Annual report 2022

Bouwinvest Dutch Institutional Retail Fund N.V.

Bouwinvest | Real Estate Investors

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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 core retail locations and environments

Future-driven
Stable income return and active optimisation approach

Sustainability
Sustainable and responsible investments

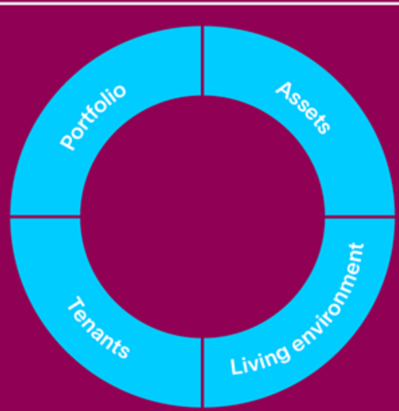
The Fund's key strategic objectives

- Strong diversified core portfolio
- Investment strategy focused on Experience and Convenience (>80%) and Mixed Retail (<10%)

- Long-term investor in thriving urban and suburban areas
- Focus on (re)developments and asset updates
- Stable income return

- Future-proof and sustainable portfolio
- Reducing environmental impact
- Liveable, affordable, 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
10.5%	97.1%	€1,055 MILLION

Transactions	Investments	Divestments	Funding
€15 MILLION	€26 MILLION	€40 MILLION	€0 MILLION

GRESB 5-star	Paris Proof	Tenant satisfaction	Stakeholder engagement
★★★★★	end of 2045 & increase climate resilience of the portfolio	SCORE 6.5	ACTIVE ENGAGEMENT WITH OUR COMMUNITY

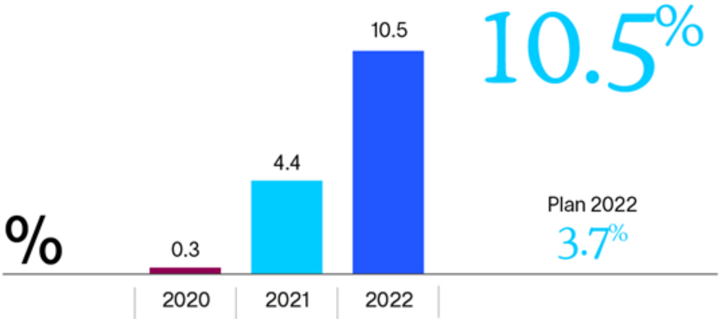
Real Value for Life

Stable long-term pension benefits with limited environmental impact

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

The Fund's contribution to Real Value for Life

Fund return



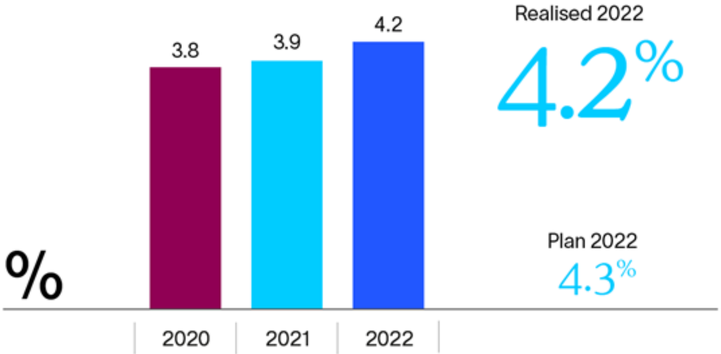
Realised 2022

10.5%

Plan 2022

3.7%

Fund income return



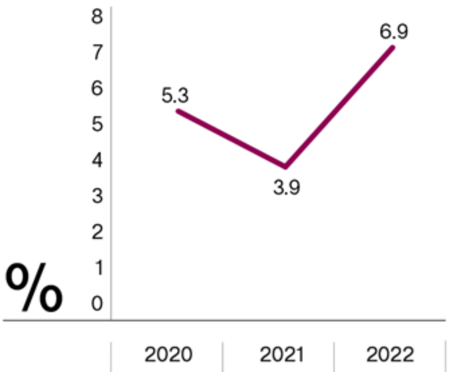
Realised 2022

4.2%

Plan 2022

4.3%

Relative performance MSCI



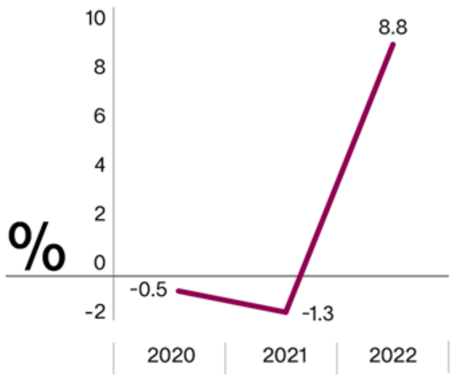
Realised 2022

6.9%

Plan 2022

> 0%

Like-for-like rental income



Realised 2022

8.8%

Plan 2022

3.4%

Acquisitions (x € MILLION)

Realised 2022

€ 15

Plan 2022

€ 70

Investments (x € MILLION)

Realised 2022

€ 26

Plan 2022

€ 80

Occupancy rate

Realised 2022

97.1%

Plan 2022

94.9%

Divestments (x € MILLION)

Realised 2022

€ 40

Plan 2022

€ 40

Core strategy

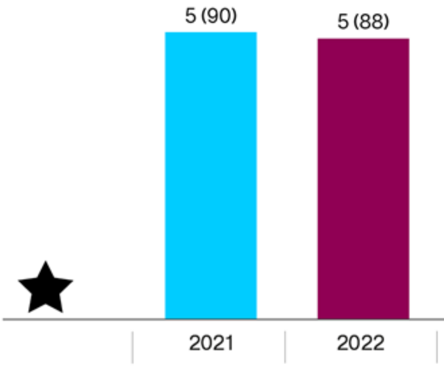
Realised 2022

97.1%

Plan 2022

>70%

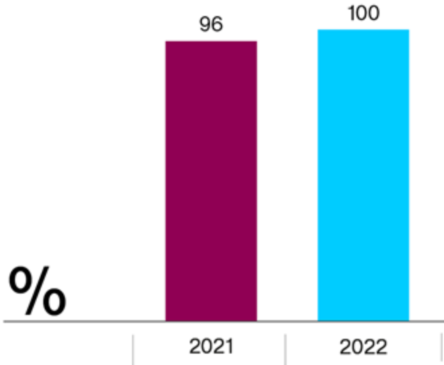
GRESB star rating (score)



Realised 2022

5 star rating
(88 Points)

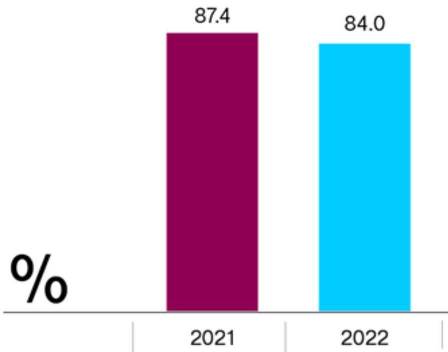
BREEAM building label



Realised 2022

100%

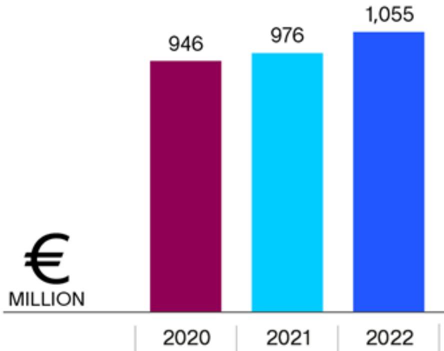
Energy label (A)



Realised 2022

84.0%

NAV (x € MILLION)



Realised 2022

1,055

Plan 2022

1,041

Dividend paid per share

Plan 2022	Realised 2022
€ 110.28	€ 106.99

Issued capital (x € MILLION)

Plan 2022	Realised 2022
€ 80	€ 15

Key performance over five years

All amounts in € thousands, unless otherwise stated	2022	2021	2020	2019	2018
Statement of financial position					
Total assets	1,073,286	994,754	961,989	996,404	981,296
Total shareholders' equity	1,055,026	975,551	945,699	979,393	969,680
Total debt from credit institutions	-	-	-	-	-
Performance per share					
Dividends (in €)	106.99	104.20	105.74	129.60	118.16
Net earnings (in €)	281.09	112.14	10.78	123.15	147.75
Net asset value IFRS (in €, at year-end)	2,847.73	2,673.69	2,665.07	2,760.03	2,766.60
Net asset value INREV (in €, at year-end)	2,861.09	2,690.41	2,680.09	2,777.17	2,789.93
Result					
Net result	104,095	40,293	3,826	43,659	48,675
Total Global Expense Ratio (TGER)	0.51%	0.54%	0.54%	0.52%	1.16%
Real Estate Expense Ratio (REER)	0.70%	1.14%	1.09%	0.86%	0.86%
Distributable result	42,134	36,269	36,414	40,439	38,926
Pay-out ratio	100%	100%	100%	100%	100%
Fund return					
Income return	4.2%	3.9%	3.8%	4.2%	3.5%
Capital growth	6.1%	0.5%	(3.4)%	0.1%	2.0%
Total Fund return	10.5%	4.4%	0.3%	4.3%	5.6%
Portfolio figures					
Investment property	1,020,257	971,612	951,258	965,495	945,586
Investment property under construction	-	-	-	-	12,898
Gross initial yield	5.5%	5.9%	5.9%	5.4%	5.5%
Total number of properties	60	59	59	59	63
Average monthly rent per square metre (in €)	280	246	237	236	229
Financial occupancy rate (average)	97.1%	96.6%	95.8%	96.5%	95.2%
Sustainability (A, B or C label)	97.2%	98.6%	98.5%	98.4%	95.6%
Property performance (all properties)					
Income return	4.7%	4.7%	4.6%	4.9%	5.0%
Capital growth	6.5%	0.3%	(3.5)%	0.4%	1.9%
Total property return	11.5%	5.0%	1.0%	5.3%	7.0%
MSCI (Netherlands Property Index) retail real estate (all properties)					
Income return	5.0%	4.5%	4.8%	4.8%	4.9%
Capital growth	(0.7)%	(3.3)%	(8.7)%	(2.9)%	0.1%
Total return MSCI (NPI)	4.3%	1.1%	(4.3)%	1.8%	5.0%

Message from the Director Dutch Retail Investments

Last year was another challenging year for both for 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, reflected in low consumer and business confidence, despite government aid. Unemployment has remained low, but rising staff shortages in a growing number of sectors, including the retail sector, 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. Obviously, inflation is impacting people's spending power, which will in turn affect retail sales, especially in the experience segment, as food sales are generally less affected by economic cycles. At the same time, the sharp rise in energy prices makes it more likely that retail tenants will be willing to collaborate with the Fund to make its assets more energy efficient and sustainable.

Investment market

The Dutch government's regulatory changes continue to create a great deal of uncertainty on real estate markets. Investment managers are also dealing with a stream of new (EU) sustainability regulations, including the SFDR and the EU taxonomy. Moreover, the sharp rise in interest rates has had a major impact on the investment market. Given this, the above-mentioned inflationary pressures and rising construction costs, on top of the existing pressure created by burgeoning online sales, the sentiment on the retail investment market is currently quite cautious. 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, Bouwinvest is a long-term investor and we continue to have faith in the long-term future of the retail sector.

All of this led to a decline in asset valuations from Q3 onwards, mainly due to widening yields. We expect to see a growing gap in valuations between prime assets and secondary assets, as investors focus on high-quality, sustainable retail assets with strong catchment areas in economically healthy areas. The government's planned ESG-related regulation is also putting a premium on sustainable retail assets, putting the Retail Fund at an advantage. Investments in sustainability also contribute to the financial performance. Moreover, the Fund won the MSCI award for the best performing specialist fund in the Netherlands for the fourth consecutive year in 2022.

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 meet these demands in even these uncertain market conditions.

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 repeatedly proven in the past, this long-term view and our strategy will enable us to continue to create real value for life in even the most challenging of markets.

The Fund's strategy

Despite the above developments, the Fund delivered a strong performance in 2022, with a total return of 10.5% for the full year, despite a dip in the fourth quarter, which saw capital growth fall into slightly negative territory. While the fundamental strategy was unchanged, the Fund did make some adjustments to make its portfolio more resistant to the expected challenging market environment in 2023 and beyond, putting even greater focus on its main strategic pillars, quality, future-driven and sustainability. The Fund delivered solid performances on all three pillars in 2022, as 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 achieved a score of 88 points, two points less than last year. The main challenge in improving the score is obtaining more tenant data related to water and waste. We also worked hard on our Paris proof roadmaps and now have defined roadmaps for a number of assets. The Fund also devoted a lot of attention to the optimisation of its portfolio, acquiring three high street assets in the center of Eindhoven and disposing of three non-core assets.

Market outlook

Given the level of uncertainty in the market, it is difficult to predict what will happen in the retail sector the near term. However, we do expect there to be opportunities. Less committed, less long-term investors or invests that rely heavily on leverage may 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.

Collin Boelhouwer
Director Dutch Retail 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

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 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, an income-related rent increase 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 will become subject to corporate income tax ('vennootschapsbelasting'). Bouwinvest will mitigate this risk by anticipating and preparing a restructuring of the Fund into the legal form of a so-called closed Fund for Mutual Account (FMA; 'Fonds voor Gemene Rekening' (FGR) in Dutch).

Occupier market

In the first weeks of 2022, the remaining shopping limitations, put in place as a result of Covid-19, gradually disappeared. As a result, consumers returned to the high streets in increasing numbers, although not in the same numbers as in the time before the Covid-19 pandemic. This is of course very much related to strong increase in online shopping during the pandemic, but also to the fact that consumers do seem to have retained part of their shopping behaviour from the Covid period and are shopping more purposefully: they visit the city centres less often, but spend relatively more.

Most retail branches have been able to incorporate inflation into their price levels and as such the total retail sales increased by 6.7% in 2022. At the same time the volume of goods sold has been gradually declining since Q2 2022: consumers are trying to curb their purchasing. Retailers are walking a thin line between raising prices ánd retaining their customers. On top of this, retailers also have to deal with the rising costs of wages, energy, rents and purchasing costs, which challenges their operational bottom lines.

