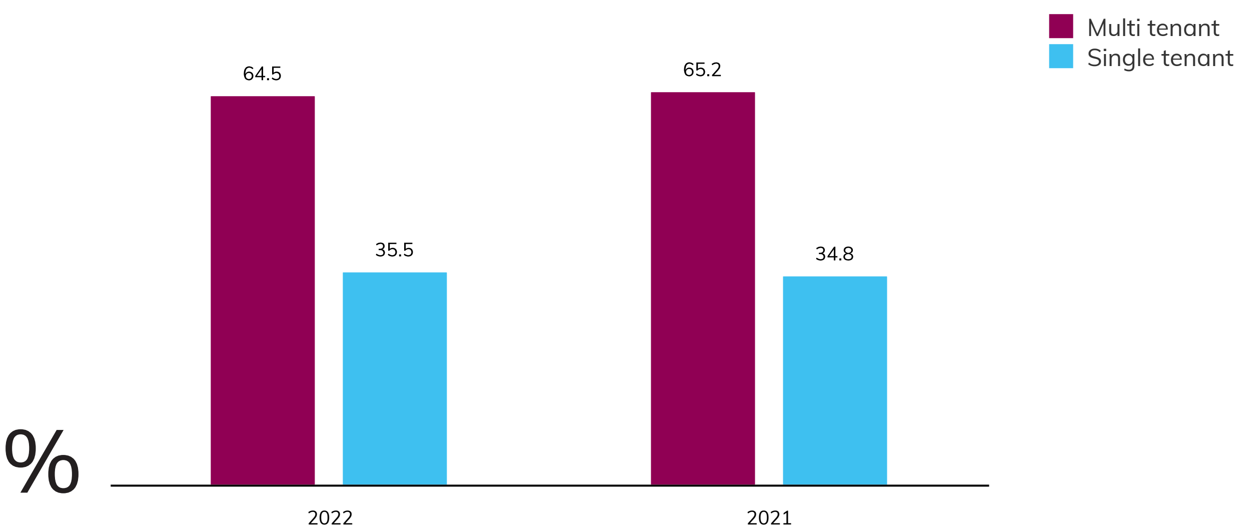
Type of property

The Covid-19 pandemic has accelerated a number of existing trends, which are likely to increase demand for sustainable and easily accessible office buildings that are well suited to act as a social hub for users. For one, tenants are already looking for even more flexibility, in terms of both office use and in terms of flexible leases. In addition, a healthy working environment is very much top of mind right now, and we could see the introduction of higher climate control and air quality standards. Very importantly, the fact that so many people have been working from home has highlighted just how important offices are as meeting places and workplaces for inspiration, brainstorming and innovation. The fact that many companies are likely to downsize their overall office space will create additional demand for more compact (flexible) offices. These will often be part of larger – multi-tenant and multifunctional – office complexes in vibrant and very accessible locations, as these offer the flexibility and the additional facilities and amenities seen as essential by most modern office users.

Multiple lease agreements reduce the volatility of revaluations and help increase the control of asset management risks. Furthermore, the Fund focuses on locations that attract a widely diverse group of people and offer a mix of culture, education, sport and work facilities. The share of multi-tenant assets in the portfolio had increased slightly, to 64.5% at year-end 2022 (2021: 65.2%). The addition of Central Park (Utrecht) to the portfolio is fully in line with the Fund's focus on multi-tenant buildings.

Since the reduction of Covid restrictions, the dynamics on the occupier marke have increased. There is a particular demand for sustainable buildings in easily accessible locations with something extra to encourage employees to return to the office. Central Park (Utrecht) has benefited from this. The Fund signed new lease contracts for a total of 7,334 m2 in 2022, which means that the occupancy rate at Central Park had risen to 75.1% at 31 December 2022.

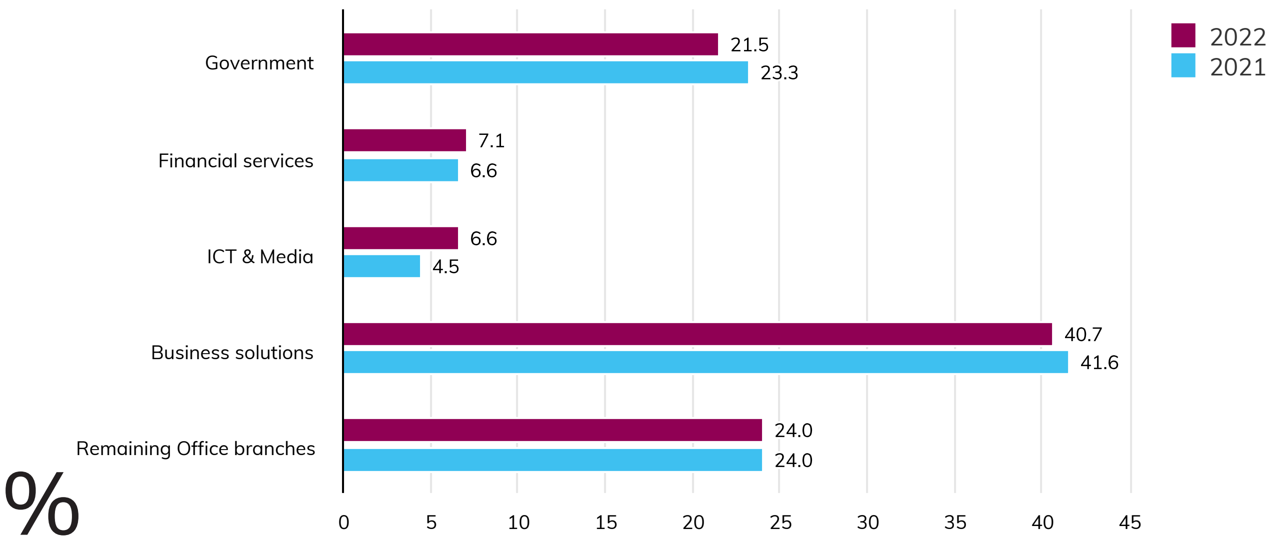
Portfolio composition by single versus multi-tenant based on market value



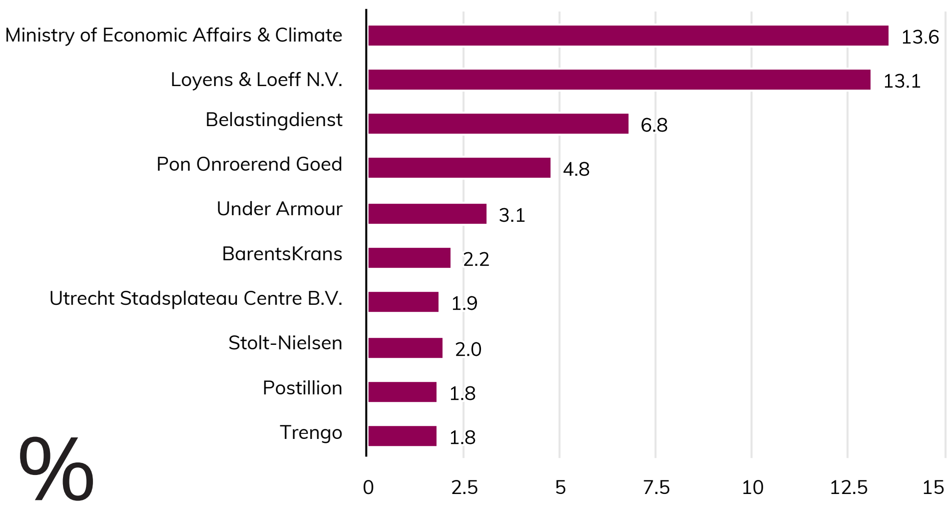
Tenant mix

Most of the Fund’s tenants are considered to have a low debtor’s risk. The top five tenants accounted for a total of 38.2% of the total potential rental income in 2021 (2020: 45.3%), which is in line with the Fund's diversification guideline that the total potential rental income of the five largest tenants may provide a maximum of 50% of the Fund's total potential rental income.

Allocation of investment property by tenant sector as a percentage of rental income



Top 10 major tenants based on passing rent



Expiry dates

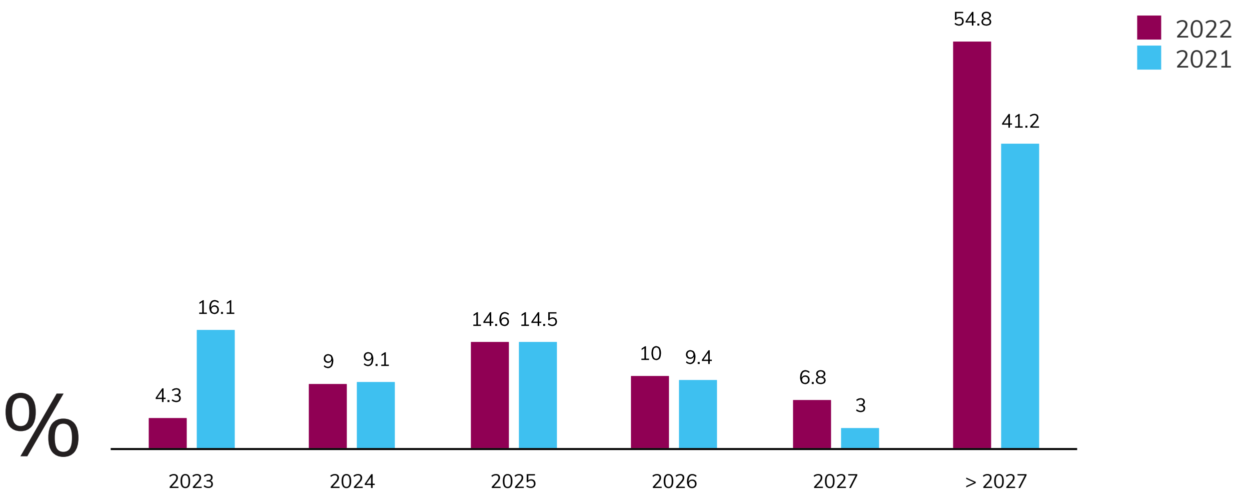
Close relationships with its tenants enable the Fund to propose lease extensions at the right time. However, the Fund does take lease expiries into account and anticipates these to attract new tenants. This is one of the reasons tenant satisfaction is so important and why this is a key part of the Fund's strategy.

The Fund realised a lease extension with the Central Government Real Estate Agency for Centre Court (The Hague). It is for approximately 28,616 m2 of office space and 350 parking spaces. The contract had an initial termination date of 31 December 2023 and a long new lease term has been agreed, so it makes a substantial contribution to both an increase of secured rent and the lease spread. The transaction resulted in a positive revaluation and offset the write-downs on a portfolio level to some extent.

Due to the acquisition of De Zeven Provinciën (The Hague), the tenant, BarentsKrans, is new in the top 10 of largest tenants.

As of 31 December 2022, the weighted average remaining lease term of the Fund stood at 5.6 years. This is equal to the position a year earlier, which confirms the increase in secured rent.

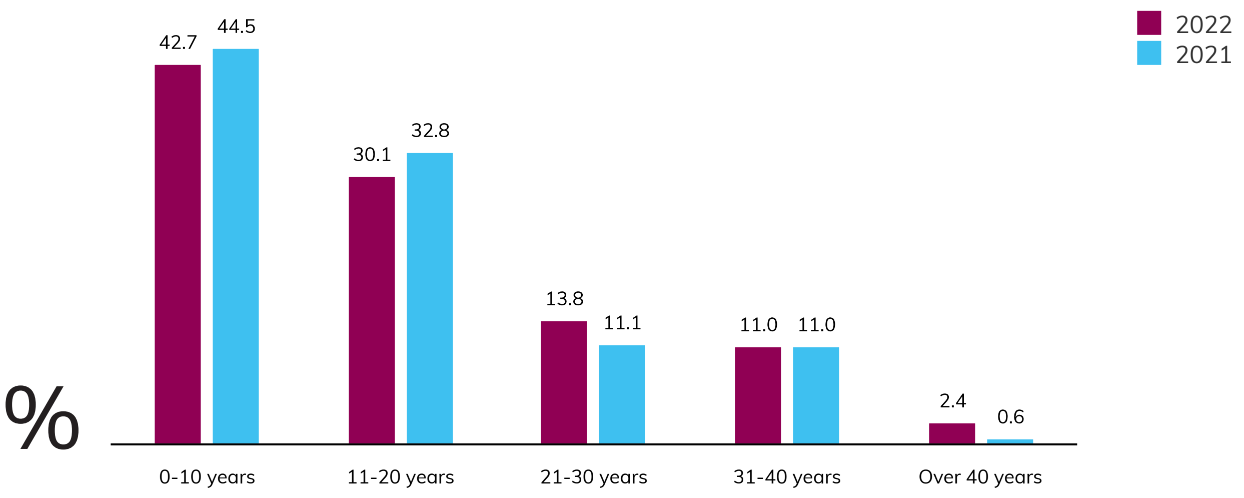
Expiry dates as a percentage of rental income



Age

Reducing the age of the Fund's portfolio is not a target in itself. More important than age is the asset's distinctive character, its location, its sustainability and its return prognosis. Some assets have a listed status based on their rich history and architecture. The age of some assets is determined by their date of completion after redevelopment. This means that the construction year of The Garage and Move, which were originally built in 1962 and 1931, is being reported as 2019. However, some older assets that have been or are being renovated and upgraded in phases retain their original construction date, despite being equipped with state-of-the art climate control systems, renewable energy sources and other modern amenities and facilities. Due to the year of construction of the purchase of De Zeven Provinciën (The Hague, 1960), the share of buildings older than 40 years has increased. Other shifts compared to 2021 are due to revaluations.

Allocation of investment property by age based on market value

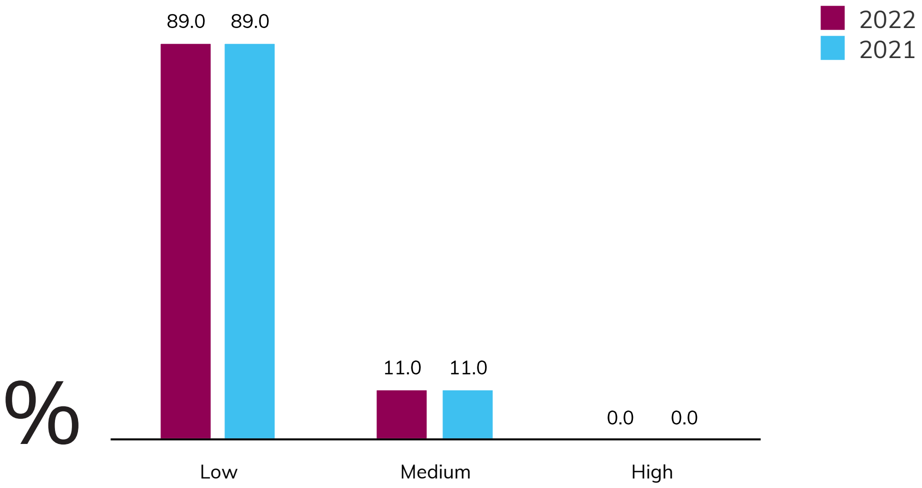


Allocation by risk

In terms of risk diversification, at least 90% of the investments must be low or medium risk. The actual risk allocation at year-end 2022 is shown in the figure below. Every year, the Fund assesses all properties separately. In 2022, the Fund was classified as 100% low to medium risk and as such was consistent with the framework of the Fund conditions.

Future investments in WTC Rotterdam and Central Park in Utrecht will run parallel to an increase of their occupancy rates and will therefore lower the risk profile of the Fund even further. For instance, WTC Rotterdam is currently categorised as medium risk, but will be categorised as low risk once its occupancy rate climbs above 85%, something the Fund expects this to be solid enough in 2024. This means the Fund has sufficient leeway on the risk front to acquire an office redevelopment project or an office building with a low occupancy rate.

