

Annual report 2023

Bouwinvest
Dutch Institutional
Office Fund



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The Fund at a glance

Real Value for Life

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

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

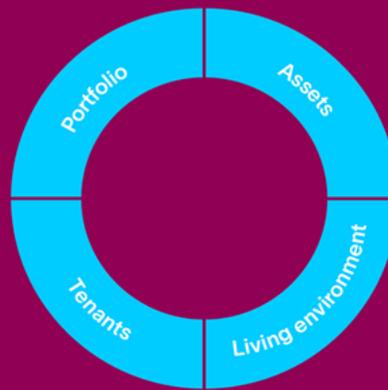
The Fund’s strategy

 <p>Quality High-quality spaces to work and meet</p>	 <p>Diversification Diversified office solutions</p>	 <p>Sustainability Sustainable and responsible investments</p>
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The Fund’s key strategic objectives

- Low-risk profile
- Multi-tenant assets
- Spread across regions
- Future-proof and sustainable portfolio
- Reducing environmental impact
- Liveable, attainable and inclusive places
- Healthy, safe and responsible operations

The Fund’s strategic actions



The Fund’s financial, social and environmental return 2023

Total return

-8.3%

Average occupancy rate

93.2%

NAV IFRS

€1,140 MILLION

Acquisitions

€48 MILLION

Investments

€65 MILLION

Divestments

€0 MILLION

Funding

€0 MILLION

GRESB 5-star



Paris Proof

end of **2045**

Tenant satisfaction

SCORE **7.3**

Stakeholder engagement

ACTIVE ENGAGEMENT WITH OUR COMMUNITY

Stable long-term pension benefits with limited environmental impact

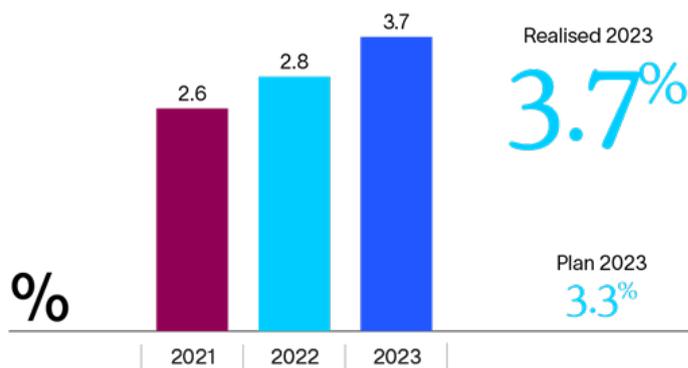
Healthy, safe and affordable places where people want to work – now and in the future

The Fund's contribution to Real Value for Life

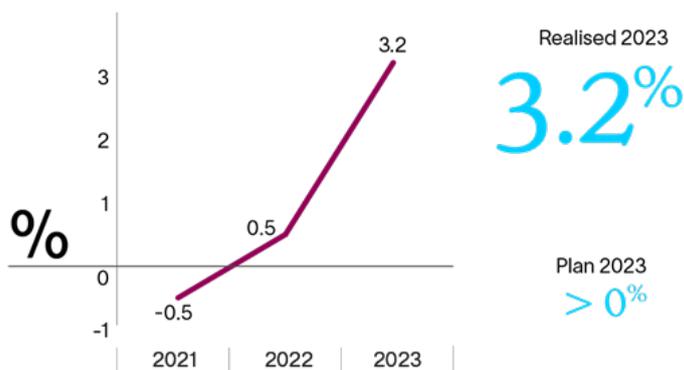
Fund return



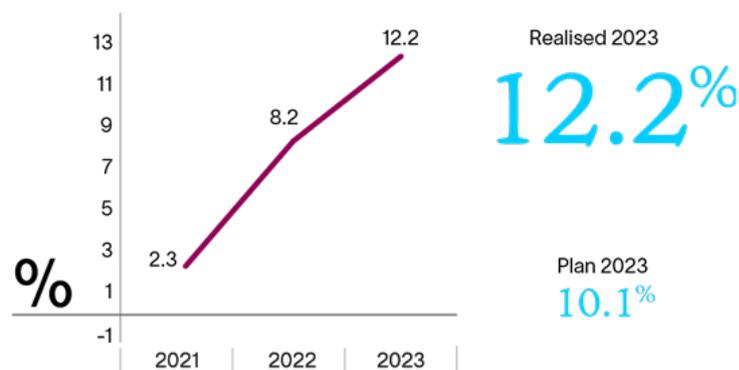
Fund income return



Relative performance MSCI



Like-for-like rental income



Acquisitions (x € MILLION)

Realised 2023
€ 48
Plan 2023
€ 85

Investments (x € MILLION)