As a result, the retail occupier market registered lower activity and the 530,000 m^2 taken up was around 18.9% lower than the average of the five pre-Covid years. However, activity has not fallen to zero. Many chains are seeing opportunities in this market and are upgrading their store portfolios by moving to better located premises or expanding their overall portfolio.

Vacancy rates continued to fall throughout the year, to 6.0% from 6.8% in 2021. This decline was very much driven by a further reduction of retail stock and happened at all retail destinations. In the course of the year, both vacant and non-vacant stores were taken off the market and converted to other uses.

Despite the drop in vacancies, downward pressure on rents remained the trend at high streets. At the same time, market rents at convenience locations are generally less affected and specifically increased for supermarkets, which are best-equipped to pass on the costs of inflation to their customers.

Occupier key factors	2023 forecast	**2022**	2021
Take-up (m^2)	↔	530,000	730,000
Vacancy (year-end)	↔	6.0%	6.8%
Prime rent (/m^2/yr, year-end)	↔	€ 2,500	€ 2,550

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, as investors wanted to close their deals before the increase in the real estate transfer tax from 1 January 2023.

In 2022, retail real estate investments came in at a strong € 2.1 billion, 17.7 higher than the previous year. A closer look at the various retail segments reveals that investments increased across the board, despite or perhaps because of the challenging market. As Covid-19 effects were fading, both sellers and buyers were able to incorporate the remaining uncertainties in their pricing and reach agreements. The one sub-segment that lagged behind concerned stand-alone supermarkets, where the gap between bid and ask prices remained too large in many cases.

Driven by the hefty increase in interest rates and an increasingly gloomy economic outlook, 2022 saw substantial initial yield expansion in the second half of the year. Net initial yields in the retail experience sector moved outward by 94 bps. MSCI data on yields for convenience shopping centres showed a substantially smaller 22 bps contraction over 2022.

The Fund believes that - while the market is recalibrating - prime retail destinations in the city centres of the largest cities will continue to see strong demand from retailers, also in the long term. Convenience shopping centres and supermarkets have performed strongly over the past period, but capital values are substantially affected by increased interest rates.

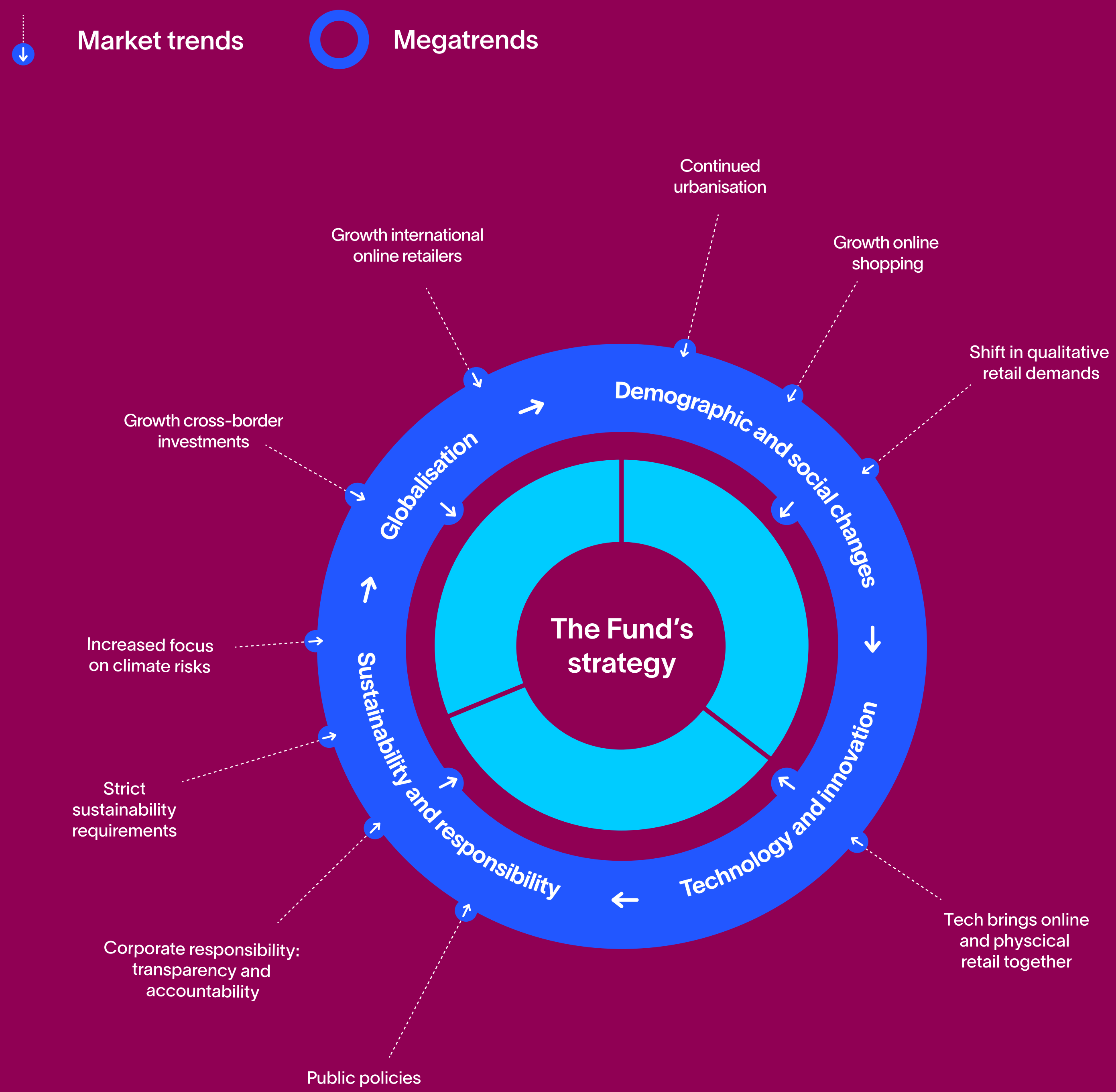
Investor key factors	2023 forecast	**2022**	2021
Prime net initial yields high street (excl. purchase costs, year-end)	↑	3.6%	3.0%
Investment volumes (€ bln)	↔	2.1	1.8

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 insights into macro trends, real estate market conditions and expectations for the years ahead.

Retail 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 retail 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

Pillar	*Strategic objectives*	*Performance indicator*
Quality	Strong diversified core portfolio: Investment strategy focused on Experience and Convenience (>80%) and Mixed retail (<10%)	• Strategic bandwidths
	Clear investment and divestment strategy	• Targeted acquisitions • Targeted divestments
Future-driven	Long-term investor in thriving urban and suburban areas	
	Redevelopments & asset upgrades	• Redevelopments & asset upgrades
	Stable income return	• Financial occupancy • Tenant mix • Lease expiry management • Risk allocation
Sustainability	Building a future-proof and sustainable portfolio	• GRESB rating and scoring • BREEAM-NL
	Reducing environmental impact	• Free of natural gas (% m^2) • CO_2 emissions of purchased energy • Energy efficiency
	Liveable, affordable, attainable and inclusive places where people want to reside - now and in the future	• Investments in Convenience retail • Tenant satisfaction score
	Contributing to healthy, safe and responsible operations	• 24/7 AED coverage • Construction sites with Considerate Constructors Scheme

Active asset management

Working environment

- Having a keen eye for the best places to invest
- Contributing to liveable and attractive locations
- Creating safe places to shop and spend time
- Devoting attention to accessibility for all visitors

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
- Exploring opportunities to improve circularity
- Unlocking environmental data via EMS
- Actively sharing ESG targets and projects with property managers

Assets

- Continuously investing in assets to keep them up-to-date and fit for the future
- Optimising the Fund's income return
- Optimising the Fund's occupancy rate by focusing on the leasing process
- Performing well-timed and good maintenance
- Making the Fund's assets Paris Proof
- Adding services (e.g. fast-charging stations)
- Creating ESG advisory reports for all assets
- Updating and improving energy and BREEAM labels
- Making vacant units gas-free (if possible)
- Implementing sustainability agreements in work processes

Tenants

- Optimising contacts with the Fund's tenants
- Investing in long-term relationships with key tenants
- Optimising the Fund's processes
- Using a client monitoring system to optimise services
- Optimising interactions between tenants and property managers
- Obtaining better insight into tenants' energy and waste consumption

Investment objectives

Long-term average annual total return

Long-term objective
6.0%-7.5%

Realised 2022

10.5%

	Target	Realised 2022
Focused segmentation		
• Investments in Experience & Convenience	>70%	92.5%
• Investments in Mixed Retail	<20%	4.5%

Investment restrictions

	Target	Realised 2022
<15% invested in single investment property	<15%*	22.4%
<10% invested in non-core (non-retail) property	<10%	0.2%
No investments will have a material adverse effect on the Fund's diversification guidelines	0	0
Total (re)development activities <5% of Fund's total investment portfolio value	<5%	0%

(Re)development restrictions

<5% of the Fund's total investment portfolio value

Target
<5%

Realised 2022

0%

Diversification guidelines

	Target	Realised 2022
Invested in 'Mixed retail'	<20%	4.5%
Total rental income of one single tenant may not exceed 15% of the total rental income of the Fund	<15%	10.8%
Low or medium risk	>90%	100%

Invested in 'Experience' retail

Target
40-60%

Realised 2022

52.0%

Invested in 'Convenience' retail

Target
30-50%

Realised 2022

40.5%

** The management made an exception for the investment property Damrak 70, due to its unique retail location and its low risk profile.*

Performance on strategy

Portfolio characteristics

	2022	2021
Total property value	€ 1,055 million	€ 976 million
No. of assets	60	59
m^2 NLA	202,497 m^2	235,903 m^2
Total Fund return	10.5%	4.4%
Fund income return	4.2%	3.9%
Occupancy rate	97.1%	96.6%
MSCI index outperformance	V	V
GRESB rating & score	5-star (88 points)	5-star (90 points)
BREEAM label Good or better	91.2	94.2%
% green energy label	97.2% (84.0% A-label)	98.6% (87.4% A-label)

Performance on quality

The Fund’s investment strategy focuses on high street assets in the best retail locations (Experience) and on neighbourhood shopping centres and solitary supermarkets (Convenience). In addition to this, the Mixed retail segment gives the Fund the opportunity to invest to a limited extent (<10% of the portfolio) in market opportunities outside these segments.

Investments and divestments

Acquisitions

The Fund invested a total of € 26 million in 2022, which was € 53 million lower than the original plan of € 80 million. The Fund completed the acquisition of three high street assets in the centre of Eindhoven. The units (1,750 m^2 in total) are located at Demer 17a, Demer 21 and Marktstraat 2-4 and leased to retailers Pieces, Bakker Bart and Cotton Club (a The Sting concept) respectively. The planned expansion of the Schuytgraaf shopping centre in Arnhem was also completed in 2022. This expansion brings the shopping centre fully in line with the Fund’s Convenience strategy. It comprises 8,516 m^2 and 24 units, all offering daily shopping with a wide range of formats, including Albert Heijn and Lidl supermarkts.

The Fund also concluded a purchase agreement for a Convenience investment. This was for a substantial part of the existing Kerschoten shopping centre in Apeldoorn, which will be partly redeveloped and expanded. The shopping centre will be delivered after completion of the redevelopment and includes six retail units, divided over three separate building blocks, with two supermarkets (Plus and Deka). The total area of the shopping centre is 4,200 m^2. Delivery of the asset is expected in Q3 2023.

Divestments

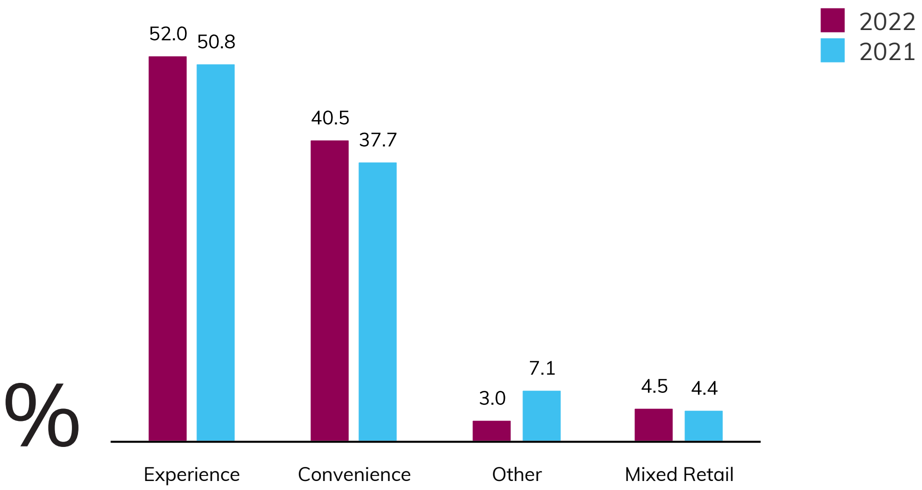
In 2022, the Fund had budgeted € 40 million for the divestment of Other assets and sold for the same amount. These assets did not meet the Fund’s strategic requirements due to their location, size or economic outlook. The Fund completed the sale of the Promesse shopping centre in Lelystad, the Parade shopping centre in Bergen op Zoom and the Eiland in Zwolle. All assets were classified as Other.

Portfolio at year-end

At year-end 2022, the Fund’s portfolio consisted of a total of 60 assets. Of these, 31 assets are classified as Experience, 26 assets are classified as Convenience and two assets are classified as Mixed retail. The category ‘Other’ consists of one retail asset that does not fully meet the Fund's strategic requirements and which the Fund aims to sell. In line with this plan, the Fund realised a 4.1 basis point reduction in the share of Other, taking this category to 3.0% of the portfolio, from 7.1% in 2021. The share of Experience increased by 1.2 basis points to 52.0%, while the share of Convenience increased by 2.8 basis points to

40.5%. The Mixed retail segment stood at 4.5% at year-end 2022 (4.4% at year-end 2021). The changes in allocation were mainly the result of new acquisitions and divestments.