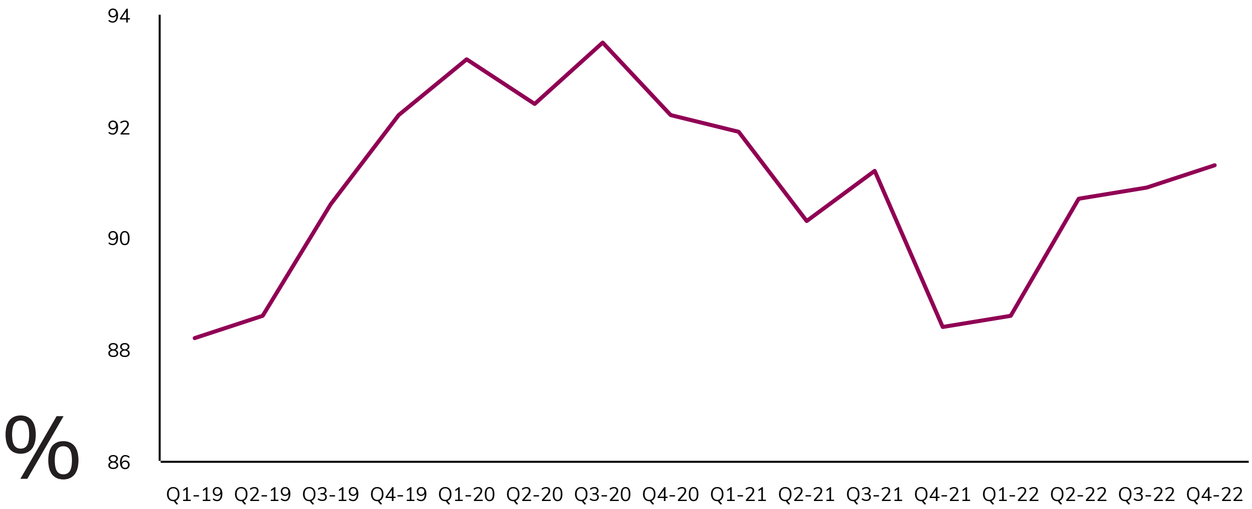
Allocation of investment property by risk category based on market value



Financial occupancy

The Fund's average occupancy rate was 90.4% over 2022 (2021: 90.4%). New rental transactions for Central Park in particular contributed to this. The occupancy rate of that asset has increased during 2022 from 44.3% to 75.1% as of December 31, 2022.

Financial occupancy rate



Performance on sustainability

Highlights performance on sustainability 2022

	2022	2021
GRESB rating	5 stars	5 stars
GRESB score	92 points	95 points
Investments with BREEAM-NL certification	98%	100%
BREEAM-NL rating ≥Very Good	96.3%	98.3%
BREEAM-NL rating Excellent	66.2%	67.7%
Green label (A/B/C)	99.6% (98.3% A-label)	99.7% (98.3% A-label)
Average EP2	137	136
Solar power installed	1,062 kWp	968 kWp
Increase in energy consumption (like-for-like)	1.9%	-1.8%
Reduction in GHG emissions	-22.6%	+10.5%
Rental contracts with sustainability clause	107	73
Construction sites registered under Considerate Constructors scheme	n/a	100%
Coverage AEDs within six minutes walking distance	100%	100%

Promoted ecological and social characteristics

Last year, the Fund developed the ESG Framework, which explicitly defines all elements related to ESG for the Fund. The driver for the development of the ESG Framework was to improve the structure of the Fund's ESG efforts, enabling the Fund to integrate ESG in decision making and to structurally manage and monitor all efforts, enabling the fund to report in a transparent way. The framework also provides the basis for the disclosures required under the new Sustainable Finance Disclosure Regulation. Part of the SFDR requirements is the periodic disclosure in which the Fund reports on its promoted environmental and/or social characteristics. The periodic disclosure can be found in the enclosures.

The Fund has defined four ESG objectives, which reflect the environmental and social characteristics that the Fund promotes. The ESG objectives are at the heart of the Fund's strategy and support four United Nations Sustainable Development Goals (SDGs).

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

In addition to the ESG objectives to which the fund wants to contribute, the ESG Framework takes into account ESG risks relevant to the Fund to minimise the negative impact of the Fund's portfolio on society and the environment.

Sustainable development goals

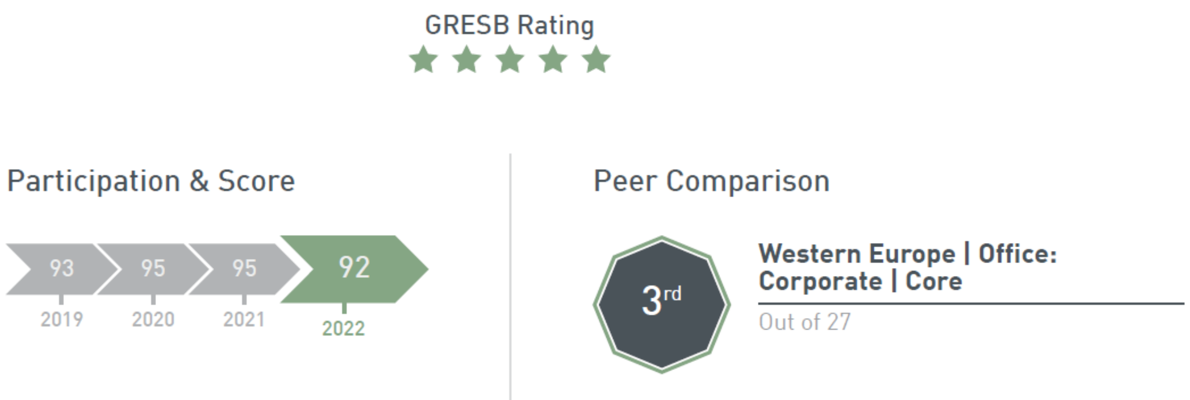
7 Affordable and clean energy	8 Decent work and economic growth	11 Sustainable cities and communities	13 Climate action
Installation of renewable energy	Considerate constructor scheme for construction projects	Above average sustainable portfolio	Climate adaptation

1. Building a future-proof and sustainable portfolio

Above-average sustainable fund

In 2022, the Fund retained its GRESB 5-star rating but saw a decline in its overall score of three points to 92 points. The lower score is mainly due to a decrease in scores on GHG, water and waste. However, the Fund scores higher on like-for-like reductions in energy. The Fund continued to focus on performance to increase its points. The Fund will continue to focus on both coverage of data and on reductions to improve its score this year. Other opportunities for future improvements are related to the reuse of water.

GRESB scores 2022



In the latest UN PRI benchmark of 2021, we scored 95 points (5 stars) on Direct – Real estate. The results have been published during 2022.

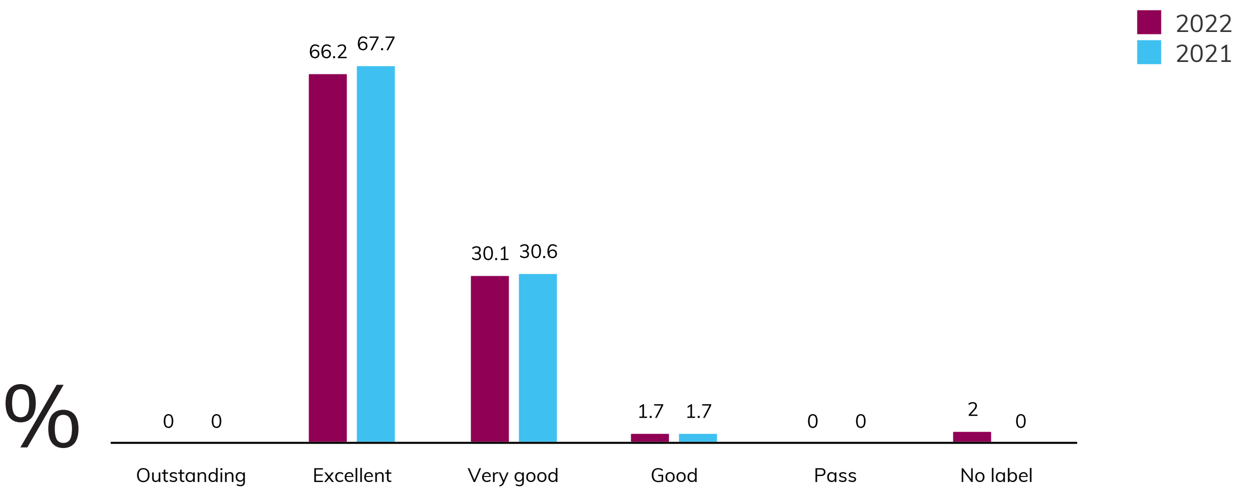
Above-average sustainable buildings

The Fund uses BREEAM to measure and assess the overall sustainability of its buildings. The BREEAM methodology covers a wide range of subjects; from energy to transport, from vegetation and materials to indoor climate quality. This makes it a very useful tool for the implementation of sustainability measures at different levels within the Fund.

The target for 2022 was to achieve a minimum of a BREEAM-NL Very Good rating for every asset in the portfolio. The Fund almost met its target last year, as 96.3% of the portfolio assets now have at least a BREEAM-NL Very Good rating; 66.2% have a BREEAM-NL Excellent rating. The Fund has retained its target for 2022 based on its ESG Steering framework. The asset De Zeven Provinciën (The Hague), delivered on 23 December, did not yet have a BREEAM-NL label on 31 December, but a Very Good BREEAM-NL In Use label is expected in Q1 2023.

The figure below shows all the certificates obtained per asset.

BREEAM scores (% of lettable floor space)



2. Reducing environmental impact

Bouwinvest committed itself to the Paris Proof commitment of the Dutch Green Building Council (DGBC). To become net-zero carbon (Paris Proof) before 2045, the Fund has drawn up a roadmap to realise this ambition. In 2022, the Fund incorporated the technologies, measures and costs in the Fund's strategic maintenance plan for the coming years.

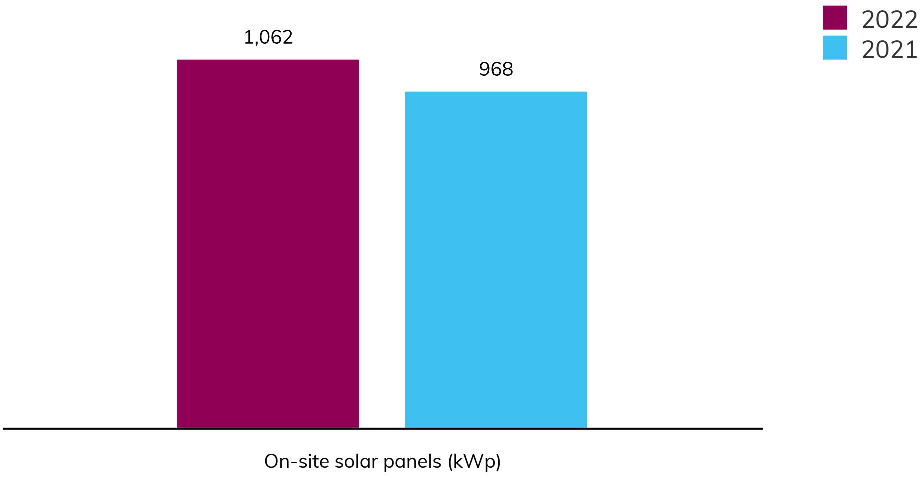
Combatting Climate Change: source of energy

In 2022, the Fund's energy consumption increased by 1.9% (2021: -1.8%) on a like-for-like basis. The GHG emissions decreased by 22.6% (2021: -10.5%). This increase in like-for-like energy consumption was largely due to a post Covid-19 year, as a large majority of people worked from home in 2021. During 2022, most assets were operating on a normal level.

Renewable energy production

The Fund continued working on renewable energy production last year. The target was to install at least 1,000 kWp of solar panels by the end of 2022. At the end of 2022, the Fund had installed 1062 kWp of on-site solar panels. Due to the installation of new solar panels on Central Park the total kWp increased by 82 kWp.

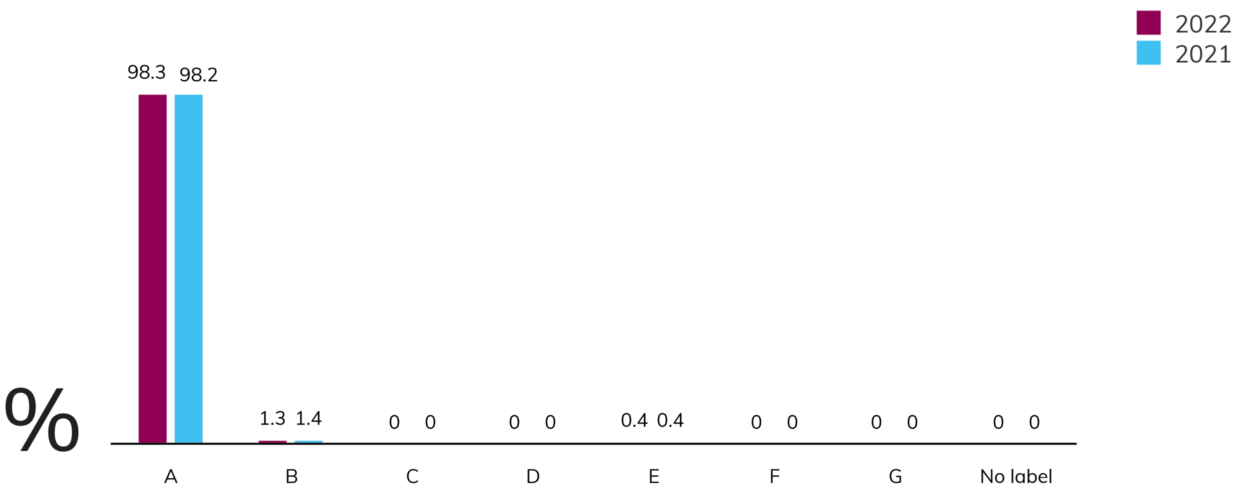
On-site solar panels (kWp)



Combatting Climate Change: Energy efficiency of buildings

Another target related to the Fund's sustainability at asset level was to achieve a 100% green portfolio (EPC label A, B or C) in 2022 with 80% label A or better. The distribution of energy labels in the portfolio is shown below. At the end of 2022, 99.6% of the Fund's portfolio had a green energy label, and 98.3% had an A label.

Distribution of energy label by floor space (m^2) in %



In 2022, the Fund set new targets related to the reduction of its environmental impact. The Fund has set the following targets in its Fund plan, based on its ESG Steering framework:

- Free of natural gas (% m^2): 100% by 2045;
- CO_2 emissions in kg CO_2 m^2 of purchased energy (scope 2): Annually no scope 2 emissions (electricity);
- Average energy intensity (kwh/m^2/yr): $\leq$70 kwh/m^2/yr in 2045.

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

Bouwinvest does its utmost to optimise long-term alliances with all of its stakeholders. It has methods and means in place to understand, meet and respond to its stakeholders' needs and to engage with the issues that its stakeholders find important. In addition to this, Bouwinvest takes an active approach to raising environmental, social and governance awareness throughout the real estate industry, partly through membership of various real estate sector organisations, such as the Association of Institutional Property Investors in the Netherlands (IVBN) and the Dutch Green Building Council.

Client services and communications

Real estate markets are remarkably dynamic, so Bouwinvest has to be responsive to internal and external news, as well as trends, risks and developments that could influence investments in real estate. Bouwinvest is clear on its investment strategies and is dedicated to demonstrating its ability to meet or exceed its clients' expectations, by offering investment opportunities, services and market data related to existing and potential new investments.

Stakeholder engagement

Bouwinvest does its utmost to optimise long-term alliances with all its stakeholders. The organisation has methods and means in place to understand, meet and respond to its stakeholders' needs and to engage with the issues that its stakeholders find important. In addition to this, Bouwinvest takes an active approach to raising environmental, social and governance awareness throughout the real estate industry, partly through membership of various real estate sector organisations, such as the Association of Institutional Property Investors in the Netherlands (IVBN) and the Dutch Green Building Council.

For its most recent survey, Bouwinvest consulted a number of stakeholder groups. The survey consisted of two parts, a quantitative survey among employees and tenants and a qualitative survey among stakeholders such as clients, prospective clients, commercial tenants, developers and property managers. The qualitative survey used interviews to retrieve steering information on things that Bouwinvest does well and where there is room for improvement. Stakeholders also give an overall reputation rating.

The survey was conducted in 2022, and the results were processed in the first quarter of 2023. The average figures from the qualitative and quantitative survey cannot be combined, as they use different survey methodologies. The average score in the qualitative survey was a 7.8.

Product accountability: Tenant satisfaction

The results of the annual tenant satisfaction survey were announced in Q4 2022. The average score for satisfaction about the quality of assets (weighted by number of tenants) was 7.3; the service provided by the property manager scored a 6.9. With an average score of 7.1, the Fund met its target of 7.0. The scores based on the weighting of rental income are slightly higher, at 7.4 and 7.2 and an average of 7.3 respectively. Reminders via calls, narrowcasting and the community app helped to increase the response rate based on the number of tenants; 118 out of 187 (64% compared with 59% in 2021). Because several large tenants did not participate, the response based on rental income is lower than in 2021; 50% vs. 77%. A total of 27 tenants made use of the possibility to have colleagues complete the survey as well, resulting in a total of 46 responses from these tenants. The scores for indoor climate and safety increased particularly strongly. Accessibility scored slightly lower, but still more than sufficient. The Fund presented the results to its property managers. This is important input for new action plans for further improvements.

Green leases

The Fund encourages its tenants to be more sustainable by including standard green lease clauses in its lease contracts. These embed the intended cooperation between the Fund and tenants to improve the sustainability of the Fund's office assets. The Fund prefers to supplement these clauses with concrete agreements, such as access to data on energy use and parameters on joint investments in energy-saving measures. Despite a certain level of reluctance on the part of tenants, in 2021 the Fund managed to increase the number of green leases it closed. The Fund is keeps working on increasing the number of green leases even further by offering tenants concrete tools to help them reduce their energy consumption and costs.