Allocation of investment property by strategy as a percentage of book value



Performance on future-driven

Redevelopments and asset upgrades

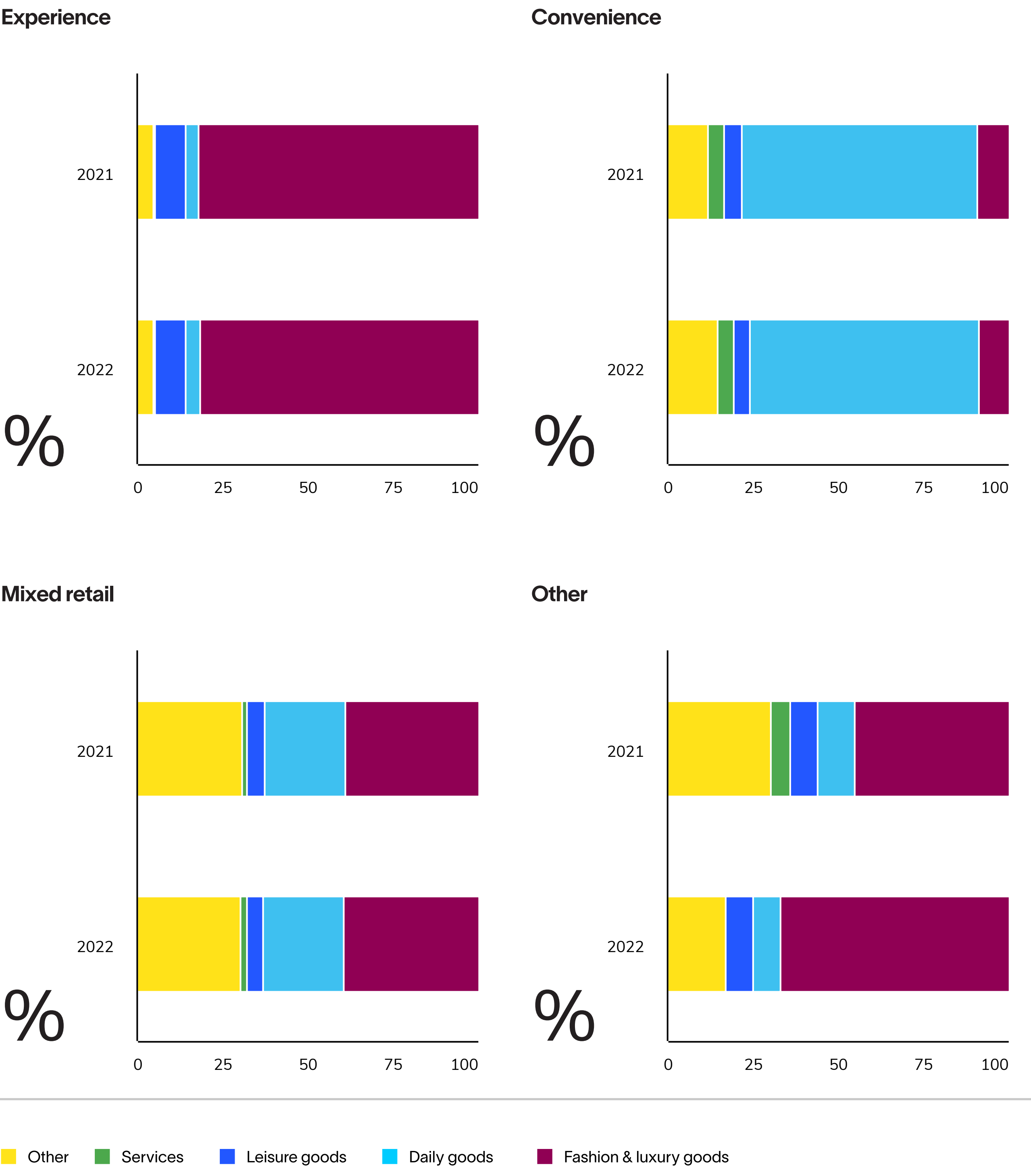
The Fund completed the construction work to optimise the PC Hooftstraat 125 asset in Amsterdam. The Fund closed a new lease with high-fashion retailer Filippa K.

The Fund signed a letter of intent for a lease with an international retailer for Lijnbaan 111 in Rotterdam. Part of this agreement is the realisation of a new façade for this unit and adjustments to the layout. The Fund has had an architectural design drawn up for this and submitted a permit application.

Tenant mix

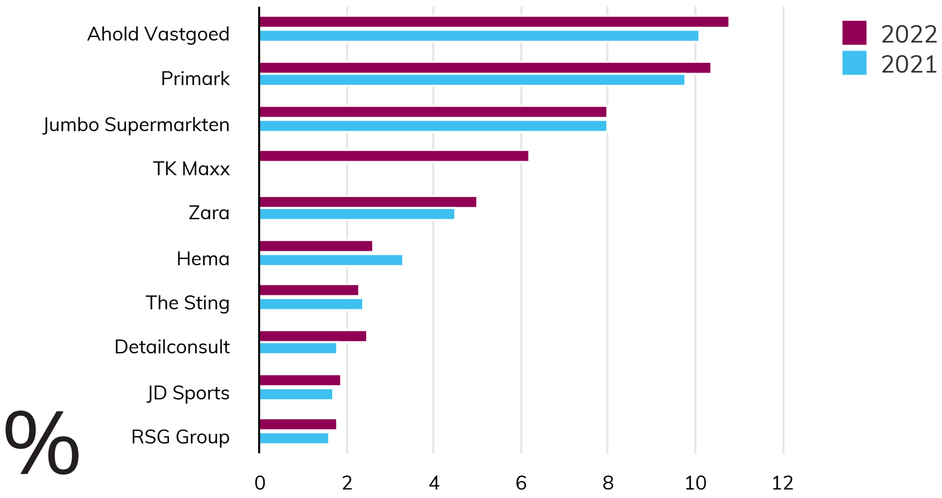
The Fund's portfolio includes a wide range of tenants by segment type. In 2022, in the Experience part of the portfolio, the share of the fashion & luxury goods segment increased/declined to 81.3% (2021: 82.0%). In the Convenience part of the portfolio, the share of the daily goods segment fell to 67.4% (2021: 69.4%). The segments Mixed Retail and Other saw no major changes in the range of tenants.

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



The top 10 major tenants accounted for 51.6% of the Fund's total rental income in 2022 (2021: 49.3%). In 2022, TK Maxx (new tenant in the Damrak asset in Amsterdam) and RSG Group (tenant in the Lijnbaan asset in Rotterdam) entered the top 10, while retailer C&A and retailer A.S. Watson dropped out of the top 10.

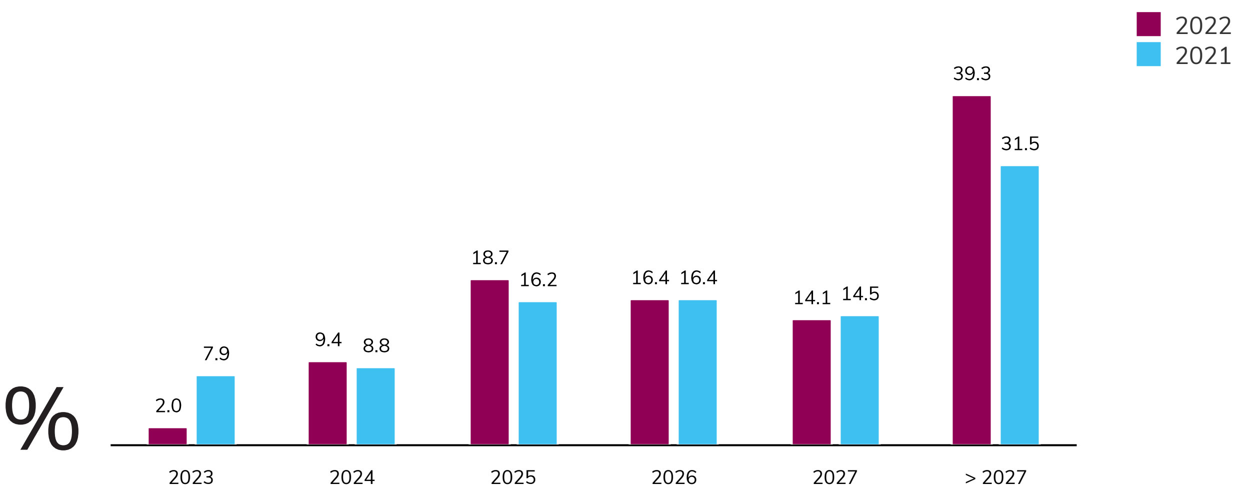
Top 10 major tenants based on theoretical rent.



Expiry dates

The overview of expiry dates shows a gradual division in the coming years. By the end of 2022, 39.3% of the total rental income was due to expire after 2027, which means the Fund's expiration risk remains low. The average remaining lease term of the total portfolio was 5.8 years at year-end 2022 (2021: 6.0 years).

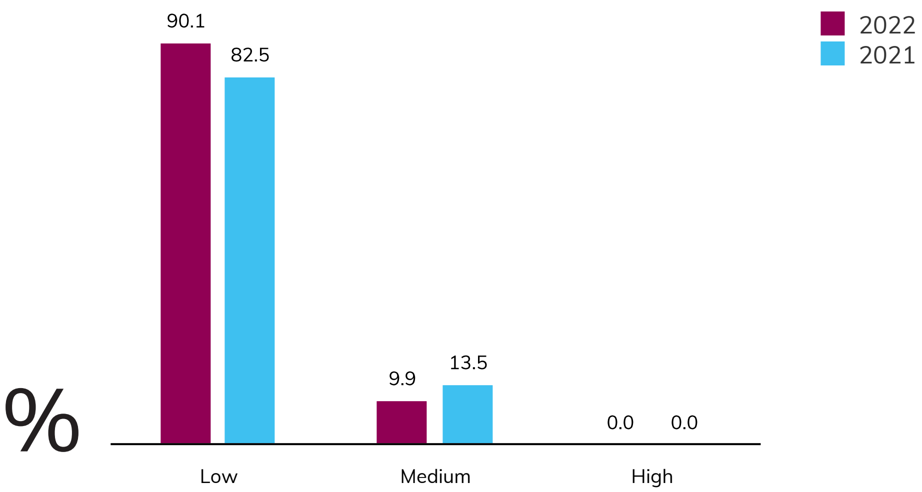
Expiry dates as percentage of rental income



Allocation by risk

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

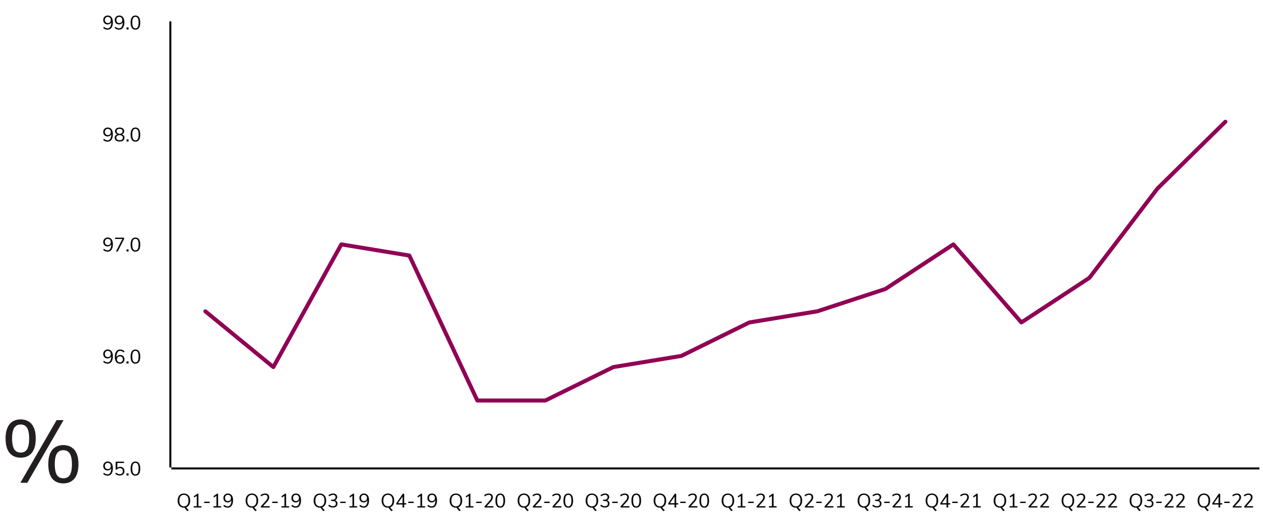
Allocation of investment property by risk as a percentage of book value



Financial occupancy

Despite the aftermath of the Covid-19 pandemic, combined with uncertainties triggered by the geopolitical and economic effects of the war in Ukraine and rising interest rates, the Fund managed to increase the financial occupancy to a record high in 2022. The Fund's average occupancy rate increased to 97.1% from 96.6% in 2021.

Financial occupancy rate



Performance on sustainability

Highlights performance on sustainability 2022

	2022	2021
GRESB rating	5 stars	5 stars
GRESB score	88 points	90 points
Green label (A/B/C)	97.2% (84.0% A-label)	98.6% (87.4% A-label)
Average EP2	226	237
Floor space BREEAM certified	100%	96.0%
BREEAM-NL In-Use Good or better score	91.2%	94.2%
Solar power installed	1,060 kWp	349 kWp
Decrease in GHG emissions	-30.4%	-77.4%
Rental contracts with sustainability clause	194 (44%)	204 (42%)
Construction sites registered under Considerate Constructors scheme	92%	90%
Coverage AEDs within six minutes walking distance	100%	98%

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 core of the Funds' strategy and support four United Nations Sustainable Development Goals (SDGs).

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

Sustainable development goals

7 AFFORDABLE AND CLEAN ENERGY	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

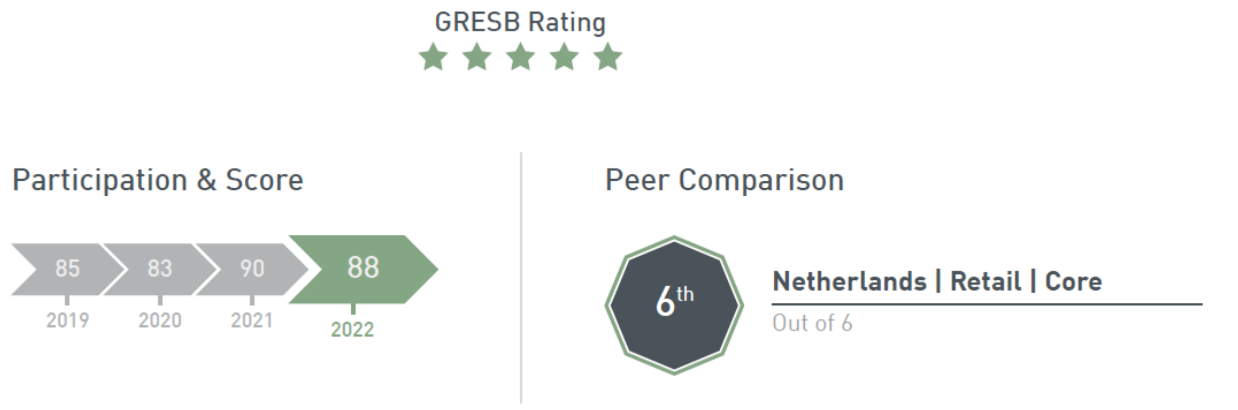
In addition to the ESG objectives to which the fund wants to contribute, the ESG Framework takes into account ESG risks relevant to the Fund to minimise the negative impact the Fund's portfolio has on society and the environment.

1. Building a future-proof and sustainable portfolio

Above-average sustainable fund

In 2022, the Fund retained its GRESB 5-star rating. The Fund achieved a score of 88 points, two lower than last year. To retain a GRESB 5-star rating this year, the Fund will focus on improving the score on tenant data coverage of waste and water. On these performance indicators, the Fund scored less than its peer group. And of course the Fund will have to ensure that it continues to score highly on the other indicators.

GRESB score 2022



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

Above-average sustainable buildings

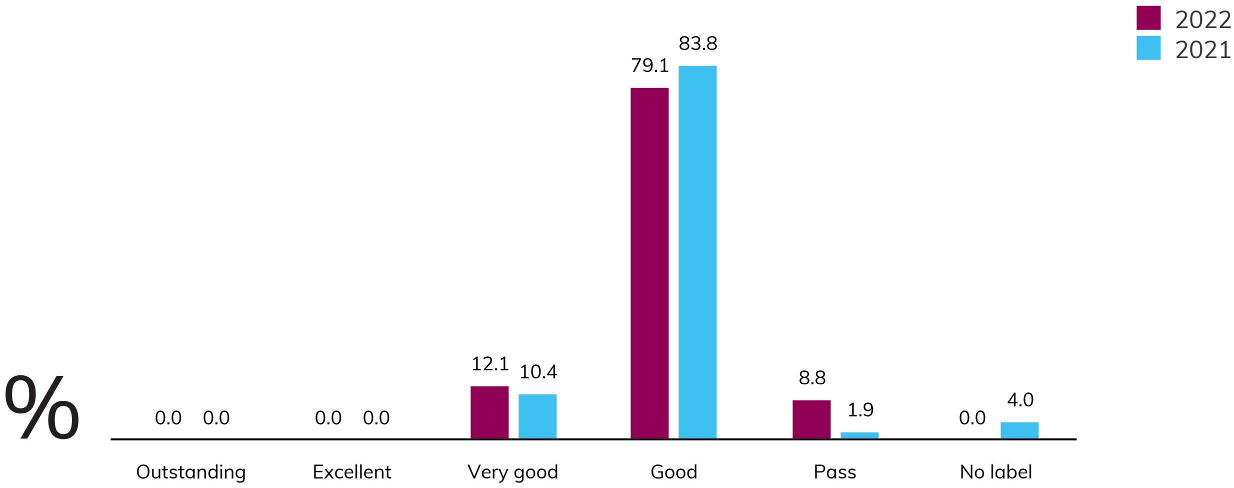
Sustainable building certificates enable the Fund to show where it is in terms of sustainability at asset level and how far it still has to go. The Fund uses internationally accepted sustainability certificates such as BREEAM to measure and assess the overall sustainability of its assets. Certificates measure criteria that go beyond legislative requirements and provide the Fund with instruments to encourage more responsible tenant behaviour, such as cutting waste and reducing energy consumption.

The Fund's goal was to obtain 100% insight into its assets' sustainability performance, to have 100% BREEAM-NL In-Use certified shopping centres and to have 100% of its assets certified as BREEAM-NL In-Use Good or better at management level by the end of 2022. In addition, benchmarks help the Fund to make informed business decisions to mitigate environmental, social and governance risks and enhance its long-term returns.

By year-end 2022, the Fund had obtained BREEAM labels for 100% of its portfolio. The Fund saw a slight decline in the percentage of BREEAM-NL Good certificates to 79.1% (2021: 83.8%), against an increase in BREEAM-NL Very Good certificates to 12.1% (2021: 10.4%). This means that the improved coverage of BREEAM-NL In-Use certified shopping centres has led to a slight reduction in the percentage BREEAM Good or Very Good certificates to 91.2% (2021: 94.2%). This is mainly due to the disposal of three assets with a Good certificate. The Lijnbaan asset in Rotterdam and three assets in Eindhoven which the Fund acquired in 2022 obtained a Pass certificate. Armed with the BREEAM improvement plans, the Fund will now take action to improve these assets in the coming plan period.

In the coming year the Fund will take steps to achieve the target of 100% BREEAM-NL In-Use Good or better for all assets in the portfolio and maintain a coverage of 100%.

BREEAM scores shopping centres (% of standing 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 realised an increase in energy consumption of 3.6% (2021: -39.9%) on a like-for-like basis. The GHG emissions decreased by 30.4% (2021: -77.4%). The increase in energy consumption is mainly related to the post pandemic year, while the decrease of GHG emissions is due to the focus of making assets more sustainable, which results in a lower gas consumption.

In 2022, The Fund reported 26.4% of its assets as free of natural gas (in m^2). This was a reduction of 2.3% in comparison with 2021. The Fund expects a faster increase in assets free of natural gas in 2023, partly due to a growing number of tenants who are switching to 100% electric technical installations. The Fund closes green leases with all new tenants, which means that the rental space will be delivered without a gas connection.

In 2022, 100% of the electricity the Fund purchased was CO_2 emissions free (scope 2), as it was in 2021. In 2023, the Fund will focus on reducing its electricity use and enlarge the share of renewable energy.

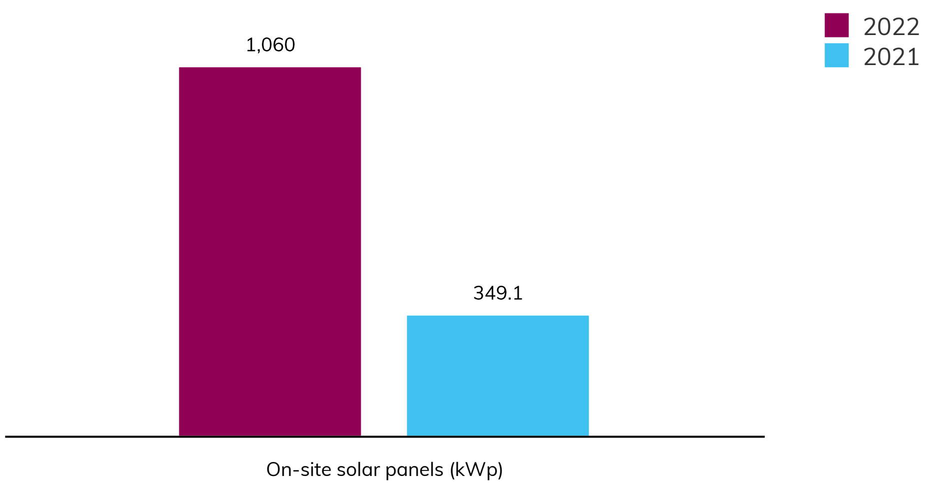
The Fund reduced the average energy intensity by 4.8% to 225.7 kWh/m^2 (237.1 kWh/m^2 in 2021). This is in line with the targeted reduction of an average of 3% per year. The results shown are based on the information from the energy labels of all the retail spaces. In the coming years, the Fund will make a major effort to report on the basis of actual energy consumption. To do this, the Fund needs to increase the data coverage of the energy use of its tenants (53% in 2022).

Renewable energy production

In 2022, the Fund realised the targeted capacity of 1,000 kWp on-site solar power. Due to the delivery of the installations on six supermarkets, the Fund added a capacity of 711 kWp, to achieve a total of 1,060 kWp (2021: 349 kWp).

In 2023, the Fund aims to continue to expand the number of solar panels by 500 kWp to a total of 1,500 kWp. This target is based on four feasibility studies with a positive outcome. The Fund will focus on the execution of these projects, located in Gouda, Ede, Best and Tilburg. Furthermore, the Fund will start seven new feasibility studies in 2023, to secure its progress on expanding the share of renewable energy within the Fund.

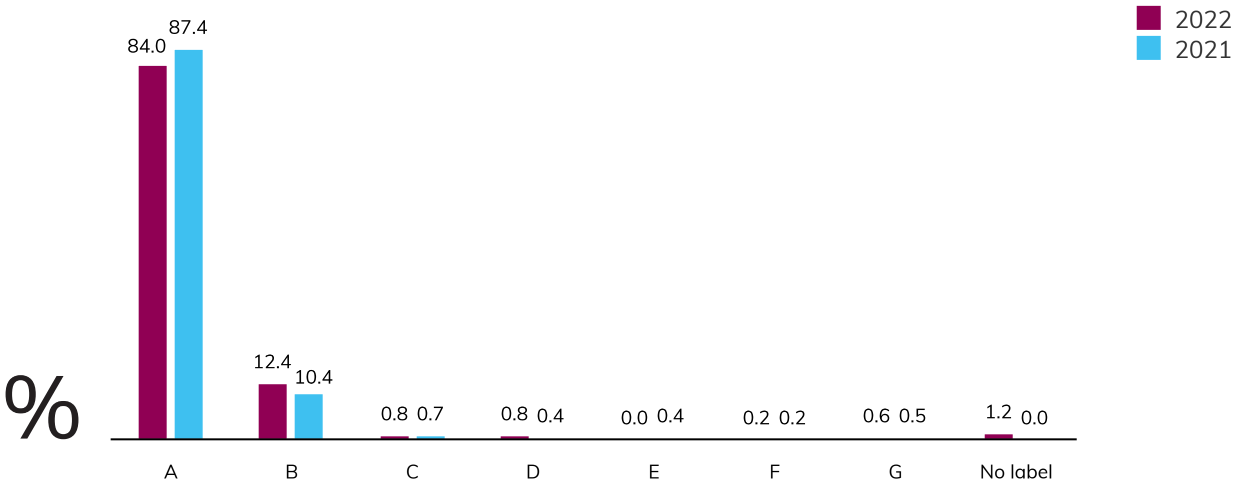
The number of assets that qualified for a green energy label declined slightly to 92.2% in 2022 (2021: 98.6%). At the end of 2022, 84.9% of the portfolio had an A label (2021: 87.5%). This development is due to disposal of assets with a relatively large number of green energy labels. The Fund's goal was to obtain A labels for 95% of the portfolio by the end of 2022. The Fund has not realised this target yet, despite the fact that improving the quality of the leased spaces has constant point of attention for the Fund. While energy labels will be updated in 10 years' time, the Fund cannot provide any actual insight into the impact of these improvements. The Fund will therefore maintain the targets it has set, but will take longer to achieve these goals (2025).



Combatting Climate Change: Energy efficiency of buildings

The Fund retained a share of 42% of green leases in the portfolio, above the target of 30% for 2022. These lease agreements incorporate sustainability clauses, with the aim of increasing and enhancing the information exchange between the Fund and its tenants. This in turn creates opportunities for combined efforts to improve environmental performance. Combined with the installation of smart meters at tenant level, the Fund sees this as the first step towards more far-reaching green leases in the future. In 2023, the Fund will tighten these contracts further. The conclusion of a green lease is a hard condition for every new rental contract the Fund concludes.

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): ≤93 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 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.

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 actively invests in improving its reputation because this generates more trust and loyalty among clients, chain partners, tenants and employees. As a financial service provider, Bouwinvest benefits from a strong reputation because this has a positive impact in terms of attracting investors, making new real estate investments and the recruitment of new employees. Bouwinvest conducts a reputation survey every two years to determine how its various stakeholders perceive the company. This includes issues such as satisfaction with services and products, as well as leadership shown and performance measured in financial and social returns.

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

In a dynamic retail environment, it is important to stay in touch with tenants. This contact gives the Fund insight into their daily business activities, and developments and trends in the retail industry, but also into the potential improvements in its assets. It provides relevant information that can be used in the management of the Fund.

The Retail Fund conducts a bi-annual tenant satisfaction survey, which provides insight into the satisfaction of tenants and highlights potential improvements. Despite the difficulties in the retail market, the Fund scored 6.5 for the quality of the assets and 6.3 including satisfaction with the Fund’s property management in the 2021 survey. These scores were largely the same as the outcome of the 2019 survey (6.4 and 6.3 respectively). The survey response was lower, with 180 participants in 2021 (38%) compared with 230 in 2019 (45%). In the circumstances, the Fund feels quite positive about the results. Of course the scores will be used to initiate improvements to the Fund's services and assets. Finally, the Fund’s target is to obtain an overall score of 7.0.

Sustainable stewardship

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

Healthy and safe areas: heartsafe

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. At the end of 2022, 100% of the Fund's tenants and communities had an AED available within six minutes walking distance.

Targets
In 2022, the Fund has retained its target related to liveable, affordable, attainable & inclusive places where people want to reside - now and in the future. The Fund set the following targets in its Fund plan, based on its ESG Steering framework:

- 24/7 AED coverage: 100% coverage
- Percentage invested in 'Convenience' retail: 40-60%
- Tenant satisfaction score: >7

Contributing to healthy, safe and good working conditions

Considerate constructors scheme (construction sites)
The Fund's target is to have more than 75% of its construction sites registered under the Considerate Constructors (Bewuste Bouwer) scheme by the end of 2022. The Fund achieved its target, as 82.1% of its construction sites were registered with the scheme. This ensures that contractors deal with the concerns of local residents and address safety and environmental issues during the construction phase.