The Fund has so far signed 107 green lease agreements with tenants that include clauses related to cooperation on improving sustainability (total number of leases is 120). At 31 December 2022, 38.9% of all lease agreements were green leases (based on floor space; 2021: 31.6%).

Sustainable stewardship

Bouwinvest takes an active approach to raising environmental, social and governance awareness throughout the real estate industry. Bouwinvest encourages its partners to enhance their sustainability performance. Bouwinvest's focus is on health and safety at construction sites, active participation (memberships) in industry associations and community programmes. To further improve the climate for real estate investments, Bouwinvest is an active member of boards and committees of sector, industry and cross-disciplinary networks such as NEPROM, IVBN, Holland Metropole, DGBC, INREV and ULI.

AED

Bouwinvest was the first company in the Dutch real estate investment sector to contribute to the establishment of a national AED (automatic external defibrillator) network, which it is estimated could save up to 2,500 lives every year in the Netherlands. The use of an AED offers the highest probability of survival within the first six minutes after a heart attack. In 2022, the Fund continued focusing on the installation of AEDs. The Fund's target for the end of 2022 was to give all tenants and communities access to an AED within six minutes walking distance. At the end of 2022, 100% of the Fund's tenants and communities had an AED available within six minutes walking distance.

Targets

In its 2023-2025 Fund Plan, the Fund has set new targets related to liveable, affordable, attainable & inclusive places where people want to reside - now and in the future based on its ESG steering framework. The Fund has set the following targets:

- BREEAM-in-use health assessment score at asset level: Target 2024: >70%
- BREEAM-in-use health score at management level: Target 2024: >60%
- Tenant satisfaction score: >7

4. Contributing to healthy, safe and good working conditions

Considerate constructors scheme (construction sites)

All the construction sites related to assets in the Fund are registered under the Dutch Considerate Constructors Scheme (Bewuste Bouwers). This ensures that the contractor deals with the concerns of local residents and addresses safety and environmental issues during the construction phase.

The target was to have more than 75% of its construction sites registered under the Considerate Constructors Scheme by the end of 2022. However, at the end of 2022 the Fund has no construction sites.

In 2022, the Fund retained its target related to healthy, safe and good working conditions. The Fund set the following targets in its Fund plan, based on its ESG Steering framework:

- Construction sites with considerate constructors scheme (based on purchase price): >75% of total construction sites.

EU Taxonomy

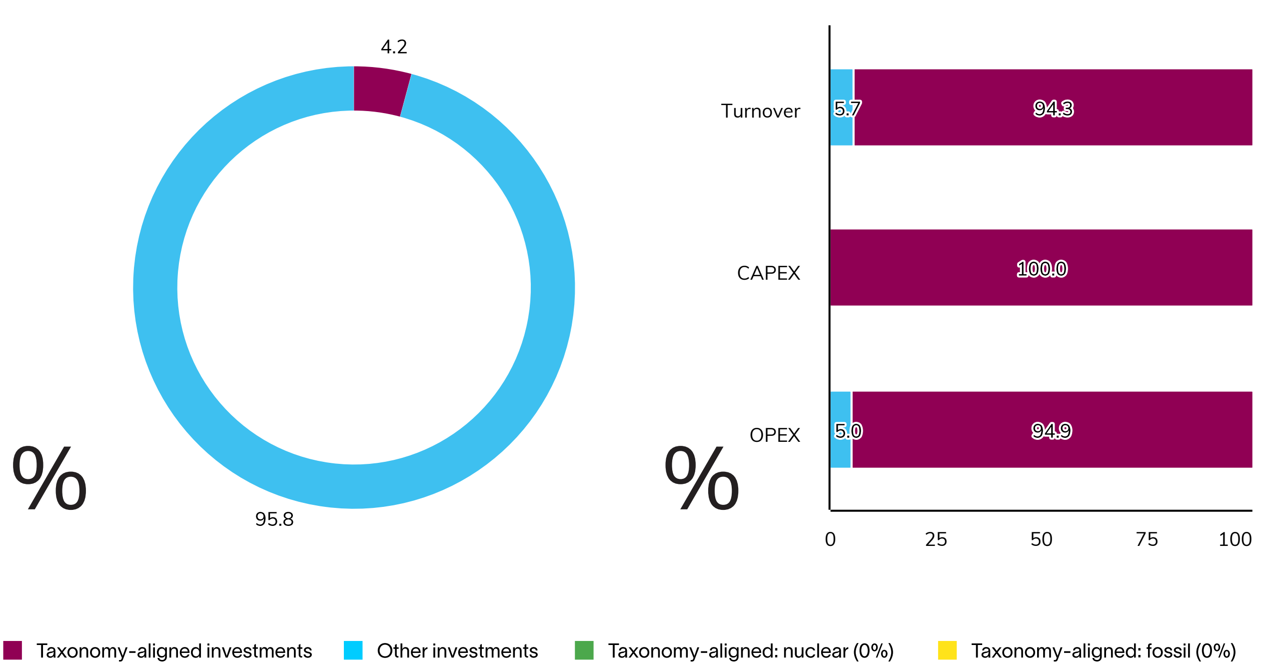
The Fund contributes to two environmental objectives as included in Article 9 of the Taxonomy Regulation (TR), these being 'climate change mitigation' and 'climate change adaptation'. The Fund's investments are in Taxonomy-eligible economic activities, namely 'acquisition and ownership of buildings' and 'construction of new buildings', which qualify as environmentally sustainable under Article 3 of the TR for the following reasons:

- The Fund's underlying investments significantly contribute to these objectives in line with the qualifications laid out in Articles 10 and 11 of the TR.
- At the same time, the economic activities do not significantly harm any other environmental objectives.
- Furthermore, the economic activities are carried out in compliance with the minimum safeguards laid down in Article 18 of the TR.

The economic activities have been assessed based on the technical screening criteria established by the European Commission. The calculation uses asset level data for the Green Asset Ratio (GAR). Turnover, OPEX and CAPEX are calculated on the basis on the corresponding (sustainable) assets. The reference date for the sustainability data is set at 1 January 2022 and financial data at year-end 2022. Assets sold during the year are not taken into account. Buildings under construction with a building permit after 31 December 2020 and new acquisitions have not yet been assessed in terms of Taxonomy alignment. The physical climate risk is, until net risk is available, assessed on the basis of gross risk (surrounding risk).

The outcome of the assessment at asset level based on the GAR was as follows:

Taxonomy aligment of investments



The current NAV of the portfolio stands at € 1,199 million, 4% (GAR) of which is EU Taxonomy-aligned. Split into to different objectives, the results are:

- 4% of the Fund's underlying investments are aligned with the technical screening criteria related to a substantial contribution to 'climate change mitigation' due to the number of A or better energy labels and the economic activities do not significantly harm any other environmental objectives due to the limited physical climate risks.
- 0% of the Fund's underlying investments, which are not aligned with 'climate change mitigation', do contribute substantially to 'climate change adaptation' due to the limited physical climate risks and the fact that the economic activities do not significantly harm any other environmental objectives due to the number of B or C energy labels.
- 96% of the Fund's underlying investments are not Taxonomy-aligned. A selection of the investments within this segment complies partially with the technical screening criteria and further assessment will be needed to determine Taxonomy alignment, as is the case for new buildings with a building permit later than 31 December 2020. On the basis of this new information, the Fund will establish whether part of these investments is in fact aligned with the EU Taxonomy.

Financial performance

Fund return

The Fund realised a total return of -3.2% in 2022, consisting of 2.8% income return and -5.9% in capital growth. Net rental income, administrative and finance expenses are the main drivers for the income return. The decline in capital growth was primarily driven by uncertainties triggered by the geopolitical and economic effects of the war in Ukraine, high interest rates, inflation and energy prices.

The total fund return ended significantly below target. The Fund's income return ended just above target and capital growth 7.6% points below target as a result of the uncertainties in the market.

Fund performance	2022 Actual	Plan	2021 Actual
Income return	2.8%	2.7%	2.6%
Capital growth	-5.9%	1.7%	4.6%
Fund performance	-3.2%	4.4%	7.3%

Income return

Net rental income of € 43.8 million was € 2.4 million higher than the plan of € 41.4 million (2021: € 39.3 million). The most significant drivers of the deviation from plan were higher gross rental income (€ 4.1 million) and higher property operating expenses (€ 1.4 million).

Gross rental income was higher than plan due to the indexation of rental income from standing assets and lower vacancies than expected. The difference in property operating expenses was mainly due to higher-than-expected maintenance costs and higher taxes.

Capital growth

The Fund realised capital growth of -5.9% compared with the plan of 1.7%. Due to rapidly rising interest rates, rising costs and numerous market uncertainties, appraisers have expressed the turmoil in the market through higher exit yields and discount rates. Valuations are under pressure and WTC The Hague, Hourglass and The Garage (both Amsterdam) made the biggest contribution to the negative capital growth.

Property performance

Property performance	2022 Actual	2022 MSCI	2021 Actual
Income return	3.4%	3.1%	3.3%
Capital growth	-6.0%	-6.2%	4.5%
Property performance	-2.8%	-3.2%	8.0%

The total property return for 2022 came in at -2.8%, consisting of a 3.4% income return and -6.0% capital growth. The Fund outperformed the MSCI Netherlands Property Office Index (all properties) by 0.4 basis points in 2022. This outperformance was related to both the Fund's capital growth as the income return. The capital growth of -6.0% was 0.2 basis points higher than the benchmark's capital growth of -6.2%. The income return of 3.4% was 0.3 basis points higher than the benchmark's income return of 3.1%.

WTC Rotterdam
Multi-tenant

Rotterdam
The Netherlands

Shareholder information

Introduction

This section covers the financial management policies, activities and performance of the Fund over 2022, followed by the Fund's overall governance and structure. This section concludes with more details about the fund manager.

Financial management

Results

Income Statement summary (all amounts in € thousands)	2022	2021	change	in %
Revenues	70,999	62,807	8,192	13%
Operating expenses	(27,176)	(23,520)	(3,656)	16%
Net rental income	**43,823**	**39,287**	**4,536**	**12%**
Net valuation gain / (loss)	(76,208)	54,525	(130,733)	-240%
Result on disposal	-	-	-	0%
Administrative expenses	(6,485)	(6,299)	(186)	3%
Finance expenses	(2,464)	(2,537)	73	-3%
Income taxes	-	-	-	#DIV/0!
Result for the year	**(41,334)**	**84,976**	**(126,310)**	**-149%**
Financial occupancy	90.4%	90.4%		
REER	1.32%	1.23%		
TGER	0.51%	0.53%		

In 2022, the full-year result declined to - € 41.3 million, from € 85.0 million in 2021 (-149%). The decline of € 126.3 million was primarily driven by significantly lower valuations of the investment properties (€ 130.7 million).

Revenues of € 71.0 million were € 8.2 million higher than 2021 (€ 62.8 million), mainly driven by higher rental income (€ 7.9 million) and service charges income (€ 1.5 million), mainly due to the full year contribution of Central Park (Utrecht) and a higher occupancy rate in Centre Court (The Hague) and WTC Rotterdam. Furthermore, other income declined by € 1.2 million, mainly as a result of one-off gains related to compensation for terminated lease contracts in 2021.

Operating expenses of € 27.1 million were € 3.7 million higher than in 2021 (€ 23.5 million), driven by higher service charge expenses (€ 1.5 million) and higher operating expenses (€ 1.2 million). Service charge expenses increased due to the delivery of properties in 2021 (full year effect in 2022) and 2022. The increase in operating expenses was mainly due to higher taxes (€ 0.7 million) and higher costs related to the Business Centre, costs for associations of owners and other operating expenses for the account of the Fund (total € 0.5 million).

The REER increased to 1.32%, from 1.23% in 2021, as a result of the increase of the annual vehicle and property-specific costs and the decline in the average NAV.

Dividend

As a result of the Fund's fiscal investment institution (FII) status until 1 January 2023, the Fund has distributed all of the distributable result to its shareholders through four quarterly (interim) dividend payments.

As a result of the restructuring of the Fund into a Fund for Mutual Account as per 1 January 2023, from that date there is no longer a Fund entity that withholds dividend tax. Without taking specific actions, the Dutch tax authorities would thus have lost their dividend withholding tax claim on the Fund's Q4 direct result. The Fund therefore agreed with the Dutch tax authorities to distribute the Fund's estimated Q4 direct result before year-end 2022, so the Fund was able to withhold dividend tax on this distribution.

The Funds net realised return over 2022 amounts to € 35.4 million, which is € 1.2 million lower than the amount that was estimated in December 2022. This difference will be settled with the distribution of the Fund's net realised result over Q1 2023.

Performance per share	2022	2021
Dividends (in €)	109.97	80.38
Net earnings (in €)	(104.46)	219.23
Net asset value IFRS (in €, at year-end)	2,964.33	3,172.38
Net asset value INREV (in €, at year-end)	2,968.82	3,172.38

Funding

According to internal guidelines, the Fund is not allowed to have an unsecured pipeline. At the end of 2022, the funding for the acquisition pipeline was completely secured.

The Fund closed three new commitments in 2022, for a total of € 196 million. The Fund made capital calls for a total of € 45 million.

Name shareholder	Number of shares at year-end 2022
Shareholder A	384,182
Shareholder B	10,910
Shareholder C	8,427
Shareholder D	854
Total	**404,373**

Leverage

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

In 2022, the Fund was financed solely with equity and did not use any loan capital for liquidity management purposes.

Treasury management

Treasury policy: For treasury management purposes, the Fund acted in accordance with Bouwinvest's treasury policy in 2022, to manage the Fund's liquidity and financial risks. The main objectives of the treasury management activities are to secure shareholders' dividend pay-out, ensure other obligations can be met and to manage the Fund's cash position.

At year-end 2022, the Fund had € 12.4 million freely available in cash. In 2022, the Fund's cash position declined by € 2.8 million compared with year-end 2021 (€ 15.2 million).

Interest rate and currency exposure

Interest rate and currency exposure: As the Fund had no foreign currency exposure, there was no currency exposure risk. The Fund did not have any loans or borrowings. The interest rate risk was therefore limited to the negative interest rate developments on the Fund's bank balances.

In 2022, the Fund’s bank balances were affected by negative interest rate developments.

Tax

FII regime: During the entire book year 2022 the Fund qualified as a fiscal investment institution (FII) under Dutch law and as such is subject to corporate tax at a rate of zero percent. Being an FII, the Fund is obliged to distribute its entire fiscal result annually, which was done in December 2022. In 2022, the Fund complied with FII requirements.

FGR: As of 1 January 2023 the Fund is structured as a Fund for Mutual Account (FMA).

Furthermore, the Fund met its obligations related to value added tax, transfer tax and other applicable taxes in their entirety in 2022.

Fund Governance

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

The Fund is governed by a robust framework with systems and processes to manage risks appropriately. Safeguarding the interests of its investors, integrity and transparency, the Fund fosters the following governance principles:
- The compliance function is independent
- Conflicts of interests are avoided and managed through compliance with Bouwinvest’s conflicts of interest policy
- Robust checks and balances through established framework with three lines model
- Focus on process management: ISAE 3402 type II certified
- Compliant with AIFMD
- An independent depositary function has been installed

Rules and principles governing day-to-day business:
- Best-in-class system for valuation of assets
- Elaborate approval process for all real estate investments
- Transparency and integrity integrated in daily business conduct
- Code of conduct
- Transparent and open shareholder communication

Structure of the Fund

Up until 1 January 2023, the Fund was structured as an investment company with variable capital, as defined in article 2:76a of the Dutch Civil Code, with its corporate seat in Amsterdam, the Netherlands. Until that date, the Fund was a fiscal investment institution (FII) within the meaning of Article 28 of the Dutch Corporate Income Tax Act 1969. Bouwinvest Real Estate Investors B.V. (‘Bouwinvest’) is the Fund's sole Statutory Director and management company pursuant to the management agreement.

The management company has a licence within the meaning of Article 2:65 of the Dutch Financial Supervision Act and is subject to supervision of the Dutch Financial Markets Authority (AFM).

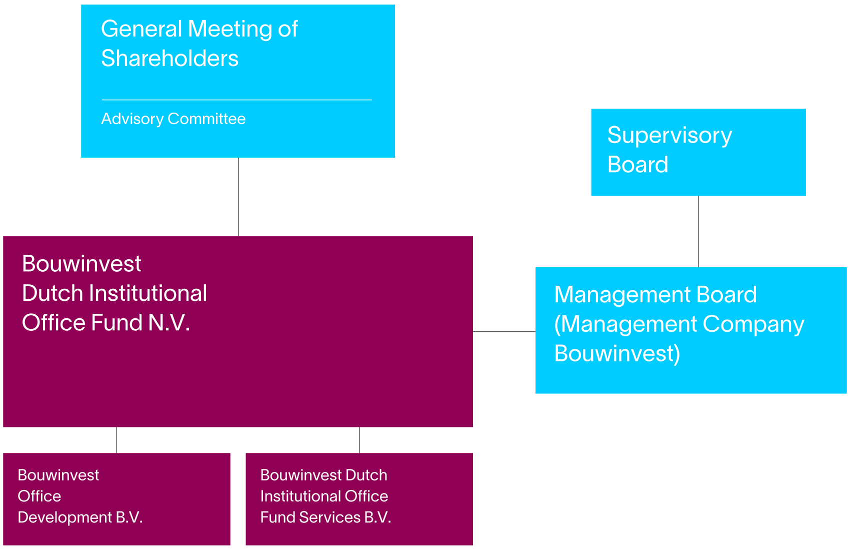
As of 1 January 2023, the Fund is structured as a Fund for Mutual Account (FMA, FGR in Dutch). An FMA is a contractual arrangement pursuant to which participants contribute capital that is invested by a management company (Bouwinvest) for the account of its participants. As the FMA has no legal personality, the investments and other assets and liabilities belonging to the FMA will be held for the risk and benefit of the participants by the Legal Owner.