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

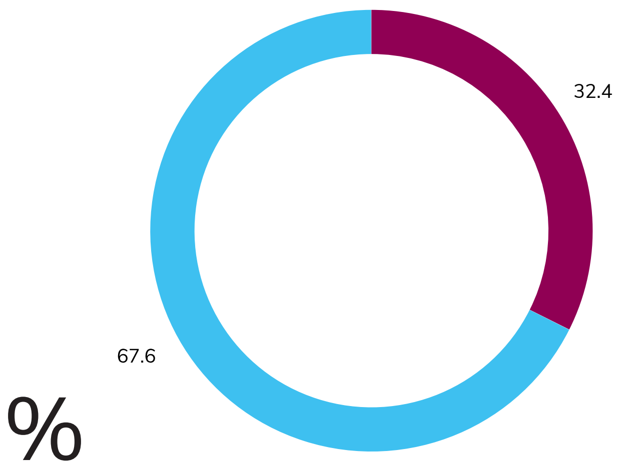
The Fund contributes to two environmental objectives as included in Article 9 of the Taxonomy Regulation (TR), these being 'climate change mitigation' and 'climate change adaptation'. The Fund's investments are in Taxonomy-eligible economic activities, namely 'acquisition and ownership of buildings'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

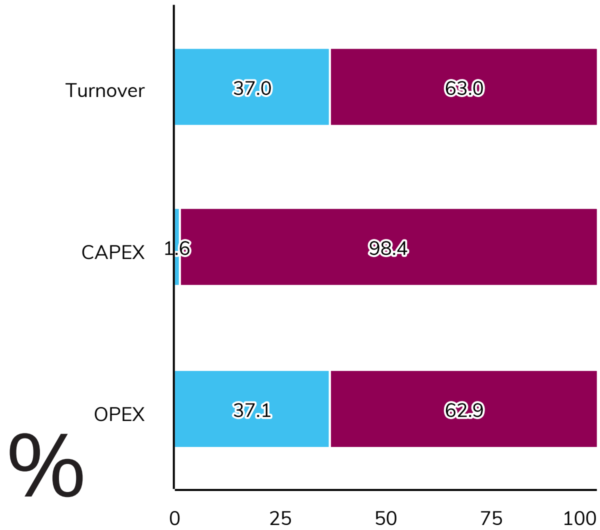
- The Fund's underlying investments significantly contribute to these objectives in line with the qualifications laid out in articles 10 and 11 of the TR.
- At the same time, the economic activities do not significantly harm any other environmental objectives.
- Furthermore, the economic activities are 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 in the course of 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 for Taxonomy alignment. Until net risk is available, the physical climate risk is based on gross risk (surrounding risk).

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

Taxonomy aligment of investments





Taxonomy-aligned investments   Other investments   Taxonomy-aligned: nuclear (0%)   Taxonomy-aligned: fossil (0%)

The current NAV of the portfolio stands at € 1,055 million, 32% (GAR) of which is EU Taxonomy-aligned. Split into to different objectives, the results are:

- 29% 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.
- 3% 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 economic activities do not significantly harm any other environmental objectives due to the number of B or C energy labels.
- 68% 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 the 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 10.5% in 2022. The Fund's income return ended at 4.2%, which was -0.1 basis points lower than plan, mainly due to the settlement of numerous payment arrangements. Capital growth was positive and came in at 6.1%, compared with the budgeted -0.6%, due to higher-than-expected valuation movements. The Fund's clear strategy and its execution of that strategy has resulted in a high-quality portfolio that has proved resilient in the face of economic and social developments over the past decade. As a result of this strategy, all asset categories increased significantly compared with 2021.

Fund performance	2022 Actual	Plan	2021 Actual
Income return	4.2%	4.3%	3.9%
Capital growth	6.1%	-0.6%	0.5%
Fund performance	10.5%	3.7%	4.4%

Income return

The net rental income of € 47.6 million (2021: € 41.6 million) was € 0.3 million higher than the plan of € 47.3 million. The most significant impact on the net rental income compared to 2021 was the realisation of higher rental income (€ 2.4 million) due to a higher occupancy rate and higher rents as a result of new contracts and indexation. The Fund also incurreed lower costs for irrecoverable rents (€ 1.9 million).

Finance expenses were € 0.1 million lower than the plan. Administrative expenses (€ 5.3 million) were € 0.3 million higher than plan (€ 5.0 million) due to higher management fee costs (€ 0.2 million) and higher other administrative expenses (€ 0.1 million). The deviation in management fee costs was directly driven by the Fund's higher than planned average NAV.

The slightly higher net rental income and higher administrative and other expenses resulted in a small decline in the income return to 4.2%, compared with the plan of 4.3%.

Capital growth

The Fund realised a capital growth of 6.1% compared with the plan of -0.5%. All assets saw positive valuation movements compared to 2021.

Property performance

The total property return for 2022 came in at 11.5%, consisting of a 4.7% income return and 6.5% capital gowth. This total property return was 7.2 basis points higher than the 4.3% property performance of the MSCI Netherlands Property Retail Index (all properties). This outperformance was mainly due to the Fund's capital growth, which was 7.2 basis points higher than the benchmark's capital growth of -0.7%. Meanwhile, the income return was 0.3 basis points lower than the benchmark.

Property performance	2022 Actual	2022 MSCI	2021 Actual
Income return	4.7%	5.0%	4.7%
Capital growth	6.5%	(0.7)%	0.3%
Property performance	11.5%	4.3%	5.0%

Damrak Experience

Amsterdam
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 on the fund manager.

Financial management

Results

Income Statement summary (all amounts in € thousands)	2022	2021	change	in %
Revenues	56,818	54,777	2,041	4%
Operating expenses	(9,243)	(13,142)	3,899	-30%
Net rental income	**47,575**	**41,635**	**5,940**	**14%**
Net valuation gain / (loss)	60,658	3,481	57,177	1643%
Result on disposal	1,470	707	763	108%
Administrative expenses	(5,301)	(5,098)	(203)	4%
Finance expenses	(307)	(432)	125	-29%
Income taxes	-	-	-	0%
Result for the year	**104,095**	**40,293**	**63,802**	**158%**
Financial occupancy	97.1%	96.6%		
REER	0.70%	1.14%		
TGER	0.51%	0.54%		

In 2022, the result for the year increased to € 104.0 million from € 40.3 million in 2021. The increase of € 63.7 million (158%) was primarily driven by higher valuations of the investment properties.

Revenues of € 56.8 million were € 2.0 million higher than in 2021 (€ 54.8 million), driven by lower Covid-19 compensation in 2022 (€ 2.5 million), lower vacancies (€ 0.4 million) and offset by lower rental income (€ 0.5 million). The lower vacancy is reflected in the higher occupancy rate of 97.1%.

Operating expenses of € 9.2 million were € 3.9 million lower than in 2021 (€ 13.1 million). This decrease was primarily driven by lower costs for irrecoverable rents (€ 1.9 million) and maintenance expenses (€ 0.9 million) compared with 2021. As a result of the increase in the average GAV and a decline in operating expenses, the REER fell to 0.70% in 2022, from 1.14% in 2021.

Administrative expenses, consisting primarily of the management fee, increased to € 5.3 million (2021: € 5.1 million). The increase of € 0.2 million was mainly driven by the management fee due to a higher average NAV.

Finance expenses declined as a result of lower bank charges. Because there were no activities in the subsidiaries, income tax was nil in 2022. As a result of the higher time-weighted gross asset value and a small increase in the administration and other fund level expenses, the TGER fell slightly to 0.51% (2021: 0.54%).

Dividend

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

The Management Board proposes to pay a dividend of € 42.1 million for 2022 (2021: € 36.3 million), which corresponds to a pay-out ratio of 100%. It is proposed that the dividend will be paid in cash, within the constraints imposed by the company's fiscal investment institution (FII) status. Of this total dividend, € 31.9 million or 76% was paid out in the course of 2022. The fourth instalment was paid on 15 February 2023. The rest of the distribution over 2022 will be paid in one final instalment following the adoption of the annual report by the Annual General Meeting of shareholders on 12 April 2023.

Performance per share	**2022**	2021
Dividends (in €)	106.99	104.20
Net earnings (in €)	281.09	112.14
Net asset value IFRS (in €, at year-end)	2,847.73	2,673.69
Net asset value INREV (in €, at year-end)	2,861.09	**2,690.41**

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.

In 2022, the Fund received no additional commitments. Anchor shareholder bpfBOUW transferred app. € 50 million in shares to an existing shareholder. For reasons of a strategic reallocation, another investor redeemed its shares. The eligible redemption shares were also taken over by an existing shareholder.

Shareholder	Number of shares at year-end 2022
Shareholder A	267,063
Shareholder B	64,973
Shareholder C	18,969
Shareholder D	9,440
Shareholder E	9,247
Shareholder F	788
Total	**370,480**

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 € 52.1 million in cash. In 2022, the Fund's cash position increased by € 30.3 million compared with year-end 2021.

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 and 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: The Fund qualifies as a fiscal investment institution (FII) under Dutch law and as such is subject to corporate tax at a rate of zero percent. Being an FII, the Fund is obliged to distribute its entire fiscal result annually. In 2022, the Fund complied with FII requirements.

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

Fund governance

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

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

- The compliance 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

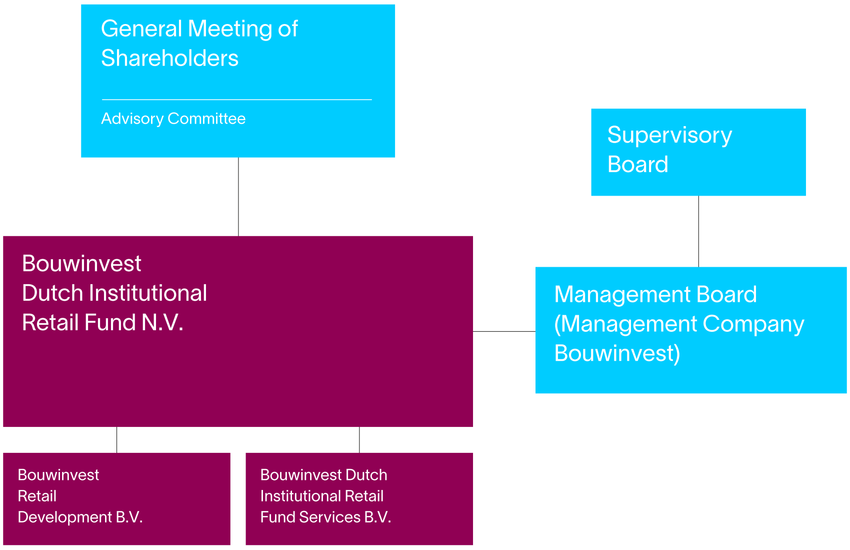
Structure of the Fund

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

Subsidiaries

The Fund has two taxable subsidiaries, Bouwinvest Dutch Institutional Retail Fund Services B.V., which renders services that are ancillary to the Fund's renting activities, and Bouwinvest Retail Development B.V., in which development activities are pursued 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

With the new Terms & Conditions coming into effect as per 1 January 2022, the Shareholders' Committee has been renamed 'Advisory Committee'. The Advisory Committee comprises a maximum of five shareholders: one representative from each of the four shareholders with the largest individual commitments and one member to represent the collective interests of all other shareholders. Each eligible shareholder shall appoint a member of the Advisory Committee for a period of one year running from the Annual General Meeting.

Role of the Advisory Committee

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

General Meeting of Shareholders

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

Anchor investor

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

Shareholders' calendar

15 February 2023	Payment interim dividend fourth quarter 2022
22 February 2023	Advisory Committee
12 April 2023	General Meeting of Shareholders
8 May 2023	Payment of final dividend 2022
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

Goverwelle
Convenience

Gouda
The Netherlands

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 the human tragedy and economic uncertainty that this created, it also ignited high inflation. The response of the US Federal Reserve, 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 they are taken into account, both in the daily management of the Fund and in the investment and divestment decision processes.

Occupancy rate risk

The Fund has a leasing strategy for each individual retail asset to achieve an optimal occupancy rate. In most locations, but especially in district shopping centres, it is also vital to have the right mix of complementary tenants to ensure the long-term success of a shopping centre. Despite the COVID-19 crisis, which was still present in early 2022, and the Ukraine war leading to a higher level of inflation, the Fund managed to maintain its average occupancy at a high level in 2022. It should be emphasised that during the Covid-19 crisis, many tenants in financial difficulties survived thanks to government support combined with the Fund's payment arrangements. The long-term impact of past Covid-19 restrictions, the war in Ukraine, higher inflation and low consumer confidence on the financial resilience of tenants is still unclear at this moment.

Credit risk

Following the end of the Covid-19 lockdown in early 2022, and the subsequent further loosening of restrictions, the outstanding tenant receivables fell to 2.5% (0.6% of which was deferred) at year-end 2022, from 5.2% at the end of 2021. On the other hand, as a result of the war in Ukraine, which led to higher levels of inflation (and low consumer confidence), retailers are facing a major rise in operating costs, including rent, energy, material and wages. Given the above, the Fund expects a small increase in outstanding tenant receivables in 2023.

Liquidity risk

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

Business risk

Business environment risk

FMA project

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. The timing of this announcement was slightly surprising since it was not in line with the conclusions of the evaluation of the FII regime by the Dutch Economic Research Foundation (SEO) earlier in 2022. At the same time, Bouwinvest has has been anticipating such change of law for a number of years.
The measure implies that FIIs holding real estate directly will become subject to corporate income tax at the ordinary rate (25.8% in 2023). Bouwinvest is therefore preparing to restructure the Fund into the legal form of a so-called closed Fund for Mutual Account (FMA). Given its fiscal transparency, the closed FMA prevents (double) taxation for investors and is therefore the most appropriate alternative for an FII. Since the government also confirmed that it should remain possible to structure an FMA as 'closed', and thus tax transparent, this is expected to be a sustainable alternative going forward.
The government also announced a conditional exemption from real estate transfer tax for the transfer of real estate in the context of a restructuring directly related to this measure. This conditional exemption should come into effect on 1 January 2024. Bouwinvest welcomed this announcement, as such an exemption should remove one key uncertainty.
A draft bill on the real estate measure was submitted for public consultation in early 2023. Bouwinvest will continue to provide feedback through industry groups. A final law proposal is expected to be published on Budget Day (September 2023). Bouwinvest will decide on the exact date of the envisaged restructuring in the course of 2023.

Increase in 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.

Operational risk

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

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.