The Conversion was executed by way of a notarial deed of conversion and amendment of the articles of association, executed by (a substitute for) a civil-law notary from De Brauw Blackstone Westbroek N.V. The Conversion became effective on 1 January 2023.

Subsidiaries

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

Fund governance bodies



Advisory Committee

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

Role of the Advisory Committee

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

General Meeting of Shareholders

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

Anchor Shareholder

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

Manager of the Fund

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

Management Board

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

Supervisory Board

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

Policies, rules and regulations

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

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

instituted a whistleblower policy to deal with the reporting and investigation of unethical behaviour. All employees receive code of conduct training.

Conflicts of Interest policy

Bouwinvest has a Conflicts of Interest policy. The purpose of this policy is to ensure that no material conflicts of interest occur that are damaging for investors in the Fund, the Fund or Bouwinvest. The policy also describes how Bouwinvest should act with respect to the allocation of different investment opportunities over the respective funds and clients. The policy is intended to supplement but not replace any applicable Dutch laws governing conflicts of interest. In 2022, there were no conflicts of interest as referred to in the Bouwinvest Conflicts of Interest Policy, either between the members of the Management Board, the management company, the Fund and/or other funds managed by the management company.

Funds managed by Bouwinvest

Bouwinvest manages the following alternative investment funds:
- Bouwinvest Dutch Institutional Residential Fund N.V.
- Bouwinvest Dutch Institutional Retail Fund N.V.
- Bouwinvest Dutch Institutional Office Fund N.V.

Bouwinvest has separate mandates from bpfBOUW for the management of international real estate investments in Europe, North America and the Asia-Pacific region, hotel properties through Bouwinvest Dutch Institutional Hotel Fund N.V. and healthcare properties through Bouwinvest Dutch Institutional Healthcare Fund N.V.

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

Investors' calendar

22 February 2023	Advisory Committee
12 April 2023	General Meeting of Shareholders
25 May 2023	Payment interim dividend first quarter 2023
16 June 2023	Advisory Committee
18 August 2023	Payment interim dividend second quarter 2023
13 September 2023	Advisory Committee
15 November 2023	Advisory Committee
17 November 2023	Payment interim dividend third quarter 2023
13 December 2023	General Meeting of Shareholders
15 February 2024	Payment interim dividend fourth quarter 2023

As a result of the restructuring of the Fund into a Fund for Mutual Account as per 1 January 2023, from that date there is no longer a Fund entity that withholds dividend tax. Without taking specific actions, the Dutch tax authorities would thus lose their dividend withholding tax claim on the direct result. Therefore, the Fund agreed with the Dutch tax authorities that it would distribute the Fund's estimated direct result before year-end 2022, so that the Fund can withhold dividend tax on this distribution. On 22 December 2022, the Fund distributed its estimated Q4 distributable result (€ 10.4 million). Based on the final distributable result (€ 9.2 million) in Q4, an amount of € 1.2 million will be settled with the Q1 2023 net realised result, after approval of the 2022 annual report by the Meeting of Investors to be held on 12 April 2023.

Risk management

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

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

As manager of the Fund, Bouwinvest Real Estate Investors is responsible for the management of the risks in the Fund. Details regarding the risk management system applied to the Fund are elaborated on in the Bouwinvest Real Estate Investors' 2022 annual report.

Risks in the portfolio are monitored closely and the following events and risks were noteworthy in 2022.

Market risk

Market risk overall

From a market perspective, last year was marked by significant geo-political, financial, social and environmental turbulence. As we emerged from the worst of the Covid-19 pandemic, and economies were showing clear signs of recovery, we were faced with Russia’s invasion of Ukraine. In addition to to the human tragedy and economic uncertainty this created, it also ignited high levels of inflation. The response of the US Federal resertve, the ECB and other central banks has been a series of rapid and significant interest rate rises, pushing the world’s economies towards recession. Consumer and investor confidence deteriorated rapidly, and so, consequently, did asset pricing. The Fund evaluates these changed market circumstances on a continuous basis, and takes them into account, both in the daily management of the Fund and in the investment and divestment decision processes.

Valuation risk

At the end of 2021, appraisers added uncertainty clauses to the valuations of two parking garages (Olympic Stadium and WTC Rotterdam). At the end of the first quarter of 2022, these clauses were removed and no material valuation risks occured for the remainder of the year.

Credit risk

Within the area of credit risk, no material risks occurred in 2022.

Liquidity risk

Within the area of liquidity risk, no material risks occurred in 2022.

Business risk

Business environment risk

The Dutch government announced that as of 1 January 2025 Fiscal Investment Institutions (FIIs) may no longer invest in directly held real estate, the so called real estate measure. Although this measure will take effect as from 1 January 2025, the Fund has been restructured into a 'closed' Fund for Mutual Account (FMA, 'FGR in Dutch) as per 1 January 2023. Given its fiscal transparency, the 'closed' FMA prevents (double) taxation for investors and as such is the most appropriate alternative for an FII. For this reason, the Dutch government recently confirmed that the 'closed' FMA must remain a viable alternative for institutional investors (such as pension funds) that, after the real estate measure, may no longer use the FII for their investments in directly held Dutch real estate.

At the moment of restructuring, bpfBOUW held more than 90% of the Fund shares and therefore the conversion did not trigger real estate transfer tax at the level of bpfBOUW.

Increase in rate real estate transfer tax (RETT) rate
As per 1 January 2023, the RETT rate for investors was increased to 10.4% (was 8%). The exact impact on the real estate market is not yet clear.

ESG risk

Within the area of ESG risk, no material risks occurred in 2022.

Tax risk

The Dutch Tax Authorities (DTA) formally approved Bouwinvest's revised transfer pricing methodology for redevelopment projects and confirmed the outcome of this methodology for the redevelopment of Move and The Garage. Consequently, the Fund is due no corporate income tax for this redevelopment. Bouwinvest filed revised corporate income tax returns for 2019 and this file has been closed.

Operational risk

In 2020, a court decision was made in a dispute with the co-owner of Olympic Stadium Amsterdam, Stichting Olympisch Stadion Amsterdam, about the division of costs for the repair of concrete damage. In 2021, the Foundation lodged an appeal and a request for an expert procedure was initiated. A court verdict will not be forthcoming before the end of 2023.

The Fund has devoted special attention to the asset Hourglass after a small section of the façade fell down in September 2021. Several temporary safety measures were taken at that time. In the fourth quarter of 2022, all security measures were removed, as the experts declared the façade to be safe for now. Experts have recommended prevention measures. As the construction firm has not yet carried out these measures, the façade will be checked again after the winter period for safety reasons. Further research and tests will be carried out to to discover the cause and to realise a structural solution.

Furthermore, not all aftercare points have been resolved since commissioning, the most important of which relate to leakages, pollution due to algae formation and the sewage system. Based on the nuisance experienced by tenants up to and including the end of 2022, a claim has been submitted to the Fund. This claim will be dealt with in 2023 hence no provision is accounted for in 2022.

For the façade issue and follow-up of the aftercare points, the Fund has served both the construction company and developer with a notice of default and the claim has been transferred to them. In addition, the Fund is checking whether this is covered by the liability insurance. In the meantime, a damage expert from the building insurance company is looking into reimbursing the costs incurred for investigations and security.

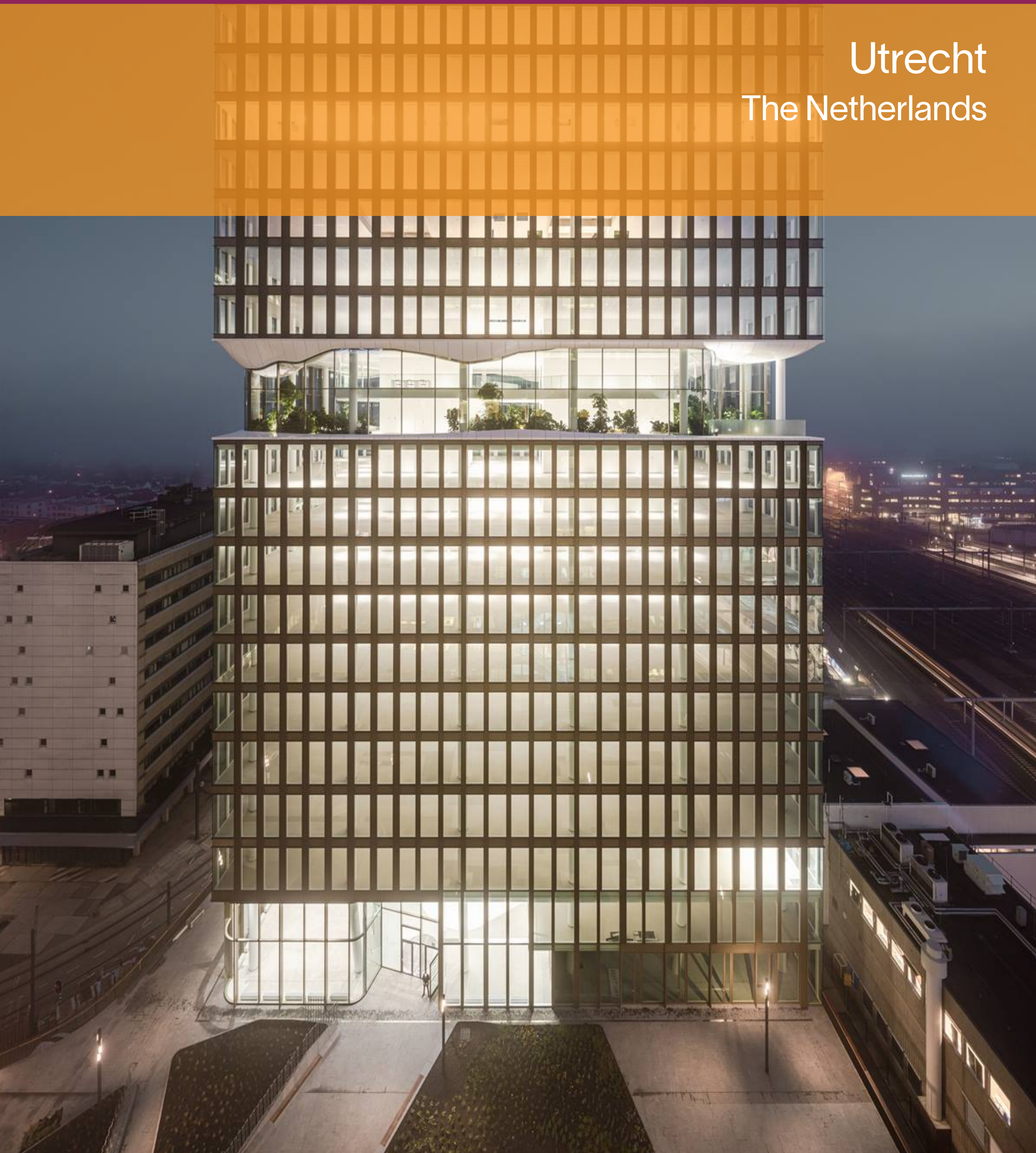
Compliance risk

Within the area of compliance risk, no material risks occurred in 2022.

There were 21 data breaches with respect to the processing of personal information. Four of these were reported to the regulator, the Dutch Data Protection Agency. Some of the data breaches occurred at processors, such as property managers. The data breaches were caused by, amongst others, incorrectly sent e-mails. All data breaches were investigated and, where necessary, additional control measures were taken. In cases where this was necessary, Bouwinvest has informed the data subjects.

Central Park
Multi-tenant

Utrecht
The Netherlands



Outlook

The Office Fund has a strategy of moderate growth and investment to optimise and future-proof its portfolio. Thanks to the quality and sustainability of its portfolio, its lack of leverage and continued investor interest in the office market the Fund is well-positioned.

However, given the level of uncertainty in the market, it is difficult to predict what will happen in the office sector in the near term. Nonetheless, the Fund does expect there to be opportunities, as seen last year. Less committed, less long-term investors amongst other driven by the denominator effect or investors that rely on substantial leverage may withdraw from the market and we could well see high-quality assets coming to the market at discounted prices. Provided it has the funding, the Fund will seize those opportunities to optimise its portfolio. In the coming three years the Fund expects to provide investors with a total annual net return of between minus 3.1% and 5.7%.

Bouwinvest believes that it can only generate long-term stable financial returns for its investors if it takes societal impact into account in every decision it takes. The Fund's focus is on the city of the future and it aims to create real value for life by investing for the long term in a responsible manner.

The Office Fund works with its peers, public sector bodies and other stakeholders to create healthy working environments and meeting places that meet today's demands and those of the future. In addition, the Fund aims to reduce the environmental impact of its portfolio, striving for a net-zero carbon, nearly energy-neutral and climate-resilient Paris Proof portfolio before 2045.

Amsterdam, 27 March 2023

Bouwinvest Real Estate Investors B.V.

Mark Siezen, Chief Executive Officer and Statutory Director
Rianne Vedder, Chief Financial & Risk Officer and Statutory Director
Marleen Bosma, Chief Client Officer
Allard van Spaandonk, Chief Investment Officer Dutch Investments
Stephen Tross, Chief Investment Officer International Investment

Financial statements

Consolidated statement of comprehensive income

All amounts in € thousands, unless otherwise stated

	Note	2022		2021	
Gross rental income	6	58,652		50,750	
Service charge income	6	10,096		8,577	
Other income		2,251		3,480	
Revenues			**70,999**		**62,807**
Service charge expenses		(12,060)		(10,610)	
Property operating expenses	7	(15,116)		(12,910)	
			(27,176)		**(23,520)**
Net rental income			**43,823**		**39,287**
Result on disposal of investment property			**-**		**-**
Positive fair value adjustment investment property	12	26,928		61,187	
Negative fair value adjustment investment property	12	(103,136)		(3,309)	
Fair value adjustments on investment property under construction	13	-		(3,353)	
Net valuation gain (loss)			**(76,208)**		**54,525**
Administrative expenses	8		(6,485)		(6,299)
Result before finance result			**(38,870)**		**87,513**
Finance result	9	(2,464)		(2,537)	
Net finance result			**(2,464)**		**(2,537)**
Result before tax			(41,334)		84,976
Income taxes	10		-		-
Result for the year			**(41,334)**		**84,976**
Items that will not be reclassified subsequently to comprehensive income			-		-
Items that may be reclassified subsequently to comprehensive income			-		-
Total comprehensive income for the year, net of tax			**(41,334)**		**84,976**
Net result attributable to shareholders			(41,334)		84,976
Total comprehensive income attributable to shareholders			**(41,334)**		**84,976**
Earnings per share (€)					
From continuing operations					
Basic			(104)		219
Diluted			(104)		219

Consolidated statement of financial position

Before appropriation of result, all amounts in € thousands

As at 31 December	Note	2022	2021
Assets			
Non-current assets			
Investment property	12	1,299,146	1,315,856
Investment property under construction	13	-	-
Total non-current assets		**1,299,146**	**1,315,856**
Current assets			
Trade and other current receivables	14	6,542	5,315
Cash and cash equivalents	15	12,415	15,197
Total current assets		**18,957**	**20,512**
Total assets		**1,318,103**	**1,336,368**
Equity and liabilities			
Equity attributable to the owners of the Fund			
Issued capital		404,373	390,413
Share premium		504,858	473,818
Revaluation reserve		245,881	313,153
Retained earnings		84,915	(23,821)
Net result for the year		(41,334)	84,976
Total equity	16	**1,198,693**	**1,238,539**
Liabilities			
Non-current lease liabilities	17	80,182	79,524
Current trade and other payables	18	39,228	18,305
Total liabilities		**119,410**	**97,829**
Total equity and liabilities		**1,318,103**	**1,336,368**

Consolidated statement of changes in equity

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

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2022	390,413	473,818	313,152	(23,820)	84,976	1,238,539
Comprehensive income						
Net result	-	-	-	-	(41,334)	(41,334)
Total comprehensive income	**-**	**-**	**-**	**-**	**(41,334)**	**(41,334)**
Other movements						
Issued shares	13,960	31,040	-	-	-	45,000
Appropriation of result	-	-	-	84,976	(84,976)	-
Dividends paid	-	-	-	(43,512)	-	(43,512)
Movement revaluation reserve	-	-	(67,271)	67,271	-	-
Total other movements	**13,960**	**31,040**	**(67,271)**	**108,735**	**(84,976)**	**1,488**
Balance at 31 December 2022	**404,373**	**504,858**	**245,881**	**84,915**	**(41,334)**	**1,198,693**

* See explanation dividend restrictions in Note 16.

For 2021, before appropriation of profit, all amounts in € thousands

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2021	380,502	453,729	260,308	8,337	51,844	1,154,720
Comprehensive income						
Net result	-	-	-	-	84,976	84,976
Total comprehensive income	**-**	**-**	**-**	**-**	**84,976**	**84,976**
Other movements						
Issued shares	9,911	20,089	-	-	-	30,000
Appropriation of result	-	-	-	51,844	(51,844)	-
Dividends paid	-	-	-	(31,157)	-	(31,157)
Movement revaluation reserve	-	-	52,844	(52,844)	-	-
Total other movements	**9,911**	**20,089**	**52,844**	**(32,157)**	**(51,844)**	**(1,157)**
Balance at 31 December 2021	**390,413**	**473,818**	**313,152**	**(23,820)**	**84,976**	**1,238,539**

* See explanation dividend restrictions in Note 16.

Consolidated statement of cash flows

All amounts in € thousands

	Note	2022	2021
Operating activities			
Net result		(41,334)	84,976
Adjustments for:			
Valuation movements		76,208	(54,525)
Net finance result		2,464	2,536
Movements in working capital		19,697	(436)
Cash flow generated from operating activities		**57,035**	**32,551**
Interest paid		(2,202)	(2,290)
Interest received		-	-
Cash flow from operating activities		**54,833**	**30,261**
Investment activities			
Proceeds from sale of investment property		-	-
Payments of investment property		(33,926)	(21,197)
Payments of investment property under construction		(25,176)	(17,673)
Cash flow from investment activities		**(59,102)**	**(38,870)**
Finance activities			
Proceeds from the issue of share capital		45,000	30,000
Redemption of shares		-	-
Dividends paid		(43,512)	(31,157)
Cash flow from finance activities		**1,488**	**(1,157)**
Net increase/(decrease) in cash and cash equivalents		(2,781)	(9,766)
Cash and cash equivalents at beginning of year		15,197	24,964
Cash and cash equivalents at end of year	15	**12,415**	**15,197**

Notes to the consolidated financial statements

All amounts in € thousands, unless otherwise stated

1 General information

The Office Fund (Chamber of Commerce number 34366457) is a public limited liability company incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands. The Fund was formed for the purpose of providing shareholders with a rate of return by acquiring, managing, adding value to and disposing of a diversified real estate portfolio through investments in office real estate in the Netherlands.

The Fund owns two taxable subsidiaries, Bouwinvest Office Development B.V. (Chamber of Commerce number 66245133) and Bouwinvest Dutch Institutional Office Fund Services B.V. (Chamber of Commerce number 67492738). These subsidiaries perform activities that might go beyond mere 'investing'. By having these activities performed by these subsidiaries the Fund remains compliant with the investment criteria of the FII-regime. Bouwinvest Office Development B.V. (Office Development) performs development activities for the investment portfolio of the Fund while Bouwinvest Dutch Institutional Office Fund Services B.V. (Office Fund Services) renders services that are ancillary to renting activities of the Fund.

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

Bouwinvest is the manager and Statutory Director of the Office Fund. The Statutory Director will present the annual report to the Annual General Meeting of shareholders on 12 April 2023, and will request the approval of the financial statements.

2 Summary of significant accounting policies

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

The Fund's functional and presentation currency is the euro. All amounts are in thousands of euros, unless otherwise stated. The financial year 2022 was a normal calendar year from 1 January to 31 December 2022.

2.1 Basis of preparation

Going concern

On 1 January 2023 the Fund Bouwinvest Dutch Institutional Office Fund N.V. (the Company) is converted into a stichting (foundation) under Dutch law, Stichting Bouwinvest Dutch Institutional Office Fund (the Legal Owner), that acts as the holder of the legal title of the assets and liabilities of the fund for joint account Bouwinvest Dutch Institutional Office Fund (fonds voor gemene rekening, the FGR of the 'closed' FMA). A 'closed' FMA is a contractual arrangement pursuant to which participants contribute capital that is invested by a management company (Bouwinvest) for the account of its participants. As the 'closed' FMA has no legal personality, the investments and other assets and liabilities belonging to the 'closed' FMA will be held for the risk and benefit of the participants by the Legal Owner. The Legal Owner holds all assets and liabilities previously held by the Company for the risk and benefit of the participants in the 'closed' FMA. The legal title to these assets and liabilities did not transfer and the Company continued to exist as a legal person upon the Conversion and solely changes its legal form to the Legal Owner. Hence the activities of the Company will be continued as ordinary course of business. The manager of the Fund considered whether the 'closed' FMA represent a reporting entity. Although no legal parent company exists, The manager of the Fund believes that it meets 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 Exposure Draft (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 Fund 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 Fund operate.

As a result, the manager of the Fund believes that after the conversion this basis of preparation still results in a true and fair presentation of the Funds' 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. Therefore these financial statements are prepared using the going concern basis of accounting.

Statement of compliance

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

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

Statement of comprehensive income

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

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

In 2022, the Fund adopted the new IFRS standards, amendments to IFRS and the interpretations that are mandatory for accounting periods that begin on or after 1 January 2022. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022)
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022)

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

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

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

- IFRS 17 Insurance Contracts: measurement of insurance contracts (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

The Fund is monitoring these regulatory changes.

Preparation of the financial statements

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

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

2.2 Basis of consolidation

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

The following entities are included in the consolidated financial statements:

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

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

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

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

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

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

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

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

2.3 Investment property

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

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

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

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

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

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

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

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

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

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

Net result on the sale of investment property

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

2.4 Investment property under construction

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

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

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

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

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

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

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

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

2.5 Leases

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

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

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

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

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

2.6 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a 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 recognised in the statement of financial position as trade and other receivables. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

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

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

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

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

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

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

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

2.7 Prepayments

Prepayments are stated at cost less any accumulated impairment losses.

2.8 Cash and cash equivalents

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

2.9 Issued capital

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

2.10 Redeemed shares

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

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

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

2.11 Non-current lease liabilities

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

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

After initial recognition, the Fund measures the lease liability by:
- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

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

2.11 Current trade and other payables

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

Tenant deposits

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

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

2.12 Dividend distribution

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

As from 1 January 2023 there is no fiscal obligation upon the Fund to distribute it distributable profit within eight (8) months after the end of the year as the Fund is structures as a closed FMA as from this date.

2.13 Rental income

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

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

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

2.14 Service charges, property operating expenses and administrative expenses

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

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

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

2.15 Other income

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

2.16 Finance income and expenses

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

2.17 Cash flow statement

Cash flows are stated according to the indirect method.

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

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

2.18 Earnings per share

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

2.19 Income taxes

Based on its status as an FII, the Fund is subject to Dutch corporate income tax at a rate of 0%. See Note 10. The subsidiaries of the fund are subject to Dutch corporate income tax at a rate of 15% - 25.8%.

3 Financial risk management

3.1 Financial risk factors

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

Market risk

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

Credit risk

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

The credit risk relating to the receivables is maximised to € 6.5 million in 2022 (2021: € 5.3 million) and the receivables are closely monitored.

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

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

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

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

3.2 Fair value estimation

For financial purposes fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

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

3.3 Capital management

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

The Fund distributes the fiscal profit annually to its shareholders as required by tax law until 1 January 2023. As from this date the Fund is structured as a closed FMA. Therefore as of this date the FII requirements no longer apply to the Fund. In order to maintain or adjust its capital structure, the Fund may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, buy back shares from shareholders or sell assets to reduce debt.

4 Critical accounting estimates and judgements

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

4.1 Critical accounting estimates and assumptions

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

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

Current economic developments and uncertainties including rising interest rates, high inflation and high energy prices influence the valuation of our investment properties. The methods and significant assumptions applied in determining the fair value of our investment properties are mainly due to (i) active market prices, (ii) the influence of so-called rent-free periods and vacancy rates, (iii) the discount rates and (iv) assumed trends in rents. Economical and geopolitical uncertainties are triggering discussions about the development of the real estate investment and user markets. Although capital is still available in the market for investments, investors often wait for a more stable and predictable situation. Going forward, this might lead to fewer comparable transactions for appraisers to determine the market value and drive fluctuations in values during the coming quarters. In 2022, no material uncertainty clauses were included in the appraisal reports.

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

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

5 Core regions

A spread by core regions is applied in the analysis of the valuation of the investment property portfolio. Amsterdam, Rotterdam, The Hague and Utrecht are considered core office regions in 2022. The Fund is currently active in these 4 regions.

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

Property valuation as at 31 December	2022	2021
Region		
Amsterdam	573,232	604,374
Rotterdam	151,590	154,750
Utrecht	184,149	185,242
The Hague	780,352	371,490
Total	**1,689,322**	**1,315,856**

6 Gross rental income and service charge income

	2022	2021
Theoretical rent	72,530	62,697
Incentives	(6,993)	(5,993)
Vacancies	(6,884)	(5,953)
Total gross rental income	**58,652**	**50,750**

The future contractual rent from leases in existence on 31 December 2022, until the end of the contract (accounted for on the basis of the minimum rent) can be analysed as follows:

	2022	2021
First year	65,222	56,777
Second year	62,231	54,647
Third year	54,253	45,110
Fourth year	45,284	37,925
Fifth year	39,244	30,077
More than five years	113,626	106,983

Service charge income represents € 10.1 million (2021: € 8.6 million) income receivable from tenants for the services utilities, caretakers, etc. when the Fund acts as a principal.

7 Property operating expenses

	2022	2021
Taxes	2,576	1,852
Insurance	270	368
Maintenance	5,467	5,320
Valuation fees	106	83
Property management fees	1,133	962
Letting and lease renewal fees	1,222	1,096
Addition to / release from provision for doubtful debtors	21	-121
Non reclaimable VAT	646	690
Business center expenses	954	828
Association of owners	1,109	345
Other operating expenses	1,612	1,487
Total property operating expenses	**15,116**	**12,910**

In 2022, € 0.6 million (2021: € 0.8 million) of the maintenance expenses related to unlet properties. The release from the provision for doubtful debtors in 2021 is primarily the result of tenants who ultimately paid outstanding amounts and discounts that have been granted to certain tenants.

The increase in costs for the association of owners is the result of the full year effect over 2022 of assets acquired in 2021. Other operating expenses relate to other operating expenses for the account of the Fund.

8 Administrative expenses

	2022	2021
Management fee Bouwinvest	6,102	5,908
Audit fees	45	51
Other administrative expenses	192	266
Legal fees	68	16
Other Fund expenses	78	58
Total administrative expenses	**6,485**	**6,299**

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

Other Fund expenses relate to regulators' costs and sustainability development.

9 Finance expenses

	2022	2021
Finance expenses	78	181
Interest on lease liabilities	2,386	2,356
Total finance expenses	**2,464**	**2,537**

The Fund had no external loans and borrowings during 2022. The Fund was subject to the negative interest rate development for its bank balances.

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

10 Income taxes

FII Status

Like in previous years in 2022 the The Fund has opted for the status of Fiscal Investment Institution (FII). On 1 January 2023 the Fund has been converted into the legal form of a 'closed' FMA. Given its fiscal transparency, the 'closed' FMA prevents (double) taxation for investors and as such is the most appropriate alternative for an FII. The FII requirements therefore apply to the Fund up until and including the entire fiscal year 2022 and not any longer to the years beyond.

Although an FII is not transparent for tax purposes the FII regime is based on the principle of tax transparency. This transparency is effectively realised by the fact that an FII is subject to Dutch corporate income tax at a rate of 0% in combination with the so-called distribution obligation (for more information see the distribution obligation section below). As a result any benefits derived from a shareholding in an FII are taxable at shareholder level only.

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

Distribution obligation

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

Activity rules

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

Real estate development is not regarded as a 'passive' investment activity. However, development activities for the FII's own portfolio are specifically permitted. These activities should be carried out by a subsidiary which is subject to tax at the common corporate tax rate (2022: 15% - 25.8%). Improvements to existing properties do not qualify as development activities provided that the capital expenditure is less than 30% of the value of the property as determined by the Dutch Valuation of Immovable Property Act ('Wet Waardering onroerende zaken') prior to the improvements.

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

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

Leverage restrictions

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

Shareholder test

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

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

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

The Fund met the requirements of an FII in 2022. The effective tax rate was 0% (2021: 0%).

Dividend withholding tax

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

11 Employee benefits expense

The Office Fund has no employees.

12 Investment property

		2022		2021
At the beginning of the year		**1,299,067**		**1,088,173**
Investments	48,972		-	
Subsequent capital expenditure	10,104		22,170	
Additions		**59,076**		**22,170**
Transfers to investment property under construction	-		-	
Transfer from investment property under construction	-		130,083	
Total transfer to/from investment property under construction		**-**		**130,083**
Disposals		**-**		**-**
Net gain (loss) from fair value adjustments on investment properties (like for like)	(53,391)		31,223	
Net gain (loss) from fair value adjustments on investment properties	(22,817)		26,655	
In profit or loss		**(76,208)**		**57,878**
In other comprehensive income		**-**		**-**
Transfers out of level 3		**-**		**-**
Movement of right of use ground leases		**397**		**763**
Total investment property (level 3)		**1,282,332**		**1,299,067**
Lease incentives		**16,814**		**16,789**
At the end of the year		**1,299,146**		**1,315,856**

The Fund's investment properties are valued by external valuation experts on a quarterly basis. The external valuation expert is changed every three years. On 31 December 2022, these properties were revalued by independent professionally qualified valuation experts who hold a recognised relevant professional qualification and had recent experience in the locations and categories of the investment properties valued. The carrying values of investment property as at 31 December 2022, and 31 December 2021, are based on the valuations reported by the external valuation experts.

The Central Park (Utrecht) property which was delivered in 2021 includes an earn-out arrangement depending on the progress of the letting activities up to a maximum of 30 months after delivery. The carrying values of this investment property is based on the valuation reported by the external valuation expert minus the present value of the earn-out. The earn-out is also included in note 21 "Contingent liabilities and assets".

The lease incentives granted are included in the total fair value of investment properties. For the year 2022 the amount of lease incentives is € 16.9 million (2021: € 16.8 million).

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

	2022	2021
Investment Property	1,299,146	1,315,856
Less: lease liabilities	(80,182)	(79,524)
Valuation as per valuation report	**1,218,964**	**1,236,332**

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

Investments	2022	2021
Amsterdam	-	505
Rotterdam	10,313	12,121
Utrecht	22,869	2,420
The Hague	25,894	7,124
Total investments	**59,076**	**22,170**

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

2022

	Amsterdam	Rotterdam	Utrecht	The Hague	Total
Current average rent (€/m²)	342	181	248	181	**229**
Current average rent (€/PP)	1,797	1,990	2,586	1,924	**1,979**
Market rent (€/m²)	379	188	256	205	**251**
Market rent (€/PP)	2,441	2,294	2,863	2,155	**2,351**
Gross initial yield	4.7%	5.8%	4.5%	5.6%	**5.1%**
Net initial yield	4.1%	2.1%	2.6%	4.0%	**3.6%**
Current vacancy rate (financial)	0.9%	15.3%	33.9%	4.4%	**9.6%**
Long-term growth rental rate	2.3%	1.8%	1.2%	1.8%	**1.9%**
Risk free (NRVT)					**2.0%**

2021

	Amsterdam	Rotterdam	Utrecht	The Hague	Total
Current average rent (€/m²)	328	174	240	183	**225**
Current average rent (€/PP)	2,605	2,817	2,484	1,847	**2,295**
Market rent (€/m²)	361	186	256	196	**243**
Market rent (€/PP)	3,316	3,159	2,786	2,033	**2,677**
Gross initial yield	4.3%	5.0%	2.8%	5.8%	**4.6%**
Net initial yield	3.7%	1.8%	1.1%	4.1%	**3.1%**
Current vacancy rate (financial)	0.8%	21.3%	33.5%	8.1%	**9.6%**
Long-term growth rental rate	2.2%	1.7%	1.2%	1.5%	**1.8%**
Risk free (NRVT)					**-0.2%**

The net valuation gain (loss) for the year included a positive fair value adjustment of € 26,928 (2021: € 61,187) and a negative fair value adjustment of € 103,136 (2021: 3,309) relating to investment properties that are measured at fair value at the end of the reporting period.

The valuation of the investment properties takes into account a rent-free period/rent incentives ranging from 1 to 3 months after occupation. Investment property includes no buildings held under finance leases. The carrying amount is € nil (2021: € nil).

Sensitivity analysis

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

The appraisal of the portfolio implies a net initial yield of 3.6 % (2021: 3.2%). If the yields used for the appraisals of investment properties on 31 December 2022 had been 25 basis points higher (2021: 25 basis points higher) than was the case at that time, the value of the investments would have been 6.5 % lower (2021: 7.3% lower).