Outlook

The Retail Fund has a clearly defined strategy based on the three pillars of quality, future-driven and sustainability. The execution of that strategy has resulted in a high-quality portfolio that has time and again proved resilient in the face of economic and social developments over the past decade. This is evidenced by the Fund's returns and the consistent outperformance of the MSCI index over the past four years. Given this, the Fund is confident that it will emerge from the current storms in good shape.

However, given the level of uncertainty in the market and a looming recession, it is difficult to predict what will happen in the retail sector the near term. Nonetheless, the Fund does expect there to be opportunities. Less committed, less long-term investors or invests that rely heavily on 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 years, the Fund expects to provide investors with a total annual net return of between minus 1.7% and plus 6.9%.

Bouwinvest believes that it can only generate long-term stable financial returns for its investors if it takes the 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 Retail Fund wants to identify and help create experience and convenience shopping destinations that are fit-for-purpose today and that will remain so long into the future. In addition, it 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	54,990		52,641	
Service charge income	6	1,764		2,041	
Other income		64		95	
Revenues			56,818		**54,777**
Service charge expenses		(2,030)		(2,436)	
Property operating expenses	7	(7,213)		(10,706)	
			(9,243)		**(13,142)**
Net rental income			**47,575**		**41,635**
Result on disposal of investment property	12		**1,470**		707
Positive fair value adjustment completed investment property	12	65,799		30,822	
Negative fair value adjustment completed investment property	12	(5,141)		(27,341)	
Fair value adjustments on investment property under construction		-		-	
Net valuation gain (loss)			**60,658**		**3,481**
Administrative expenses	8		(5,301)		(5,098)
Result before finance result			**104,402**		**40,725**
Finance result	9	(307)		(432)	
Net finance result			**(307)**		**(432)**
Result before tax			104,095		40,293
Income taxes	10		-		-
Result for the year			**104,095**		**40,293**
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			**104,095**		**40,293**
Net result attributable to shareholders			104,095		40,293
Total comprehensive income attributable to shareholders			**104,095**		**40,293**
Earnings per share (€)					
From continuing operations					
Basic	18		281		112
Diluted	18		281		112

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	1,020,257	971,612
Investment property under construction		-	-
Total non-current assets		**1,020,257**	**971,612**
Current assets			
Trade and other current receivables	13	962	1,383
Cash and cash equivalents	14	52,067	21,759
Total current assets		**53,029**	**23,142**
Total assets		**1,073,286**	**994,754**
Equity and liabilities			
Equity attributable to the owners of the Fund			
Issued capital		370,480	364,871
Share premium		392,014	380,185
Revaluation reserve		292,532	230,495
Retained earnings		(104,095)	(40,293)
Net result for the year		104,095	40,293
Total equity	15	**1,055,026**	**975,551**
Liabilities			
Non-current lease liabilities	16	9,107	8,908
Current trade and other payables	17	9,153	10,295
Total liabilities		**18,260**	**19,203**
Total equity and liabilities		**1,073,286**	**994,754**

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	364,871	380,185	230,495	(40,293)	40,293	975,551
Comprehensive income						
Net result	-	-	-	-	104,095	104,095
Total comprehensive income	**-**	**-**	**-**	**-**	**104,095**	**104,095**
Other movements						
Issued shares	5,609	9,391	-	-	-	15,000
Appropriation of result	-	-	-	40,293	(40,293)	-
Dividends paid	-	2,438	-	(42,058)	-	(39,620)
Movement revaluation reserve	-	-	62,037	(62,037)	-	-
Total other movements	**5,609**	**11,829**	**62,037**	**(63,802)**	**(40,293)**	**(24,620)**
Balance at 31 December 2022	**370,480**	**392,014**	**292,532**	**(104,095)**	**104,095**	**1,055,026**

* See explanation dividend restrictions in Note 15.

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	354,849	366,774	224,076	(3,826)	3,826	945,699
Comprehensive income						
Net result	-	-	-	-	40,293	40,293
Total comprehensive income	**-**	**-**	**-**	**-**	**40,293**	**40,293**
Other movements						
Issued shares	10,022	16,978	-	-	-	27,000
Appropriation of result	-	-	-	3,826	(3,826)	-
Dividends paid	-	(3,567)	-	(33,874)	-	(37,441)
Movement revaluation reserve	-	-	6,419	(6,419)	-	-
Total other movements	**10,022**	**13,411**	**6,419**	**(36,467)**	**(3,826)**	**(10,441)**
Balance at 31 December 2021	**364,871**	**380,185**	**230,495**	**(40,293)**	**40,293**	**975,551**

* See explanation dividend restrictions in Note 15.

Consolidated statement of cash flows

All amounts in € thousands

	Note	2022	2021
Operating activities			
Net result		104,095	40,293
Adjustments for:			
Valuation movements		(60,658)	(3,481)
Result on disposal of investment property		(1,470)	(707)
Net finance result		307	433
Movements in working capital		(722)	3,217
Cash flow generated from operating activities		**41,552**	**39,755**
Interest paid		(144)	(273)
Interest received		-	-
Cash flow from operating activities		**41,408**	**39,482**
Investment activities			
Proceeds from sales of investment property		39,634	33,133
Payments of investment property		(26,114)	(49,279)
Payments of investment property under construction		-	-
Cash flow from investment activities		**13,520**	**(16,146)**
Finance activities			
Proceeds from the issue of share capital		15,000	27,000
Dividends paid		(39,620)	(37,441)
Cash flow from finance activities		**(24,620)**	**(10,441)**
Net increase/(decrease) in cash and cash equivalents		30,308	12,895
Cash and cash equivalents at beginning of year		21,759	8,864
Cash and cash equivalents at end of year	14	**52,067**	**21,759**

Notes to the consolidated financial statements

All amounts in € thousands, unless otherwise stated

1 General information

The Retail Fund (Chamber of Commerce number 34366471) 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 retail real estate in the Netherlands.

The Fund owns two taxable subsidiaries, Bouwinvest Retail Development B.V. (Chamber of Commerce number 66245060) and Bouwinvest Dutch Institutional Retail Fund Services B.V. (Chamber of Commerce number 67492665). 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 Retail Development B.V. (Retail Development) performs development activities for the investment portfolio of the Fund while Bouwinvest Dutch Institutional Retail Fund Services B.V. (Retail 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 Bouwinvest Development B.V., Retail Development and third parties.

Bouwinvest is the manager and Statutory Director of the Retail 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

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

Statement of compliance

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

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

Statement of comprehensive income

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

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

In 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 Retail Development B.V. (100%), established 15 December 2016
- Bouwinvest Dutch Institutional Retail 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 sale of investment property

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

2.4 Investment property under construction

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

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

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

It may sometimes be difficult to determine the fair value of the investment property under construction reliably. In order to evaluate whether the fair value of an investment under construction can be determined reliably, management considers, among other things, the following factors:
- The provisions of the construction contract
- The stage of completion
- Project/ property characteristics: standard (typical for the market) or non-standard
- The level of reliability of cash inflows after completion
- The development risk specific to the property
- Past experience with similar construction projects
- Pre-let percentage
- Status of construction permits

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

Investment property is not developed within the Retail Fund but via external parties or within Bouwinvest Development B.V. or Bouwinvest Retail 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.

2.12 Current trade and other payables

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

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

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

2.13 Dividend distribution

An 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.

2.14 Rental income

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

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

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

2.15 Service charges, property operating expenses and administrative expenses

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

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

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

2.16 Other income

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

2.17 Finance income and expenses

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

2.18 Cash flow statement

Cash flows are stated according to the indirect method.

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

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

2.19 Earnings per share

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

2.20 Income taxes

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

Occupancy rate risk
The Fund has a different leasing strategy for each individual retail asset to achieve an optimal occupancy rate. In most locations, but especially in district shopping centres, it is also vital to have the right mix of complementary tenants to ensure the long-term success of a shopping centre. In 2021, the leasing activities were under severe pressure due to the Covid-19 crisis. However, the Fund still managed to maintain the average occupancy at a high level. Many tenants in financial difficulties survived thanks to government support combined with the Funds payment arrangements.

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.

During the Covid-19 crisis, the Fund mitigated this risk further through an active payment collection strategy with a dedicated department, supported by a Covid-19 Taskforce. On average, tenants who have experienced major problems due to Covid-19 received a rent discount of 2 months in 2022. Furthermore, the Fund reached payment settlements with many tenants. This resulted in outstanding tenant receivables of 2.5% at year end (of which 0.6% was deferred), much lower than the year-end 2021 (5.2%), with a provision for doubtful debtors of € 0.7 million (2021: € 1.5 million). After deduction of the provision for doubtful debtors, the credit risk related to the receivables is maximised to € 0.8 million in 2022 (2021: € 1.4 million). The Fund expects a small increase in outstanding tenant receivables in 2023, due to the fact that retailers are facing a major rise of operating costs, including rent, energy, material and wages.

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 limits and they are reported on a monthly basis. The amounts are disclosed in the notes to the consolidated statement of financial position.

3.2 Fair value estimation

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

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

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

3.3 Capital management

The Fund's objectives when managing capital are to safeguard the Fund's ability to maintain its going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Funding is secured by its shareholders through capital calls for which estimations are made each year. No external funding is obtained in 2022.

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

4 Critical accounting estimates and judgements

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

4.1 Critical accounting estimates and assumptions

Management based its assumptions and estimates on circumstances and information available when the consolidated financial statements were prepared. The resulting accounting estimates will, by definition, seldom be exactly the same as the related actual results. The estimates, assumptions and management judgements that carry a 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 Retail locations by strategy

A spread by strategy is applied in the analysis of the valuation of the investment property portfolio. The Fund's key retail strategic segments are: Experience, Convenience, Mixed and Other.

The valuation of the completed investment properties per retail location by strategy for the year ended 31 December was as follows:

Investment property as at 31 December	2022	2021
Strategy type		
Experience	526,163	488,792
Convenience	417,925	371,727
Mixed	45,900	42,390
Other	30,269	68,703
Total	**1,020,257**	**971,612**

6 Gross rental income and service charge income

	2022	2021
Theoretical rent	56,982	57,517
Incentives	(363)	(2,905)
Vacancies	(1,629)	(1,971)
Total gross rental income	**54,990**	**52,641**

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	56,564	54,739
Second year	53,369	51,529
Third year	44,436	46,560
Fourth year	36,694	39,098
Fifth year	25,876	31,948
More than five years	114,432	117,711

Service charge income represents € 1.8 million (2021: € 2.0 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	1,774	1,825
Insurance	341	336
Maintenance	1,354	2,339
Valuation fees	104	125
Property management fees	903	1,075
Promotion and marketing	341	412
Letting and lease renewal fees	579	674
Addition to provision for doubtful debtors	159	2,087
Owners associations	893	939
Other operating expenses	765	894
Total property operating expenses	**7,213**	**10,706**

In 2022, € 0.1 million (2021: € 0.1 million) of the maintenance expenses related to unlet properties. The addition to provision for doubtful debtors is significantly decreased compared to 2021 due to lower Covid-19 compensations in 2022.

Other operating expenses relate to sustainability development and operational consultancy.

8 Administrative expenses

	2022	2021
Management fee Bouwinvest	4,917	4,738
Audit fees	43	41
Other administrative expenses	322	291
Other Fund expenses	19	28
Total administrative expenses	**5,301**	**5,098**

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

The other administrative expenses consist of legal fees and regulators costs.

9 Finance expenses

	2022	2021
Finance expenses	39	170
Interest on lease liabilities	268	262
Total finance expenses	**307**	**432**

The Fund had no external loans and borrowings during 2022. The Fund was subject to the negative interest rate development for its bank balances during the first half of the year. During the second half of the year the interest was positive.

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

10 Income taxes

FII Status

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

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

Distribution obligation

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

Activity rules

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

Real estate development is not regarded as a 'passive' investment activity. However, development activities for the FII's own portfolio are specifically permitted. These activities should be carried out by a subsidiary which is subject to tax at the common corporate tax rate (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 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 Retail Fund has no employees.

12 Investment property

	2022	2022	2021	2021
At the beginning of the year		**968,960**		**947,458**
Investments	23,767		49,413	
Subsequent capital expenditure	928		1,013	
Additions		**24,695**		**50,426**
Transfers to investment property under construction	-		-	
Transfers from investment property under construction	-		-	
Total transfers to/from investment property under construction		**-**		**-**
Disposals		**(38,165)**		**(32,426)**
Net gain (loss) from fair value adjustments on investment property (like for like)	56,623		(3,426)	
Net gain (loss) from fair value adjustments on investment property	4,035		6,907	
In profit or loss		**60,658**		**3,481**
In other comprehensive income		**-**		**-**
Transfers out of level 3		**-**		**-**
Movement of right of use ground leases		**35**		**21**
Total investment property (level 3)		**1,016,183**		**968,960**
Lease incentives		**4,074**		**2,652**
At the end of the year		**1,020,257**		**971,612**

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 lease incentives granted are included in the total fair value of investment properties. For the year 2022 the amount of lease incentives is € 4.1 million (2021: € 2.7 million).

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

	2022	2021
Investment property	1,020,257	971,612
Less: lease liabilities	(9,107)	(8,908)
Valuation as per valuation report	**1,011,150**	**962,704**

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

Investments	**2022**	2021
Experience	15,319	38,050
Convenience	9,376	12,373
Other	-	3
Total investments	**24,695**	**50,426**

Disposals	**2022**	2021
Experience	-	-
Convenience	-	(383)
Other	(38,163)	(32,043)
Total disposals	**(38,163)**	**(32,426)**

The investment properties were sold with a positive result of € 1.5 million (2021: € 0.7 million positive result).

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

2022

	Experience	**Convenience**	**Mixed retail**	**Other**	**Total**
Current average rent (€/m²)	402	234	207	165	279
Market rent (€/m²)	352	213	189	143	250
Gross initial yield	4.8%	6.1%	7.3%	8.3%	5.5%
Net initial yield	4.4%	5.0%	6.1%	4.7%	4.8%
Current vacancy rate (VVO m²)	2.6%	2.2%	4.2%	0.0%	2.3%
Average financial vacancy rate	2.7%	2.0%	3.2%	0.0%	2.3%
Long-term growth rental rate	1.3%	1.6%	0.9%	2.1%	1.4%
Risk free (NRVT)					2.0%

2021

	Experience	Convenience	Mixed retail	Other	Total
Current average rent (€/m²)	385	222	197	147	246
Market rent (€/m²)	352	208	177	127	225
Gross initial yield	4.7%	6.4%	7.5%	10.4%	5.9%
Net initial yield	3.3%	4.9%	6.5%	6.6%	4.3%
Current vacancy rate (VVO m²)	3.8%	2.2%	4.2%	8.9%	4.3%
Average financial vacancy rate	2.2%	2.7%	1.9%	7.8%	3.2%
Long-term growth rental rate	1,5%	1,4%	1.8%	1.9%	1.5%
Risk free (NRVT)					-0.2%

The net valuation gain (loss) for the year included a positive fair value adjustment of € 65.8 million (2021: € 30.8 million) and a negative fair value adjustment of € 5,141 (2021: 27,341) relating to investment properties that are measured at fair value at the end of the reporting period.