	2022		2021	
Change rental rates	-5%	5%	-5%	5%
Value of the investment property change	(60,948)	60,948	(61,817)	61,817

	2022		2021	
Change net initial yield	– 25 bps	+ 25 bps	– 25 bps	+ 25 bps
Value of the investment property change	90,716	-78,963	105,097	(89,826)

13 Investment property under construction

	2022		2021	
At the beginning of the year		**-**		**115,763**
Investments		**-**		**17,673**
Transfer to investment property	-		(130,083)	
Transfer from investment property	-		-	
Total transfer to/from investment property		**-**		**(130,083)**
Net gain (loss) from fair value adjustments on investment property under construction	-		(3,353)	
In profit or loss		**-**		**(3,353)**
In other comprehensive income		**-**		**-**
Transfers out of level 3		**-**		**-**
Movement of right of use ground leases		**-**		**-**
At the end of the year		**-**		**-**

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

Investment property is not (re)developed within the Office Fund but via external parties or within Bouwinvest Office Development B.V.

The net valuation gain (loss) for the year included a positive fair value adjustment of
nil (2021: - € 3,353) relating to investment property under construction that is measured at fair value at the end of the reporting period.

The investment property under construction is valued by external valuation experts.

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

Investments	2022	2021
Amsterdam	-	-
Rotterdam	-	-
Utrecht	-	17,673
The Hague	-	-
Total investments	**-**	**17,673**

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

	2022	2021
Investment Property	-	-
Less: right of use assets	-	-
Valuation as per internal valuation	**-**	**-**

14 Trade and other current receivables

	2022	2021
Trade receivables	1,542	2,866
VAT receivable	2,769	1,176
Other receivables	2,229	1,273
Balance as at 31 December	**6,540**	**5,315**

The other receivables mainly consist of prepaid expenses.

15 Cash and cash equivalents

	2022	2021
Bank deposits	-	-
Bank balances	12,415	15,197
Balance as at 31 December	**12,415**	15,197

The bank balances of € 12.4 million are freely available to the Fund as at 31 December 2022.

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

For 2022, before appropriation of result

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2022	390,413	473,818	313,152	(23,820)	84,976	1,238,539
Comprehensive income						
Net result	-	-	-	-	(41,334)	(41,334)
Total comprehensive income	**-**	**-**	**-**	**-**	**(41,334)**	**(41,334)**
Other movements						
Issued shares	13,960	31,040	-	-	-	45,000
Appropriation of result	-	-	-	84,976	(84,976)	-
Dividends paid	-	-	-	(43,512)	-	(43,512)
Movement revaluation reserve	-	-	(67,271)	67,271	-	-
Total other movements	**13,960**	**31,040**	**(67,271)**	**108,735**	**(84,976)**	**1,488**
Balance at 31 December 2022	**404,373**	**504,858**	**245,881**	**84,915**	**(41,334)**	**1,198,693**

* See explanation dividend restrictions in this Note.

For 2021, before appropriation of result

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2021	380,502	453,729	260,308	8,337	51,844	1,154,720
Comprehensive income						
Net result	-	-	-	-	84,976	84,976
Total comprehensive income	**-**	**-**	**-**	**-**	**84,976**	**84,976**
Other movements						
Issued shares	9,911	20,089	-	-	-	30,000
Appropriation of result	-	-	-	51,844	(51,844)	-
Dividends paid	-	-	-	(31,157)	-	(31,157)
Movement revaluation reserve	-	-	52,844	(52,844)	-	-
Total other movements	**9,911**	**20,089**	**52,844**	**(32,157)**	**(51,844)**	**(1,157)**
Balance at 31 December 2021	**390,413**	**473,818**	**313,152**	**(23,820)**	**84,976**	**1,238,539**

* See explanation dividend restrictions in this Note.

Dividend restrictions

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

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

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

	Number of shares in fully paid up equivalents	**Paid-up share capital**	**Share premium**	**Total share capital and share premium**
Opening balance at 1 January 2022	**390,413**	**390,413**	**473,818**	**864,231**
Issued shared	13,960	13,960	31,040	45,000
Dividends paid	-	-	-	-
Balance at 31 December 2022	**404,373**	**404,373**	**504,858**	**909,231**

	Number of shares in fully paid up equivalents	Paid-up share capital	Share premium	Total share capital and share premium
Opening balance at 1 January 2021	**380,502**	**380,502**	**453,729**	**834,231**
Issued shared	9,911	9,911	20,089	30,000
Dividends paid	-	-	-	-
Balance at 31 December 2021	**390,413**	**390,413**	**473,818**	**864,231**

Issued capital

The authorised capital comprises 1 million shares each with a nominal value of € 1,000. As at 31 December 2022, in total 404,373 shares had been issued and fully paid up.

Share premium

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

Revaluation reserve

The revaluation reserve relates to the revaluation of the property investments. The (unrealised) positive or negative difference between the cumulative increase or decrease in the fair value of the investment property owned at the end of the year has been included in the revaluation reserve. The revaluation reserve as at year-end 2022 was determined at the individual property level.

17 Non-current lease liabilities

	2022	2021
Balance as at 1 January	**79,524**	**78,515**
Interest	2,386	2,356
Lease payments	(2,125)	(2,110)
Other movements	397	763
Balance as at 31 December	**80,182**	**79,524**

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

Land lease obligations undiscounted	2022	2021
Year 1	2,125	2,113
Year 2	2,125	2,113
Year 3-5	6,375	6,339
Year > 5	94,036	93,651
Total land lease obligations	**104,661**	**104,216**

18 Current trade and other payables

	2022	2021
Trade payables	1,570	4,914
Rent invoiced in advance	8,278	6,417
Tenant deposits	2,832	2,820
Other payables	26,548	4,154
Balance as at 31 December	**39,228**	**18,305**

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

On 23 December 2022 De Zeven Provinciën (The Haque) was delivered to the Office Fund. The payment took place on 27 January 2023 via Groninger deed.

19 Earnings per share

	2022	2021
Net result attributable to shareholders	(41,334)	84,976
Weighted average number of ordinary shares	395,670	387,609
Basic earnings per share (€ per share)	(104.46)	219.23

20 Dividends per share

In 2022, the Fund paid out a dividend of € 109.97 per share (2021: € 80.38) which amounts to a total of € 43.5 million (2021: € 31.2 million). A total dividend of € 35.4 million (2021: € 30.8 million), is to be proposed at the Annual General Meeting of shareholders on 12 April 2023. These financial statements reflect the final 2022 payment.

The dividend proposal for 2022 has been accounted for in the financial statements. The dividend for 2022 is paid in cash.

21 Contingent liabilities and assets

As at 31 December 2022, the Fund had unprovisioned contractual liabilities for future repairs and maintenance of € 0.8 million (2021: € 0.7 million).

The total future liabilities as at 31 December 2022 amounted to € 5 million (2021: € 27 million). The liabilities relate to the acquisition of Central Park (Utrecht), which was delivered to the Office Fund on 27 August 2021. The purchase agreement includes an earn-out arrangement, which includes an additional purchase price depending on the progress of the lease up to a maximum of 30 months after delivery. As at 31 December 2022 the total earn-out payment is estimated at € 5 million (2021: € 25 million). The present value of the earn-out of € 5 million is included in the valuation of the Central Park property (note 12) and is determined in consultation with the developer, external valuation expert and asset manager.

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

22 Related parties

The Office Fund's subsidiaries and members of the Supervisory Board and the Management Board of Bouwinvest and the other entities under management by Bouwinvest, qualify as related parties of the Office Fund. The Fund paid Bouwinvest a fee of € 6.1 million in 2022 (2021: € 5.9 million).

BpfBOUW and the subsidiaries and investments held by bpfBOUW are also deemed related parties.

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

The members of the Supervisory Board and the Management Board of Bouwinvest held no personal interest in the Fund's investments in 2022.

23 Management fee

Bouwinvest is the manager and the Statutory Director of the Fund. The management fee paid for the year 2022 amounted to € 6.1 million (2021: € 5.9 million).

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

During the reporting period, the manager, Bouwinvest, is responsible for five funds of which the Residential Fund, Office Fund and Retail Fund are under supervision of the Dutch Financial Markets Authority (AFM). Bouwinvest also has a separate mandate from bpfBOUW for the management of international real estate investments and manages Bouwinvest Development B.V. Bouwinvest Real Estate Investors B.V. charges a management fee to compensate its personnel expenses and other costs (e.g., office costs, IT costs). As Bouwinvest Real Estate Investors B.V. provides key management personnel services as well as other services (e.g. office, IT) for several funds, the management fee cannot objectively be allocated to the various components of services provided to the Fund by Bouwinvest Real Estate Investors B.V. The remuneration, in line with Article 22 of the AIMFD, is disclosed in the annual report 2022 of Bouwinvest Real Estate Investors B.V.

24 Audit fees

The table below shows the fees charged over the year 2022 by Deloitte Accountants B.V. and the Deloitte Network in respect of activities for the Office Fund.

	2022	2021
Audit of the financial statements	40	37
Other assurance engagements	5	14
Tax advisory services	-	-
Other non-audit services	-	-
Total fees	**45**	**51**

25 Subsequent events

As of 1 January 2023, the Fund converted to a fund for mutual account (FGR in Dutch).

In January 2023, units were issued for € 30 million.

Company balance sheet

Before appropriation of result, all amounts in € thousands

As at 31 December	Note	2022	2021
Assets			
Non-current assets			
Investment property		1,299,146	1,315,856
Investment property under construction		-	-
Financial assets	3	536	798
Total non-current assets		**1,299,682**	**1,316,654**
Current assets			
Trade and other current receivables		6,165	5,045
Cash and cash equivalents		11,601	14,636
Total current assets		**17,766**	**19,681**
Total assets		**1,317,448**	**1,336,335**
Equity and liabilities			
Equity attributable to the owners of the Fund			
Issued capital		404,373	390,413
Share premium		504,858	473,818
Revaluation reserve		254,120	331,153
Retained earnings		76,676	(41,821)
Net result for the year		(41,334)	84,976
Total equity	4	**1,198,693**	**1,238,539**
Liabilities			
Non-current lease liabilities		80,182	79,524
Current trade and other payables		38,573	18,272
Total liabilities		**118,755**	**97,796**
Total equity and liabilities		**1,317,448**	**1,336,335**

Company
profit and loss account

All amounts in € thousands, unless otherwise stated

	2022	2021
Result of participation interests after taxes	9,499	(85)
Other income and expenses after taxes	(50,832)	85,061
Result for the year	**(41,334)**	**84,976**

Notes to the company financial statements

All amounts in € thousands, unless otherwise stated

1 Summary of significant accounting policies

1.1 General

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

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

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

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

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

1.2 Financial assets

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

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

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

2 Financial risk management

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

3 Financial assets

	2022	2021
As per 1 January	798	883
Acquisitions and capital contributions	-	-
Dividends received	(9,761)	-
Net result for the year	9,499	(85)
As per 31 December	**536**	**798**

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

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

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

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

For 2022, before appropriation of result

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2022	390,413	473,818	331,152	(41,820)	84,976	1,238,539
Comprehensive income						
Net result	-	-	-	-	(41,334)	(41,334)
Total comprehensive income	**-**	**-**	**-**	**-**	**(41,334)**	**(41,334)**
Other movements						
Issued shares	13,960	31,040	-	-	-	45,000
Appropriation of result	-	-	-	84,976	(84,976)	-
Dividends paid	-	-	-	(43,512)	-	(43,512)
Movement revaluation reserve	-	-	(77,033)	77,033	-	-
Total other movements	**13,960**	**31,040**	**(77,033)**	**118,497**	**(84,976)**	**1,488**
Balance at 31 December 2022	**404,373**	**504,858**	**254,120**	**76,676**	**(41,334)**	**1,198,693**

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

For 2021, before appropriation of result

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2021	**380,502**	**453,729**	**278,308**	**(9,663)**	**51,844**	**1,154,720**
Comprehensive income						
Net result	-	-	-	-	84,976	84,976
Total comprehensive income	-	-	-	-	84,976	84,976
Other movements						
Issued shares	9,911	20,089	-	-	-	30,000
Appropriation of result	-	-	-	51,844	(51,844)	-
Dividends paid	-	-	-	(31,157)	-	(31,157)
Movement revaluation reserve	-	-	52,844	(52,844)	-	-
Total other movements	**9,911**	**20,089**	**52,844**	**(32,157)**	**(51,844)**	**(1,157)**
Balance at 31 December 2021	**390,413**	**473,818**	**331,152**	**(41,820)**	**84,976**	**1,238,539**

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

Issued capital

The authorised capital comprises 1 million shares each with a nominal value of € 1,000. As at 31 December 2022, in total 404,373 shares had been issued and fully paid up.

Share premium

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

Revaluation reserve

The revaluation reserve relates to the revaluation of the property investments. The (unrealised) positive or negative difference between the cumulative increase or decrease in the fair value of the investment property owned at the end of the year has been included in the revaluation reserve. The revaluation reserve as at year-end 2022 was determined at the individual property level. From a fiscal perspective a margin on development activities has been realised in the development entity. On a consolidated level this margin (negative) has been eliminated. As a result the cost price on company only level is lower than on consolidated level and the revaluation reserve on company only level is higher than on consolidated level.

Appropriation of profit 2021

The Annual General Meeting of shareholders on 6 April 2022 adopted and approved the 2021 financial statements of the Office Fund. A dividend of € 30.8 million (in cash) was paid. Of the profit for 2021 amounting to € 85.0 million, € 85.0 million was incorporated in the retained earnings.

Proposal for profit appropriation 2022

The management of the Fund proposes to the General Meeting of shareholders that a dividend of € 35.4 million (in cash) is to be paid. Of the profit for 2022 amounting to -€ 41.3 million, -€ 41.3 million will be incorporated in the retained earnings.

5 Employee benefits expense

The Office Fund has no employees.

6 Remuneration

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

Signing of the Financial Statements

Amsterdam, 27 March 2023

Bouwinvest Real Estate Investors B.V.
Mark Siezen, *Chief Executive Officer and Statutory Director*
Rianne Vedder, *Chief Financial & Risk Officer and Statutory Director*
Marleen Bosma, *Chief Client Officer*
Allard van Spaandonk, *Chief Investment Officer Dutch Investments*
Stephen Tross, *Chief Investment Officer International Investments*

Other information

Articles of Association related to the appropriation of profit

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

20.1

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

20.2

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

20.3

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

20.4

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

20.5

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

20.6

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

Independent auditor’s report

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

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of Bouwinvest Dutch Institutional Office Fund N.V., based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Bouwinvest Dutch Institutional Office Fund N.V. as at December 31, 2022, and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Bouwinvest Dutch Institutional Office Fund N.V. as at December 31, 2022, and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at December 31, 2022.
2. The following statements for 2022: the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at December 31, 2022.
2. The company profit and loss account for 2022.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

Information in support of our opinion

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

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 12 million. The materiality is based on 1% of total investment property. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

Materiality overview

Materiality level	€ 12 million
Basis for materiality level	1% of total investment property
Threshold for reporting misstatements	€ 600 thousand

We agreed with Management Board that misstatements in excess of € 600 thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

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

Our group audit mainly focused on significant group entities.

We have performed audit procedures ourselves at group entities.

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

Audit approach fraud risks

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

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

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption and from time to time in co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We did not identify fraud risk factors with respect to revenue recognition. We have assessed the accuracy of gross rental income based on a test of detail and analytical procedures on the tenancy schedule and linked the completeness to the property portfolio. We have performed an integral assessment of the recorded gross rental income based on the substantive analytical procedures performed using the tenancy schedules and property portfolio.

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

Fraud risk	How the fraud risk was addressed in the audit
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 management's 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 considered available information and made inquiries of relevant persons during the year and at year end (including management, general counsel, internal auditor, compliance officer and risk management). Additionally we requested confirmation from the depositary on the ownership of assets and any irregularities. We have performed a review of available minutes for the relevant organizational bodies and have obtained and reviewed the ISAE 3402 type 2 reports over 2022 of Bouwinvest Real Estate Investors B.V. having made appropriate links to our risk assessment and relevant controls.We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. We evaluated whether the selection and application of accounting policies, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting. We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 4, 12, and 13 of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. 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". For significant transactions, we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets. As part of our audit procedures, we verified whether the significant transactions should be considered related-party transactions. This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach fraud risks compliance with laws and regulations

We assessed the laws and regulations applicable to the company via our inquiries with management and other personnel, and our assessment of relevant correspondence.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: adherence to the Dutch Financial Supervision Act, the Money Laundering and Terrorist Financing (Prevention) Act, the requirements for fiscal investment institutions in the Corporation Tax Act 1969, the Alternative Investment Fund Managers Directive (AIFMD), and the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the related financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

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

Given the nature of Bouwinvest Dutch Institutional Office Fund N.V.’s business and the complexity of the regulatory environment, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Bouwinvest Dutch Institutional Office Fund N.V.’s ability to continue its business, or to avoid material penalties and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of the Management Board and others within Bouwinvest Dutch Institutional Office Fund N.V. as to whether the Bouwinvest Dutch Institutional Office Fund N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

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

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

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

We have evaluated the Management Board assessment of the Bouwinvest Dutch Institutional Office Fund N.V.'s ability to continue as a going concern and inquired the Management Board regarding any knowledge of events or conditions beyond the period of the Management Board assessment. On the basis of our audit procedures, we have not identified any indication that would give rise to uncertainty on the Bouwinvest Dutch Institutional Office Fund N.V.'s ability to continue as a going concern. Bouwinvest Dutch Institutional Office Fund N.V. has total off-balance sheet items for a total of € 5.8 million due in the upcoming years. These off-balance sheet items will be financed via, (a) the available cash position as per 31 December 2022, (b) the cashflow from the operational result, (c) current and new commitments and capital calls, noting sufficient headroom in the current market circumstances. Furthermore we noted that there is no indication that cash positions and cash flows will be insufficient to meet future obligations. The tenant mix does not lead to concern over dependency on a single tenant or group of tenants in respect to the rental income and respective cash flows.

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

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

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

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

Key audit matter	How the key audit matter was addressed in the audit
Valuation of investment property	
Refer to notes 12 and 13 to the consolidated financial statements. As at December 31, 2022, Bouwinvest Dutch Institutional Office Fund N.V. held a portfolio of investment property with a fair value of EUR 1,299 million (December 31, 2021: EUR 1,316 million). The portfolio mainly consists of office properties. At the end of each reporting period, the Board of the Manager determines the fair value of its investment property portfolio in accordance with the requirements of IAS 40 and IFRS 13. Bouwinvest Dutch Institutional Office Fund N.V. 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, are the capitalization rate and market rent levels. IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorizes the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. (Unobservable) inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date. Fair value measurements categorized within Level 3 have the lowest priority as the valuation is predominately based on unobservable inputs and those measurements have a greater degree of uncertainty and subjectivity. This means that a valuation at Level 3 has a fairly large measure of estimation uncertainty and as a result a fairly large bandwidth of valuation uncertainty in which a valuation can been seen reasonable in the light of IFRS 13. In addition, and as the external appraiser has recommended in its assessment of the fair value of the property portfolio, caution is needed in analyzing the values due to the unknown future impacts on economy and real estate markets.	Our audit procedures included, among others, the following: We have gained understanding of the valuation process and tested design and implementation of Bouwinvest Dutch Institutional Office Fund's relevant controls with respect to the data used in the valuation of the property portfolio. We noted that management involved established parties to assist with the valuation of the investment properties. We evaluated the competence of Bouwinvest Dutch Institutional Office Fund N.V.'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 and consistent with prior year. • Challenged the significant assumptions (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. • Assessed the sensitivity analysis on the key input data and assumptions to understand the impact of reasonable changes in assumptions on the valuation; • Assessed the appropriateness of the disclosures relating to the assumptions used in the valuations and sensitivity analysis in the notes to the consolidated financial statements. **Observation** We found that, with the (significant) assumptions used in the valuation reports, the valuation of the investment property is valued within a reasonable range in the light of the valuation uncertainty for level 3 valuations.

Report on the other information included in the annual report

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

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

Based on the following procedures performed, we conclude that the other information:
- Is consistent with the financial statements and does not contain material misstatements.

- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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

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

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

Description of responsibilities regarding the financial statements

Responsibilities of Management Board for the financial statements

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

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

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

Our responsibilities for the audit of the financial statements

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

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

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

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

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and

appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Board.
- Concluding on the appropriateness of Management Board use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Amsterdam, March 27, 2023

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Assurance report of the independent auditor

To: the shareholders of Bouwinvest Dutch Institutional Office Fund N.V.

Our conclusion

We have reviewed the sustainability information in the 2022 annual report of Bouwinvest Dutch Institutional Office Fund N.V., based in Amsterdam. A review is aimed at obtaining a limited level of assurance.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information of Bouwinvest Dutch Institutional Office Fund N.V. does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to corporate social responsibility, as included in the 'Performance on sustainability' chapter of the 2022 annual report; and
- the thereto related events and achievements for the year 2022 as included in the section 'Performance on sustainability' as disclosed in the 2022 annual report, in accordance with the reporting criteria as included in the section 'Reporting of performance indicators'.

The sustainability information consists of performance information in the section 'Performance on sustainability' part of chapter 'Performance on strategy' on page 24-31 of the 2022 Annual Report excluding the section EU Taxonomy on page 30-31.

Basis for our conclusion

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

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

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

Reporting criteria

The reporting criteria used for the preparation of the sustainability information are the reporting criteria as included in the section 'reporting of performance indicators' within the 2022 Annual Report.

The sustainability information needs to be read and understood together with the reporting criteria. Bouwinvest Dutch Institutional Office Fund N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

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.

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

Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the sustainability information and for the sustainability information as a whole. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and Bouwinvest Dutch Institutional Office Fund N.V.

Limitations to the scope of our review

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the sustainability information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as reviewed by us. We therefore do not provide assurance on this information. Our conclusion is not modified in respect to these matters.

Responsibilities of the Management Board for the sustainability information

The Management Board is responsible for the preparation of the sustainability information in accordance with the applicable criteria. The Management Board is also responsible for selecting and applying the reporting criteria and for determining that these reporting criteria are suitable for the legitimate information needs of stakeholders, taking into account applicable law and regulations related to reporting. The choices made by the Management Board regarding the scope of the sustainability information and the reporting policy are summarized in the chapter 'Performance on sustainability' of the 2022 annual report.

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

Our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform our review in a manner that allows us to obtain sufficient and appropriate evidence to provide a basis for our conclusion.

The procedures performed in this context differ in nature and timing and are less extent as compared to reasonable assurance engagements. The level of assurance obtained in a limited assurance engagement is therefore substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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 3000A, ethical requirements and independence requirements.

Our review included among others:

- Performing an analysis and obtaining insight into relevant environmental and social themes, issues and the characteristics of Bouwinvest Dutch Institutional Office Fund N.V.;
- Evaluating the appropriateness of the reporting policy and its consistent application, including the evaluation of the results of the stakeholders' dialogue and the reasonableness of management's estimates;
- Evaluating the design of the reporting systems and processes related to the sustainability information;
- Reviewing internal and external documentation to determine whether the information as included in the KPIs, including the presentation and assertions made in the sustainability information, is adequately supported;
- Interviewing relevant staff responsible for providing the sustainability information, carrying out internal control procedures on the data and consolidating the data in the annual report;
- An analytical review of the data and trends submitted for consolidation at corporate level.

We communicate with the Management Board regarding, among other matters, the planned scope, timing and outcome of the review and significant findings that we identified during our review.

Amsterdam, March 27, 2023

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Centre Court
Multi-tenant

INREV
Valuation principles

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

Note		Total	Per share	**Actual impact on 2022 figures**	Actual impact on 2021 figures
	NAV per the IFRS financial statements	X	X	Yes	Yes
	Reclassification of certain IFRS liabilities as components of equity	X	X	N/A	N/A
1	Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	X	X	N/A	N/A
2	Effect of dividends recorded as a liability which have not been distributed	X	X	N/A	N/A
	NAV after reclassification of equity-like interests and dividends not yet distributed	X	X	N/A	N/A
	Fair value of assets and liabilities	X	X	N/A	N/A
3	Revaluation to fair value of investment properties	X	X	N/A	N/A
4	Revaluation to fair value of self-constructed or developed investment property	X	X	N/A	N/A
5	Revaluation to fair value of investment property held for sale	X	X	N/A	N/A
6	Revaluation to fair value of property that is leased to tenants under a finance lease	X	X	N/A	N/A
7	Revaluation to fair value of real estate held as inventory	X	X	N/A	N/A
8	Revaluation to fair value of other investments in real assets	X	X	N/A	N/A
9	Revaluation to fair value of indirect investments not consolidated	X	X	N/A	N/A
10	Revaluation to fair value of financial assets and financial liabilities	X	X	N/A	N/A
11	Revaluation to fair value of construction contracts for third parties	X	X	N/A	N/A
12	Set-up costs	X	X	N/A	N/A
13	Acquisition expenses	X	X	Yes	Yes
14	Contractual fees	X	X	N/A	N/A
	Effects of the expected manner of settlement of sales/vehicle unwinding	X	X	N/A	N/A
15	Revaluation to fair value of savings of purchaser's costs such as transfer taxes	X	X	N/A	N/A
16	Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	X	X	N/A	N/A
17	Effect of subsidiaries having a negative equity (non-recourse)	X	X	N/A	N/A
	Other adjustments	X	X	N/A	N/A
18	Goodwill	X	X	N/A	N/A
19	Non-controlling interest effects of INREV adjustments	X	X	N/A	N/A
	INREV NAV	X	X	Yes	Yes

INREV adjustments

All amounts in € thousands, unless otherwise stated

Note		Total 2022	Per share 2022	Total 2021	Per share 2021
	NAV as per the financial statements	**1,198,693**	**2,964.33**	**1,238,539**	**3,172.38**
	Reclassification of certain IFRS liabilities as components of equity				
1	Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	-	-	-	-
2	Effect of dividends recorded as a liability which have not been distributed	-	-	-	-
	NAV after reclassification of equity-like interests and dividends not yet distributed	**1,198,693**	**2,964.33**	**1,238,539**	**3,172.38**
	Fair value of assets and liabilities				
3	Revaluation to fair value of investment properties	-	-	-	-
4	Revaluation to fair value of self-constructed or developed investment property	-	-	-	-
5	Revaluation to fair value of investment property held for sale	-	-	-	-
6	Revaluation to fair value of property that is leased to tenants under a finance lease	-	-	-	-
7	Revaluation to fair value of real estate held as inventory	-	-	-	-
8	Revaluation to fair value of other investments in real assets	-	-	-	-
9	Revaluation to fair value of indirect investments not consolidated	-	-	-	-
10	Revaluation to fair value of financial assets and financial liabilities	-	-	-	-
11	Revaluation to fair value of construction contracts for third parties	-	-	-	-
12	Set-up costs	-	-	-	-
13	Acquisition expenses	1,816	4.5	-	-
14	Contractual fees	-	-	-	-
	Effects of the expected manner of settlement of sales/vehicle unwinding				
15	Revaluation to fair value of savings of purchaser's costs such as transfer taxes	-	-	-	-
16	Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	-	-	-	-
17	Effect of subsidiaries having a negative equity (non-recourse)	-	-	-	-
	Other adjustments				
18	Goodwill	-	-	-	-
19	Non-controlling interest effects of INREV adjustments	-	-	-	-
	INREV NAV	**1,200,509**	**2,968.82**	**1,238,539**	**3,172.38**
	Number of shares issued	404,373		400,324	
	Number of shares issued taking dilution effect into account	404,373		400,324	
	Weighted average INREV NAV	1,265,928		1,191,560	
	Weigthed average INREV GAV	1,288,999		1,211,155	
	Total Expense Ratio (NAV)	0.52%		0.54%	
	Total Expense Ratio (GAV)	0.51%		0.53%	
	Real Estate Expense Ratio (GAV)	1.32%		1.23%	

Notes to the INREV adjustments

All amounts in € thousands, unless otherwise stated

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

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

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

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

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

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

As per 31 December 2022, no dividends are recorded as a liability, so no adjustment is included.

3 Revaluation to fair value of investment property

After initial recognition, investment property is valued at fair value under the fair value option of IAS 40. Therefore no adjustment had to be made as per 31 December 2022.

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

Development property is investment property under construction and valued at fair value under the fair value option of IAS 40. Therefore no adjustment had to be made as per 31 December 2022.

5 Revaluation to fair value of investment property held for sale

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

As per 31 December 2022, no properties intended for sale had been presented that are not included in the fair value of investment property.

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

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

As per 31 December 2022, no adjustment had been made since no property is held that is leased to tenants under a finance lease.

7 Revaluation to fair value of real estate held as inventory

Properties intended for sale and accounted for under IAS 2 (Inventory) are measured at the lower of cost or net realisable value in the financial statements. This adjustment represents the impact on the NAV of the revaluation of such properties to net realisable value (fair value less disposal costs). This adjustment should be included under the caption 'revaluation to fair value of real estate held as inventory'.

As per 31 December 2022, no adjustment had been made since no property is accounted for under IAS 2 (Inventory).

8 Revaluation to fair value of other investments in real assets

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

As per 31 December 2022, no adjustment had been made since the Fund has no investments in real assets.

9 Revaluation to fair value of indirect investments not consolidated

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

As per 31 December 2022, no adjustment had been made since the Fund has no other indirect investments in real estate.

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

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

As per 31 December 2021, no adjustment had been made since the financial assets and liabilities accounted for in the Statement of financial position are not materially different from the fair value of the financial assets and liabilities in accordance with the fair value principles of IFRS 13.

11 Revaluation to fair value of construction contracts for third parties

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

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

Adjustments to reflect the spreading of one-off costs

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

In practice, there are many other ways in which vehicles address such issues for pricing, valuation, or other purposes. Since the INREV NAV is primarily intended to facilitate comparability between different vehicles, the INREV approach is a simple but fixed methodology. Please note that these capitalised costs are subject to an impairment test each time the NAV is calculated and therefore should always be recoverable over time.

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

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

As per 31 December 2022, the set-up costs of the Fund had been amortised, so no adjustment was made as per 31 December 2021.

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

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

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

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

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

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

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

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

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

The Fund has no investment property structured in special vehicles. As per 31 December 2022, no adjustment had been made due to the fact that it is impossible to sell investment property via a share deal. Therefore, there is no possibility of an additional reduction of the transfer tax or purchaser's costs that might lead to a higher sales price.

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

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

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

Until 1 January 2023 the Fund had the status of a fiscal investment institution (0% corporate tax rate). Therefore, no adjustment has been made, as the Fund is exempt from corporate tax payments.

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

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

As per 31 December 2022, no adjustment had been made since the Fund has no subsidiaries with a negative equity.

18 Goodwill

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

As per 31 December 2022, no adjustment had been made since the Fund has no goodwill recognised in the Statement of financial position.

19 Non-controlling interest effects of INREV adjustments

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

As per 31 December 2022, no adjustment had been made since the Fund holds no minority interests.

Independent auditor's report

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

Report on the INREV adjustments

Our Opinion

We have audited the accompanying INREV adjustments 2022 of Bouwinvest Dutch Institutional Office Fund N.V., based in Amsterdam.

In our opinion the INREV adjustments are prepared, in all material respects in accordance with the accounting policies selected and disclosed by the Company, i.e. INREV valuation principles, as set out on page 95 up to and including page 98.

Basis for our opinion

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

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

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

Description of responsibilities for the INREV adjustments

Responsibilities of Management Board for the INREV adjustments

Management Board is responsible for the preparation of the INREV adjustments in accordance with the accounting policies selected and disclosed by the Company (INREV valuation principles) as set out on page 95 up to and including page 98.

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

Our responsibilities for the audit of the INREV adjustments

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these INREV adjustments. The materiality affects the nature, timing and extent of our audit procedures and the 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 INREV adjustments, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Board.
- Evaluating the overall presentation, structure and content of the INREV adjustments, including the disclosures.
- Evaluating whether the INREV adjustments represent the underlying transactions and events free from material misstatement.

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

Amsterdam, March 27, 2023

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Enclosures

Composition of the Management Board

Chief Executive Officer and Statutory Director

Mark Siezen

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

Chief Financial & Risk Officer and Statutory Director

Rianne Vedder

Rianne Vedder was appointed Chief Financial and Risk Officer on 15 October 2019. She was formerly a Partner at EY Financial Services Advisory and jointly responsible for the growth and continued development of the consultancy practice of the EY organisation. She previously held positions within EY Financial Services and Capgemini. Rianne studied Business Economics at Maastricht University and holds a postgraduate Chartered Controller degree. She is an INSEAD-certified Independent Non-Executive Director.

Chief Client Officer

Marleen Bosma

Marleen Bosma-Verhaegh was appointed Chief Client Officer on 1 November 2022. Marleen has worked at Bouwinvest since 2016. She was Head of Research & Strategic Advisory until early 2022, when she was made responsible for business development within the Client Management department. Before joining Bouwinvest, Marleen was jointly responsible for international listed and real estate investments at Blue Sky Group. Prior to that, she worked in various positions at Syntrus Achmea Real Estate & Finance, Philips Pension Fund and FGH Bank.

Chief Investment Officer Dutch Investments

Allard van Spaandonk

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

Chief Investment Officer International Investments

Stephen Tross

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

Director Dutch Office & Hotel Investments

Bas Jochims

Bas Jochims has been Director Dutch Office & Hotel Investments since 2008. He is responsible for the performance of the assets of the Bouwinvest Dutch Institutional Office Fund. He joined Bouwinvest in 2005 as Asset Manager. He has seventeen years experience in real estate asset management. Bas gained his office real estate experience with Dynamis ABC Offices, where he worked as an Account Manager and was responsible for the total property management in the greater Amsterdam and The Hague areas.