Investment property includes no buildings held under finance leases. The carrying amount is € nil (2021: € nil).

Sensitivity analysis

The appraisal of the portfolio implies a net initial yield of 4.8% (2021: 4.3%). 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 Fund’s investments and shareholders' equity would have been 5.0% lower (2021: 5.5% lower).

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

	2022		2021	
Change rental rates	-5%	5%	-5%	5%
Value of the investment property change	(50,558)	50,557	(48,135)	48,135

	2022		2021	
Change net initial yield	– 25 bps	+ 25 bps	– 25 bps	+ 25 bps
Value of the investment property	56,045	(50,452)	59,981	(53,335)

13 Trade and other current receivables

	2022	2021
Trade receivables	831	1,351
Other receivables	131	32
Balance as at 31 December	**962**	**1,383**

	2022	2021
Trade receivables	1,496	2,858
Provision for doubtful debtors	(665)	(1,507)
Balance as at 31 December	**831**	**1,351**

Age of trade receivables (days past due)	2022	2021
1 - 30	689	859
31 - 60	16	16
61 - 90	4	-
> 90	122	476
Carrying amount	**831**	**1,351**

Movement in provision for doubtful debtors

The provision for doubtful debtors is based on expected credit losses. The provision for doubtful debtors was significantly lower in 2022 compared to 2021 due to Covid-19 arrangement in 2021. On average, tenants who have experienced major problems due to Covid-19 received a rent discount of 1.25 months over the year 2021.

As a result of the agreements with tenants the provision also fell to € 0.7 million (excl. VAT) (2021: € 1.5 million). The effects of the Covid restrictions that came into effect at the end of December 2021 are settled in 2022.

	2022	2021
At the beginning of the year	**(1,507)**	**(2,301)**
Additions to the provision	(159)	(2,087)
Receivables written off during the financial year	1,001	2,881
At the end of the year	**(665)**	**(1,507)**

In 2022, the Fund agreed settlements with retailers, resulting in a write-off of receivables of € 1.0 million.

14 Cash and cash equivalents

	2022	2021
Bank balances	52,067	21,759
Balance as at 31 December	**52,067**	**21,759**

The bank balances of € 52.1 million are freely available to the Fund as at 31 December 2022.

15 Equity attributable to shareholders of Bouwinvest Dutch Institutional Retail Fund N.V.

For 2022, before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2022	364,871	380,185	230,495	(40,293)	40,293	975,551
Comprehensive income						
Net result	-	-	-	-	104,095	104,095
Total comprehensive income	**-**	**-**	**-**	**-**	**104,095**	**104,095**
Other movements						
Issued shares	5,609	9,391	-	-	-	15,000
Appropriation of result	-	-	-	40,293	(40,293)	-
Dividends paid	-	2,438	-	(42,058)	-	(39,620)
Movement revaluation reserve	-	-	62,037	(62,037)	-	-
Total other movements	**5,609**	**11,829**	**62,037**	**(63,802)**	**(40,293)**	**(24,620)**
Balance at 31 December 2022	**370,480**	**392,014**	**292,532**	**(104,095)**	**104,095**	**1,055,026**

* See explanation dividend restrictions in this Note.

For 2021, before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2021	354,849	366,774	224,076	(3,826)	3,826	945,699
Comprehensive income						
Net result	-	-	-	-	40,293	40,293
Total comprehensive income	**-**	**-**	**-**	**-**	**40,293**	**40,293**
Other movements						
Issued shares	10,022	16,978	-	-	-	27,000
Appropriation of result	-	-	-	3,826	(3,826)	-
Dividends paid	-	(3,567)	-	(33,874)	-	(37,441)
Movement revaluation reserve	-	-	6,419	(6,419)	-	-
Total other movements	**10,022**	**13,411**	**6,419**	**(36,467)**	**(3,826)**	**(10,441)**
Balance at 31 December 2021	**364,871**	**380,185**	**230,495**	**(40,293)**	**40,293**	**975,551**

* See explanation dividend restrictions in this Note.

Dividend restrictions

The Retail 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	**364,871**	**364,871**	**380,185**	**745,056**
New shares issued	5,609	5,609	9,391	15,000
Dividend paid	-	-	2,438	2,438
Balance at 31 December 2022	**370,480**	**370,480**	**392,014**	**762,494**

	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	**354,849**	**354,849**	**366,774**	**721,623**
New shares issued	10,022	10,022	16,978	27,000
Dividend paid	-	-	(3,567)	(3,567)
Balance at 31 December 2021	**364,871**	**364,871**	**380,185**	**745,056**

Issued capital

The authorised capital comprises 1 million shares each with a nominal value of € 1,000. As at 31 December 2022, in total 370,480 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.

16 Non-current lease liabilities

	2022	2021
Balance as at 1 January	**8,908**	**8,728**
Interest	262	262
Lease payments	(98)	(103)
Other movements	35	21
Balance as at 31 December	**9,107**	**8,908**

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

Land lease obligations undiscounted	2022	2021
Year 1	104	103
Year 2	104	103
Year 3-5	313	310
Year > 5	14,817	14,782
Total land lease obligations	**15,338**	**15,298**

17 Current trade and other payables

	2022	2021
Trade payables	774	997
Rent invoiced in advance	4,934	5,154
Tenant deposits	1,197	1,273
VAT payable	897	450
Other payables	1,351	2,421
Balance as at 31 December	**9,153**	**10,295**

The other payables relates to property tax payable (€ 0.3 million), accrued expenses for service charges (€ 0.5 million) and promotional contributions to be paid out (€ 0.5 million).

18 Earnings per share

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

	2022	2021
Net result attributable to shareholders	104,095	40,293
Weighted average number of ordinary shares	370,326	359,324
Basic earnings per share (€ per share)	281.09	112.14

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

19 Dividends per share

In 2022, the Fund paid out a dividend of € 106.99 per share (2021: € 104.20) which amounts to a total of € 39.6 million (2021: € 37.4 million). A total dividend of € 42.1 million (2021: € 36.3 million) is to be proposed at the Annual General Meeting of shareholders on 12 April 2023. These financial statements do not reflect this final 2022 payment.

The dividend proposal for 2022 has not been accounted for in the financial statements. The dividend for 2022 will be paid in cash.

20 Contingent liabilities and assets

As at 31 December 2022, the Fund's total future investment liabilities amounted to € 14.7 million (2021: € 24 million) related to the acquisition of Kerschoten in Apeldoorn.

As at 31 December 2021, the Fund had unprovisioned contractual obligations for future repairs and maintenance of € 0.4 million (2021: € 0.3 million).

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

21 Related parties

The Retail 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 Retail Fund. The Fund paid Bouwinvest a € 4.9 million fee in 2022 (2021: € 4.7 million).

Bouwinvest Development B.V. and 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.

Bouwinvest Development B.V. and Bouwinvest Retail Development B.V. (re)develop part of the investment property for the Fund. In 2022 no fee (2021: € 0) was paid to Bouwinvest Development B.V. and Bouwinvest Retail Development B.V. with regard to projects.

22 Management fee

Bouwinvest is the manager and the Statutory Director of the Fund. The management fee paid for the year 2022 amounted to € 4.9 million (2021: € 4.7 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.

23 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 Retail Fund.

	2022	2021
Audit of the financial statements	37	35
Other audit engagements	6	6
Tax advisory services	-	-
Other non-audit services	-	-
Total fees	**43**	**41**

24 Subsequent events

No subsequent events occured after the end of the reporting period.

Company balance sheet

Before appropriation of result, all amounts in € thousands

As at 31 December	Note	2022	2021
Assets			
Non-current assets			
Investment property		1,020,257	971,612
Investment property under construction		-	-
Financial assets	3	92	95
Total non-current assets		**1,020,349**	**971,707**
Current assets			
Trade and other current receivables		929	1,352
Cash and cash equivalents		51,981	21,668
Total current assets		**52,910**	**23,020**
Total assets		**1,073,259**	**994,727**
Equity and liabilities			
Equity attributable to the owners of the Fund			
Issued capital		370,480	364,871
Share premium		392,014	380,185
Revaluation reserve		292,532	230,495
Retained earnings		(104,095)	(40,293)
Net result for the year		104,095	40,293
Total equity	4	**1,055,026**	**975,551**
Liabilities			
Non-current lease liabilities		9,108	8,908
Current trade and other payables		9,125	10,268
Total liabilities		**18,233**	**19,176**
Total equity and liabilities		**1,073,259**	**994,727**

Company
profit and loss account

All amounts in € thousands

	2022	2021
Profit of participation interests after taxes	(3)	(6)
Other income and expenses after taxes	104,098	40,299
Result for the year	**104,095**	**40,293**

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 Retail Fund N.V. (the Retail 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 the provision of Article 2:362 subsection 8 and 9, of the Dutch Civil Code, under which the Company financial statements may be prepared in accordance with accounting policies as adopted in the consolidated financial statements.

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

The notes in the consolidated financial statements also apply to the Company accounts. If 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 of 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	**95**	**601**
Acquisitions	-	-
Repayment of share premium	-	(500)
Net result for the year	(3)	(6)
As per 31 December	**92**	**95**

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

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

Bouwinvest Retail Development B.V. redevelops investment properties for Bouwinvest Dutch Institutional Retail Fund N.V.

Bouwinvest Dutch Institutional Retail Fund Services B.V. renders services that are ancillary to renting activities of the Fund.

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

For 2022, before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2022	364,871	380,185	230,495	(40,293)	40,293	975,551
Comprehensive income						
Net result	-	-	-	-	104,095	104,095
Total comprehensive income	**-**	**-**	**-**	**-**	**104,095**	**104,095**
Other movements						
Issued shares	5,609	9,391	-	-	-	15,000
Appropriation of result	-	-	-	40,293	(40,293)	-
Dividends paid	-	2,438	-	(42,058)	-	(39,620)
Movement revaluation reserve	-	-	62,037	(62,037)	-	-
Total other movements	**5,609**	**11,829**	**62,037**	**(63,802)**	**(40,293)**	**(24,620)**
Balance at 31 December 2022	**370,480**	**392,014**	**292,532**	**(104,095)**	**104,095**	**1,055,026**

* See explanation dividend restrictions in Note 15 of the consolidated financial statements.

For 2021, before appropriation of profit

	Issued capital	Share premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2021	354,849	366,774	224,076	(3,826)	3,826	945,699
Comprehensive income						
Net result	-	-	-	-	40,293	40,293
Total comprehensive income	**-**	**-**	**-**	**-**	**40,293**	**40,293**
Other movements						
Issued shares	10,022	16,978	-	-	-	27,000
Appropriation of result	-	-	-	3,826	(3,826)	-
Dividends paid	-	(3,567)	-	(33,874)	-	(37,441)
Movement revaluation reserve	-	-	6,419	(6,419)	-	-
Total other movements	**10,022**	**13,411**	**6,419**	**(36,467)**	**(3,826)**	**(10,441)**
Balance at 31 December 2021	**364,871**	**380,185**	**230,495**	**(40,293)**	**40,293**	**975,551**

* See explanation dividend restrictions in Note 15 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 370,480 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.

Appropriation of profit 2021

The Annual General Meeting of shareholders on 6 April 2022 adopted and approved the 2021 financial statements of the Retail Fund. A dividend of € 36.3 million (in cash) has been paid. Of the profit for 2021 amounting to € 40.3 million, € 40.3 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 € 42.1 million (in cash) is to be paid. Of the profit for 2022 amounting to € 104.1 million, € 104.1 million will be incorporated in the retained earnings.

5 Employee benefits expense

The Retail Fund has no employees.

6 Remuneration

Reference is made to Note 22 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 Retail 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 Retail 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 Retail 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 Retail 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 Retail 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 € 10.2 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	€ 10.2 million
Basis for materiality level	1% of total investment property
Threshold for reporting misstatements	€ 510 thousand

We agreed with Management Board that misstatements in excess of € 510 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 Retail 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 Retail 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 and 12 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 Retail 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 Retail 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 Retail 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 Retail Fund N.V. as to whether the Bouwinvest Dutch Institutional Retil 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 Retail 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 Retail Fund N.V.'s ability to continue as a going concern.

We have evaluated the Management Board assessment of the Bouwinvest Dutch Institutional Retail 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 Retail Fund N.V.'s ability to continue as a going concern. Bouwinvest Dutch Institutional Retail Fund N.V. has total off-balance sheet items for a total of € 14.7 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 Retail 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 Retail 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 to the consolidated financial statements. As at December 31, 2022, Bouwinvest Dutch Institutional Retail Fund N.V. held a portfolio of investment property with a fair value of EUR 1,020 million (December 31, 2021: EUR 971 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 Retail 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 Retail Fund N.V.'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 Retail 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's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Amsterdam, March 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 Retail Fund N.V.

Our conclusion

We have reviewed the sustainability information in the 2022 annual report of Bouwinvest Dutch Institutional Retail 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 Retail 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 22-30 of the 2022 Annual Report excluding the section EU Taxonomy on page 29-30.

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 Retail 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 Retail 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 Retail Fund N.V.