Responsible investment performance indicators

Continued improvement of the Fund's sustainability performance

Impact area	Indicator	Measure	Units of measure	2022	2021	Change	Plan 2022-2024
Fund sustainability benchmark	GRESB	Star rating	# stars	5	5	-	Annual improvement of overall GRESB score
	GRESB	Overall score (GRI-CRESS: CRE8)	# [1-100]	92	95	-3	

Investing in sustainable real estate

Impact area	Indicator	Measure	Units of measure	2022	2021	change	Plan 2022-2024
Asset sustainability certificate		Green Building Certificates floor space (BREEAM or GPR) (GRI-CRESS: CRE8)	%	98.0%	100.0%	-2.0 pp	
	BREEAM	Certificate BREEAM-NL in-use PASS floorspace	%	0.0%	0.0%	+0.0 pp	All standing investments minimum BREEAM-NL in-use VERY GOOD by the end of 2022 at asset-level All standing investments minimum BREEAM-NL in-use GOOD by the end of 2022 at management-level
		Certificate BREEAM-NL in-use GOOD floorspace	%	1.7%	1.7%	+0.0 pp	
		Certificate BREEAM-NL in-use VERY GOOD	%	30.1%	30.6%	-0.5 pp	
		Certificate BREEAM-NL in-use EXCELLENT	%	66.2%	67.7%	-1.4 pp	
		Certificate BREEAM-NL in-use OUTSTANDING	%	0.0%	0.0%	+0.0 pp	
	BREEAM (new acquisitions)	Labelled floor space (GRI-CRESS: CRE8)	%			n/a	Acquisition of new developments have BREEAM-NL EXCELLENT or better
		Average score (GRI-CRESS: CRE8)	%			n/a	

Reducing environmental impact

Impact area	Indicator	Measure	Units of measure	2022	2021	change	Plan 2022-2024
Energy performance certificate	EPC	Labelled floor space (GRI-CRESS: CRE8)	%	98.0%	100%	-2.0 pp	by end 2022, 100% of the portfolio has an energy label A or better (EP2 <136)
		Green labelled floor space (A, B or C label)	%	99.6%	99.7%	-0.1 pp	
		A labelled floor space	%	98.3%	98.3%	0.0 pp	
		Average EP2	#	136.51	136.31	0.21	
Renewable energy	Solar panels	Installed kWp of solar panels	kWp	1,061.6	967.5	+9.7%	By end 2022, solar panels generate >1000 kWp

Impact area	Indicator	Measure	Units of measure	2022 (Abs)	2021 (Abs)	% change (LfL)	Plan 2022-2024
Energy	Electricity	Total landlord-obtained electricity (GRI: 302-2)	MWh	17,406	15,492	2.6%	
	Gas	Total gas consumption (GRI: 302-1)		320	413	-22.6%	
	District heating and cooling	Total district heating and cooling (GRI: 302-2)		0	0	0.0%	
	Total	Total energy consumption from all sources (GRI: 302-2)		17,726	15,905	1.9%	on average -4% / year
	Energy intensity	Building energy intensity (GRI-CRESS: CRE1)	kWh/m²/year	81	73	1.9%	
		Energy and associated GHG disclosure coverage		8 of 14	8 of 13		
GHG emissions	Direct	Scope 1 (GRI: 305-1)	tonnes CO_2e	76	98	-22.6%	
	Indirect	Scope 2 (GRI: 305-2)		5,866	5,221	2.6%	
	Total	Total GHG emissions (GRI: 305-2) Scope 1 and 2		5,941	5,319	2.1%	on average -4% / year
		Total GHG emissions after compensation		76	98	-22.6%	
	GHG emissions intensity	GHG intensity from building energy (GRI-CRESS: CRE3)	kg CO_2e/m^2/year	27	24	2.1%	
Water	Total	Total water consumption (GRI:303-1)	m³	N/A	N/A	N/A	-5% in 2022
	Water intensity	Building water intensity (GRI-CRESS: CRE2)	m³/m²/year	N/A	N/A	N/A	
Waste	Total	Total waste collected (GRI: 306-1)	tonnes	N/A	N/A	N/A	-5% in 2022
		Recycling rate	%	N/A	N/A	N/A	

Stakeholder engagement performance

Impact area	Indicator	Measure	Units of measure	2022	2021	change	Plan 2022-2024
Engage with stakeholders	Tenant satisfaction	Response rate (GRI: 102-43)	%	64%	58%	+5.3 pp	Tenants give the Fund a score higher than 7
		Average total score (GRI: 102-43)	#	7.3	7.3	+0.0	
	Client satisfaction	Response rate (GRI: 102-43)	%	n/a	n/a	n/a	Clients give the Fund a score higher than 7.5
		Average total score (GRI: 102-43)	#	n/a	7.1	n/a	
Sustainable stewardship	Considerate constructors scheme	Registered construction projects	#	n/a	1 of 1	n/a	In 2022, 75% of construction sites (€) registered under Considerate Constructors Scheme ('Bewuste Bouwer')
		Participation rate (by acquisition price)	%	n/a	100%	n/a	
	Board seats and committee memberships industry organisations, related to the Dutch office sector	Number	#	3	3	no change	Gain board seats and committee memberships industry organisations: have at least one active board/committee memberships within industry organisations in the Dutch office sector
	Make areas heart safe	Number	%	100.0%	100.0%	+0.0 pp	By the end of 2022, 100% of our tenants and communities have an AED available within six minutes walking distance

** This concerns only lease agreements with regard to office space, leases for parking spaces are excluded.*

Being a responsible organisation

Impact area	Indicator	Measure	Units of measure	2022	2021	% change	Plan 2022-2024
Sustainable agreements	Leases	Number of new green leases	#	35 of 35	17 of 19	+10.5%	50% of the rental contracts include a sustainability clause by the end of 2022
		Number of green leases total	#	107 of 220	73 of 219	+14.8%	
Responsible business operation	Digital tenant portal	Usage of tentants	%	0.0%	0.0%	0.0%	In 2022 50% of our tenants can use our tenant portal incl. sustainability performance

Reporting of performance indicators

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

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

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

For the managed portfolio (scope 1 and 2), Bouwinvest reports on total energy consumption including all direct energy sources (gas, fuel oil) and indirect energy sources (electricity, district heating and district cooling). To calculate Greenhouse Gas (GHG) emissions, country and energy source-specific emission factors have been applied. Emission factors change over time. For this annual report most recently available factors for 2022 are used (source: www.co2emissiefactoren.nl).

Energy, Emission and Water intensities are reported only on properties where energy respectively water data is available, using 'shared services' as the numerator and lettable floor area (LFA) as the denominator. 'Shared services' refer to landlord-obtained consumption for common parts and any services provided to tenant areas that have not been sub-metered.

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

Properties overview

Municipality	Street name/property name	Floor space (in m²)	No. of parking units	Year of construction/ renovation	Land ownership	Core region	Financial occupancy rate (average)
The Hague	Centre Court (Offices)	41,208	-	2002	Freehold	The Hague	100.0%
The Hague	Centre Court (Parking)	3	670	2002	Freehold	The Hague	93.4%
The Hague	WTC The Hague / Prinsenhof (Offices)	63,306	-	2004	Leasehold	The Hague	93.0%
The Hague	WTC The Hague / Prinsenhof (Parking)	584	923	2004	Leasehold	The Hague	93.7%
The Hague	De Zeven Provincien	5,232	23	1960	Freehold	The Hague	100.0%
Amsterdam	De Lairesse	3,522	57	1998	Leasehold	Amsterdam	83.9%
Amsterdam	Valeriusplein	918	-	1917	Leasehold	Amsterdam	100.0%
Amsterdam	Olympisch Stadion (Parking)	125	850	2001	Leasehold	Amsterdam	99.3%
Amsterdam	Olympisch Stadion (Offices)	12,821	-	1999	Leasehold	Amsterdam	99.3%
Amsterdam	Valina	3,716	14	2015	Leasehold	Amsterdam	100.0%
Amsterdam	Move	7,351	40	2019	Leasehold	Amsterdam	100.0%
Amsterdam	The Garage	12,561	25	2019	Leasehold	Amsterdam	100.0%
Amsterdam	Hourglass	21,975	148	2020	Leasehold	Amsterdam	100.0%
Rotterdam	Maasparc	6,357	30	2000	Freehold	Rotterdam	100.0%
Rotterdam	WTC Rotterdam (Offices)	45,057	-	1987	Freehold	Rotterdam	82.0%
Rotterdam	WTC Rotterdam (Parking P1 / P2)	20	240	1987	Freehold	Rotterdam	60.3%
Rotterdam	WTC Rotterdam (Parking WTC-Beursplein)	-	248	1987	Freehold	Rotterdam	99.8%
Utrecht	Nieuwe Vaart	11,571	111	1992	Freehold	Utrecht	86.9%
Utrecht	Central Park	28,613	366	2021	Freehold	Utrecht	60.8%
Total		**264,940**	**3,745**				**90.4%**

* Investment property under construction

Periodic disclosure under SFDR

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

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

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

Product name: Bouwinvest Office Fund

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 4% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

1

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

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

During the reporting period from January 1, 2022 to December 31, 2022, this financial product promoted the following environmental and/or social characteristics as part of the four ESG objectives:

ESG objective	Promoted environmental and social characteristics
I. Building a future proof and sustainable portfolio	Ia. Above average sustainable fund
	Ib. Above average sustainable buildings
II. Reducing environmental impact	IIa. Combatting Climate Change: Source of energy
	IIb. Combatting Climate Change: Energy efficiency of buildings
III. Livable, affordable, attainable & inclusive places where people want to reside - now and in the future	III. Product accountability
IV. Contributing to healthy, safe and responsible operations	IV. Considerate constructors scheme (construction sites)

The Fund has used one or more sustainability indicators to measure the attainment of each E/S characteristic promoted. During the reference period the Fund improved its sustainability indicators to have a better fit with the objectives of the Fund. The table below shows the indicators per promote over the applicable time-period for the past three years. The indicators market with an asterisk (*) are applicable until and including 2022 and will be replaced by other indicators as of 2023. The other indicators concern current indicators.

E/S char.	Indicator	2022	2021	2020
Ia.	UN PRI score (Strategy & Governance / Property / Listed)*	Direct – Real estate: 95 points (5 stars)	N/A	A+ / A+ / B
	GRESB score	92	95	95
	GRESB star rating	5-star rating	5-star rating	5-star rating
Ib.	Building certificate BREEAM-NL VERY GOOD or better	96%	98%	96%
IIa.	LFL energy consumption*	1,9%	-1,8%	-8%
	LFL GHG emissions*	-22,6%	10,5%	-10%
	Renewable energy (PV panels)*	1.062	968	886
IIb.	Energy labels*	98% A-label	98% A-label	79%
	Green leases*	49%	33%	25%
III.	Tenant satisfaction	7.3	7.3	7.3
	AED availability to tenants	100%	100%	98%
IV.	Considerate construction scheme (construction sites)	N/A	100%	100%

The performance on several sustainability indicators was in line with the plan of the Fund for 2022. Only for the indicator green leases the Fund improved its performance and came close to achieving its goal for 2022. The GRESB score, BREEAM certificates and like-for-like energy and greenhouse gas emission reductions results were below plan 2022.

2

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

Some investments of the Fund contribute to environmental objective 'climate change minitagation as included in Article 9 of the Taxonomy Regulation (TR).

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

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

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

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

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

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

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

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

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

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

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

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

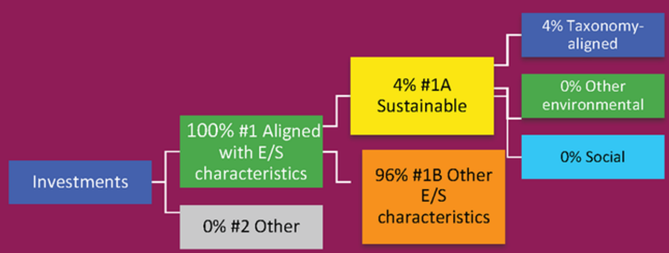
What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
WTC The Hague / Prinsenhof (Offices)	Real estate - Office	16%	Netherlands
Hourglass	Real estate - Office	15%	Netherlands
Central Park	Real estate - Office	12%	Netherlands
Centre Court (Offices)	Real estate - Office	11%	Netherlands
The Garage	Real estate - Office	9%	Netherlands

Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

What was the asset allocation?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

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

4

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

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

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

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

The current NAV of the portfolio stands at € 1,199 million, 4% of which (GAR) is EU Taxonomy aligned. Split into two different objectives, the results are:

4% of the Fund's underlying investments are aligned with the technical screening criteria related to a substantial contribution to 'climate change mitigation' due to the number of A or better energy labels and the fact that the economic activities do not significantly harm any other environmental objectives due to the limited physical climate risks.

0% of the Fund's underlying investments that are not aligned with 'climate change mitigation' do contribute substantially to 'climate change adaptation', due to the limited physical climate risks and the fact that the economic activities do not significantly harm any other environmental objectives die to the number of B or C energy labels.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

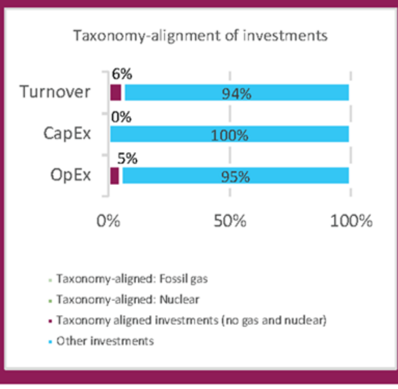
  No

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

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

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

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds only one graph is shown.



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

Not applicable for the Fund.

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

There was no previous reference period.

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

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

What was the share of socially sustainable investments?

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

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

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

6

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

- The Fund continued to focus on environmental performance to increase its points and retain its five star GRESB rating. Despite this the fund had a lower GRESB score due to the decrease in scores on GHG, water and waste, but retained its five star rating.
- The target for 2022 was to achieve a minimum of a BREEAM-NL Very Good rating for every asset in the portfolio because the new added asset De Zeven Provinciën (The Hague), delivered on 23 December, did not yet have a BREEAM-NL label on 31 December.
- The Fund continued working on renewable energy production last year and installed solar panels (82kWp) on Central Park (Utrecht).
- The Fund managed to sign green leases for all new rental contracts and keeps working on increasing the number of green leases even further by offering tenants concrete tools to help them reduce their energy consumption and costs.
- The Fund added more AEDs to buildings and achieved its target by end of 2022 to have an AED available for all its tenants and communities. The Fund also installs AEDs at all new assets it adds to its portfolio.

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

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

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

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

Glossary

Considerate constructors scheme

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

Direct property return

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

Distributable result

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

Energy index of the portfolio

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

Estimated rental value

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

Financial occupancy rate

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

Fund capital growth (INREV)

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

Fund income return (INREV)

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

Fund total return (INREV)

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

Green portfolio

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

GRESB score

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

GRESB star rating

The GRESB star rating is based on the GRESB score and its quintile position relative to the GRESB universe, with annual calibration of the model. If an entity is placed in the top quintile, it will be a GRESB 5-star rated entity; if it ranks in the bottom quintile, it will be a GRESB 1-star rated entity, etc. As the GRESB star rating is calculated relative to the global performance of reporting entities, it shows exactly where the Fund stands on a global scale.

Gross Asset Value (GAV)

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

Gross initial yield (passing)

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

Gross initial yield (market)

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

Gross rental income

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

Indirect property return

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

INREV NAV

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

Investment property

Property that is fully operational on the reporting date

Investment property under construction

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

Lease incentive

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

Like-for-like gross rental income

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

Membership of industry associations

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

MSCI Property Index

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

Net asset value (NAV)

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

Net initial yield

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

Net rental income

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

On-site solar power

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

Passing rent

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

Pay-out ratio of distributable earnings

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

Property value

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

Real Estate Expense Ratio (REER)

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

Reduction of energy consumption

Percentage of change in energy consumption (electricity and gas) at end of reporting year compared with previous year on a like-for-like basis for energy meters that were under the direct control of the Fund. Like-for-like refers to the energy consumption of a portfolio that has been consistently in operation for two comparative periods. Gas consumption is converted from m^3 to kWh based on the conversion factor as published at end of period on https://www.co2emissiefactoren.nl. And gas consumption for the reporting year is corrected for differences in the number of degree days at De Bilt (the Netherlands) between the current and previous year.

Residential units in mid-rental segment

The total number of acquired units with rental prices between € 764 and € 1,060 per month (price level 2022) in the reporting period.

Sustainably certified portfolio

The relative share of investment properties within a portfolio that have been formally granted sustainable building certification, rating or labelling at the end of a reporting period, compared with the total portfolio of investment properties (based on m^2 LFA).

Theoretical rent

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

Total Global Expense Ratio (TGER)

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

Transactions

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

Zero-energy projects

Number of acquisition transactions (investment proposals approved by the Management Board) in the period 2018-2020, with agreed yearly total energy consumption of below 0 kWh.

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