Limitations to the scope of our examination

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 Retail 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

Marktstraat 2-4
Experience

Eindhoven
The Netherlands

INREV
Valuation principles

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

Note		**Total**	Per share	**Actual impact on 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

X = Possible impact on NAV and NAV per share N/A = Not applicable Yes = Impact on INREV NAV

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	**1,055,026**	2,847.73	**975,551**	**2,673.69**
	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	**1,055,026**	**2,847.73**	**975,551**	**2,673.69**
	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	**4,948**	13.36	6,098	16.71
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	**1,059,974**	**2,861.08**	**981,649**	**2,690.40**
	Number of shares issued	**370,480**		364,871	
	Number of shares issued taking dilution effect into account	**370,480**		364,871	
	Weighted average INREV NAV	**1,040,007**		956,010	
	Weigthed average INREV GAV	**1,050,220**		965,086	
	Total Global Expense Ratio (NAV)	**0.52%**		**0.55%**	
	Total Global Expense Ratio (GAV)	**0.51%**		**0.54%**	
	Real Estate Expense Ratio (GAV)	**0.70%**		**1.14%**	

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 2022, 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.

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

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

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

As per 31 December 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 Retail Fund N.V.

Report on the INREV adjustments

Our Opinion
We have audited the accompanying INREV adjustments 2022 of Bouwinvest Dutch Institutional Retail 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 91 up to and including page 96.

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 Retail 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 the 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 91 up to and including page 96.

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 Retail Investments

Collin Boelhouwer

Collin Boelhouwer has been Director Dutch Retail Investments since 2008 and is responsible for the performance of the Bouwinvest Dutch Institutional Retail Fund. Collin has fifteen years experience in real estate management and gained his retail real estate experience with Fortis Real Estate. Collin studied Real Estate Management & Development at the University of Technology Eindhoven and has been a professional member of RICS since 2010.

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	+0	Improve score and obtain GRESB 5 star rating
	GRESB	Overall score (GRI-CRESS: CRE8)	# [1-100]	88	90	-2	

Investing in sustainable real estate

Impact area	Indicator	Measure	Units of measure	2022	2021	% change	Plan 2022-2024
Asset sustainability certificate	BREEAM	Green Building Certificates floor space (BREEAM or GPR) (GRI-CRESS: CRE8)	%	100.0%	96.0%	+4.0 pp	100% BREEAM-NL certified by end 2022 and 95% certitied BREEAM-NL in-Use GOOD or better by end 2022 at management level
		Certificate BREEAM-NL in-use PASS	%	8.8%	1.9%	+6.9 pp	
		Certificate BREEAM-NL in-use GOOD	%	79.1%	83.8%	-4.7 pp	
		Certificate BREEAM-NL in-use VERY GOOD	%	12.1%	10.4%	+1.7 pp	
		Certificate BREEAM-NL in-use EXCELLENT	%	0.0%	0.0%	+0.0 pp	
		Certificate BREEAM-NL in-use OUTSTANDING	%	0.0%	0.0%	+0.0 pp	
	BREEAM (new acquisitions)	Labelled floor space (GRI-CRESS: CRE8)	%	0.0%	0.0%	+0.0 pp	Acquisitions and major renovations/ redevelopments minimum BREEAM-NL In-use GOOD
		Average score (GRI-CRESS: CRE8)	%	n/a	n/a	n/a	

Reduce 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)	%	98.8%	100.0%	-1.2 pp	100% green portfolio (A, B, C energy labels) in 2022
		Green labelled floor space (A, B or C label)	%	97.2%	98.6%	-1.4 pp	
		A labelled floor space	%	84.0%	87.4%	-3.4 pp	By end of 2022 95% of the portfolio has an energy label A or better (EP2 <245)
		Average EP2	#	225.7	235.0	-9.4	
Renewable energy	Solar panels	Installed kWp of solar panels	kWp	1,059.8	349.2	+203%	By end 2022, solar panels generate 1,000 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	2,236	2,793	8.8%	
	Gas	Total gas consumption (GRI: 302-1)		829	1,611	-30.4%	
	District heating and cooling	Total district heating and cooling (GRI: 302-2)		-	-	0.0%	
	Total	Total energy consumption from all sources (GRI: 302-2)		3,064	4,404	3.6%	on average -3% / year
	Energy intensity	Building energy intensity (GRI-CRESS: CRE1)	kWh/m^2/year	18	24	3.6%	
		Energy and associated GHG disclosure coverage		25 of 63	27 of 61		
GHG emissions	Direct	Scope 1 (GRI: 305-1)	tonnes CO_2e	196	381	-30.4%	
	Indirect	Scope 2 (GRI: 305-2)		753	941	8.8%	
	Total	Total GHG emissions (GRI: 305-2) Scope 1 and 2		949	1,322	5.0%	on average -3% / year
		Total GHG emissions after compensation		196	381	-30.4%	
	GHG emissions intensity	GHG intensity from building energy (GRI-CRESS: CRE3)	kg CO_2e/m^2/year	6	7	5.0%	
Water	Total	Total water consumption (GRI:303-1)	m^3	N/A	N/A	N/A	-5% in 2022
	Water intensity	Building water intensity (GRI-CRESS: CRE2)	m^3/m^2/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)	%	n/a	38%	n/a	Tenants give the Fund a score higher than 7
		Average total score (GRI: 102-43)	#	n/a	6.5	n/a	
	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	#	2	2	+0.0 pp	In 2022, 100% of construction sites (€) registered under Considerate Constructors Scheme ('Bewuste Bouwer')
		Participation rate (by acquisition price)	%	92.0%	90.0%	+2.0 pp	
	Board seats and committee memberships industry organisations, related to the Dutch retail sector	Number	#	2	1	+100.0%	Gain board seats and committee memberships industry organisations: have at least one active board/committee memberships within industry organisations in the Dutch retail sector
	Make areas heart safe	Floorspace	%	100.0%	97.8%	+2.2 pp	By the end of 2022, all of our tenants in shopping centres and communities have an AED available within six minutes walking distance

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	#	19 of 37	26 of 39	-15.3%	By the end of 2022 30% of the rental contracts include a sustainability clause
		Number of green leases total	#	194 of 438	204 of 485	+2.5%	
Responsible business operation	Digital tenant portal	Usage of tentants	%	0.0%	0.00%	No change	In 2022 all 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 m^2)	Year of construction/ renovation	Type by strategy	Financial occupancy rate (average)
The Hague	Spui - Grote Marktstraat	3,256	1997	Freehold	100.0%
Amsterdam	Dukaat	5,438	1999	Leasehold	97.2%
Amsterdam	Damrak	23,051	2016	Freehold	100.0%
Amsterdam	Nieuwendijk 196	5,171	2015	Freehold	100.0%
Amsterdam	Nieuwendijk 92	192	1900	Freehold	25.4%
Amsterdam	Nieuwendijk 94	200	1900	Freehold	100.5%
Amsterdam	Nieuwendijk 107	268	1900	Freehold	100.0%
Amsterdam	Ferdinand Bolstraat 105	138	1900	Freehold	100.0%
Amsterdam	Beethovenstraat 67	104	1900	Leasehold	100.0%
Amsterdam	PC Hooftstraat 125	273	1900	Freehold	100.0%
Amsterdam	Wolvenstraat 10	180	1900	Freehold	100.0%
Amsterdam	Stadionplein winkels	4,451	2016	Leasehold	99.5%
Amsterdam	Mosveld	7,608	2016	Leasehold	96.1%
Apeldoorn	t Fort	6,319	2001	Freehold	90.5%
Apeldoorn	Hoofdstraat 107-115	4,309	2012	Freehold	100.0%
Arnhem	Schuytgraaf I	6,149	2017	Freehold	99.8%
Arnhem	Schuytgraaf II	2,368	2022	Freehold	100.0%
Berkel en Rodenrijs	Berkel Center	10,496	1997	Freehold	95.5%
Best	Boterhoek 17	1,617	1984	Freehold	100.0%
Breda	Ridderstraat 10	343	1900	Freehold	94.6%
Breda	Ginnekenstraat 42	166	1900	Freehold	10.2%
Breda	Ginnekenstraat 57	207	1900	Freehold	100.0%
Breda	Ridderstraat 17	466	1900	Freehold	100.0%
Delft	Sprengmolen	6,156	2012	Freehold	100.0%
Denekamp	Lange Voor 10	1,461	1991	Freehold	100.0%
Dordrecht	Krispijnseweg 68	1,236	1949	Freehold	100.0%
Ede	Parkweide	5,409	2015	Freehold	100.0%
Eindhoven	Demer 38	694	2012	Freehold	100.0%
Eindhoven	Demer 48	869	1950	Freehold	24.2%
Eindhoven	Rechtestraat 35	432	1900	Freehold	5.2%
Eindhoven	Demer 20-22	480	1951	Freehold	100.0%
Eindhoven	Demer 17a	501	1953	Freehold	100.0%
Eindhoven	Demer 21	375	1952	Freehold	100.0%
Eindhoven	Marktstraat 2-4	764	1921	Freehold	100.0%
Enschede	Kuipersdijk 118	1,441	1992	Freehold	100.0%
Gouda	Goverwelle	6,880	1993	Freehold	93.0%
Gouda	Kleiweg 27-31	1,508	2012	Freehold	100.0%
Groningen	Westerhaven	15,181	2001	Freehold	100.0%
Hasselt	Buiten De Venepoort 5	1,203	1993	Freehold	100.0%
Hengelo	Slangenbeek	3,786	2001	Freehold	100.0%
Kapelle	Weststraat 2	1,517	2001	Freehold	100.0%
Maastricht	Muntstraat 19	261	1900	Freehold	100.0%
Nijmegen	Broerstraat 52 en 52A	1,088	1990	Freehold	96.2%
Oisterwijk	Pannenschuurplein 32	1,426	1986	Freehold	100.0%
Rijssen	Laan Oud-Indieganger 5	1,059	2011	Freehold	100.0%
Rosmalen	Winkelcentrum Molenhoek	4,810	1992	Freehold	99.5%

Rosmalen	Centrumplan	6,092	2018	Freehold	99.2%
Rotterdam	Prinsenland	4,551	2007	Leasehold	100.0%
Rotterdam	Beijerlandselaan	3,093	2014	Freehold	93.8%
Rotterdam	WTC	8,094	1987	Freehold	100.0%
Rotterdam	Lijnbaan	6,153	1971	Freehold	94.7%
Rotterdam	Lijnbaan AH	3,209	1971	Freehold	100.0%
Tilburg	Heyhoef	10,800	1997	Freehold	95.4%
Tilburg	Heuvelstraat 24	3,236	2017	Freehold	100.0%
Tilburg	Heuvelstraat 36-38	319	1905	Freehold	100.2%
Tilburg	Wagnerplein 18	1,385	1997	Freehold	100.0%
Utrecht	Steenweg 43	276	1900	Freehold	11.7%
Utrecht	Steenweg 41	214	1905	Freehold	100.0%
Zoetermeer	Oosterheem	11,684	2012	Freehold	99.9%
Zoutelande	Westkapelseweg 10	2,084	2015	Freehold	100.0%
Overall Result		202,497			97.1%

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 Retail 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 32% 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)*	95 points (5 stars) for direct real estate	N/A	A+ / A+ / B
	GRESB score	88	90	83 points
	GRESB star rating	5-star rating	5-star rating	4-star rating
Ib.	Building certificate BREEAM-NL GOOD or better	91%	94%	84%
	BREEAM-NL VERY GOOD or better	12%	10%	2%
IIa.	LFL energy consumption*	4%	-40%	-8%
	LFL GHG emissions*	-30%	-77%	-10%
	Renewable energy (PV panels)*	1.060	349	242
IIb.	Energy labels*	84% A-label	87% A-label	87%
	Green leases*	45%	42%	32%
III.	Tenant satisfaction	N/A	6.5	N/A
	AED availability to tenants	100%	98%	56%
IV.	Considerate construction scheme (construction sites)	92%	90%	N/A

The performance on most sustainability indicators was in line with the plan of the Fund for 2022. Only for the indicator Building certificate BREEAM-NL Good or better the Fund performance decreased due to the disposal of three assets with a Good certificate and the acquisition of four assets in 2022 which obtained a Pass certificate. Armed with the BREEAM improvement plans, the Fund will now take action to improve these assets in the coming plan period.

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

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

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

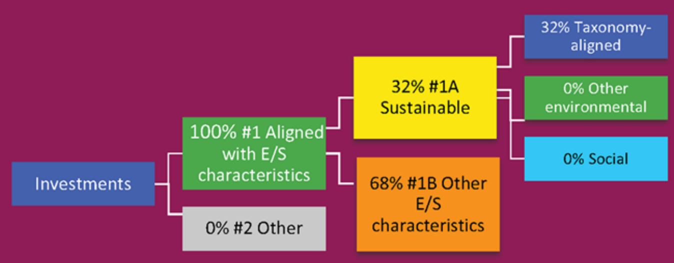
What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Damrak	Real estate - Retail	21%	Netherlands
Nieuwendijk 196	Real estate - Retail	8%	Netherlands
WTC	Real estate - Retail	5%	Netherlands
Heyhoef	Real estate - Retail	4%	Netherlands
Oosterheem	Real estate - Retail	4%	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.

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.

In which economic sectors were the investments made?

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

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

The current NAV of the portfolio stands at € 1,055 million, 32% of which (GAR) is EU Taxonomy aligned. Split into to different objectives, the results are:

29% 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.

3% 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]?

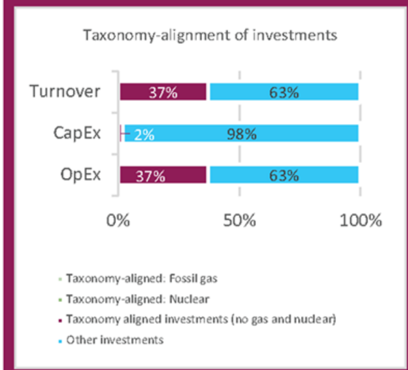
No

[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.

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.

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

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

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

What was the share of socially sustainable investments?

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

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

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

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

- By year-end 2022, the Fund had obtained BREEAM labels for 100% of its portfolio and is now armed with the BREEAM improvement plans to improve these assets in the coming plan period.
- In 2022, the Fund incorporated the technologies, measures and costs in the Fund's strategic maintenance plan for the coming years to reduce energy consumption.
- To reduce GHG emissions the Fund closes green leases with all new tenants, which means that the rental space will be delivered without a gas connection.
- With the delivery of the solar energy installations on six supermarkets, the Fund added a capacity of 711 kWp, to achieve a total of 1,060 kWp.
- The Fund improved the quality of several leased spaces to improve energy efficiency.
- As the conclusion of a green lease is a hard condition for every new rental contract the Fund concludes, the Fund managed to sign 19 green leases.

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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