Realised 2023
€ 65
Plan 2023
€ 130

Occupancy rate

Realised 2023
93.2%
Plan 2023
95.1%

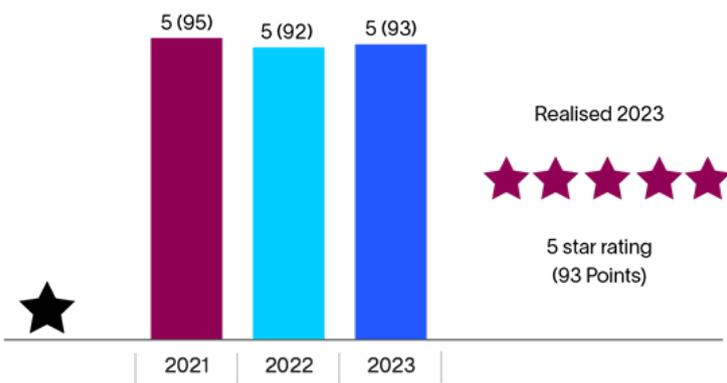
Divestments (x € MILLION)

Realised 2023
€ 0
Plan 2023
€ 0

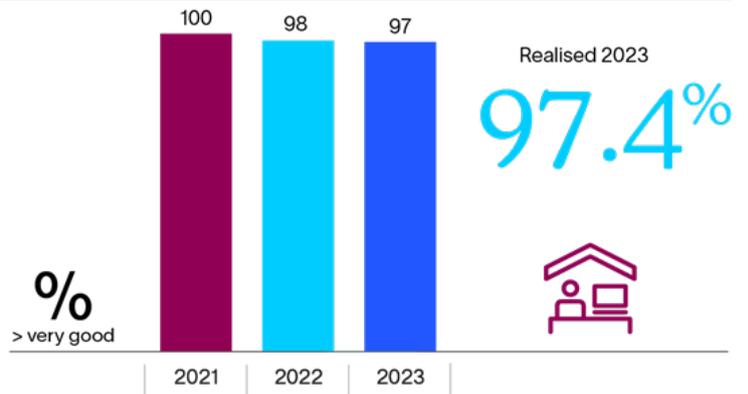
Core regions (G4)

Realised 2023
100%
Plan 2023
>80%

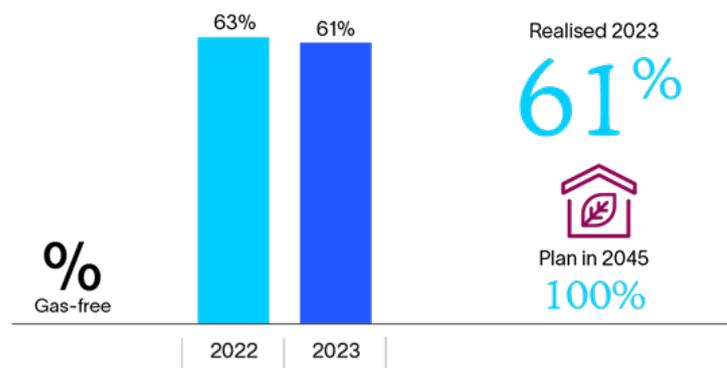
GRESB star rating (score)



BREEAM building label



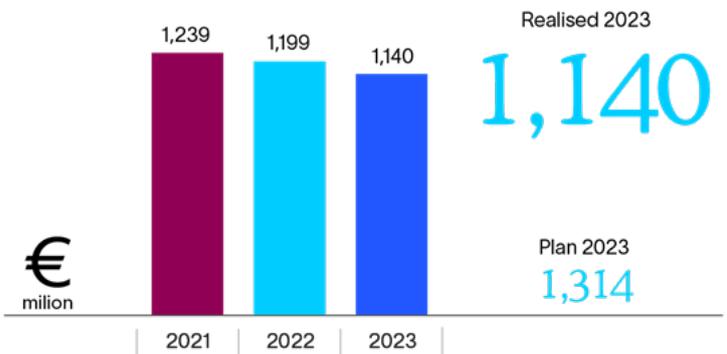
% Gas-free assets



Tenant satisfaction (score)



NAV (x € MILLION)



Dividend paid per share



Issued capital (x € MILLION)



Key performance over five years

All amounts in € thousands, unless otherwise stated

	2023	2022	2021	2020	2019
Statement of financial position					
Total assets	1,237,860	1,318,103	1,336,368	1,252,079	1,168,142
Total investors' equity	1,139,590	1,198,693	1,238,539	1,154,720	1,077,155
Total debt from credit institutions	-	-	-	-	-
Performance per unit					
Dividends (in €)	77.66	109.97	80.38	65.77	49.65
Net earnings (in €)	(256.48)	(104.46)	219.23	140.45	514.04
Net asset value IFRS (in €, at year-end)	2,634.41	2,964.33	3,172.38	3,034.73	2,959.53
Net asset value INREV (in €, at year-end)	2,648.94	2,968.82	3,172.38	3,034.73	2,959.53
Result					
Net result	(106,774)	(41,334)	84,976	51,844	172,585
Total Global Expense Ratio after tax (TGER)	0.6%	0.5%	0.5%	0.5%	0.5%
Real Estate Expense Ratio (REER)	1.5%	1.3%	1.2%	1.4%	1.7%
Distributable result	40,963	35,397	30,782	27,389	20,060
Pay-out ratio	100%	100%	100%	100%	100%
Fund return					
Income return	3.7%	2.8%	2.6%	2.4%	2.3%
Capital growth	(11.7)%	(5.9)%	4.6%	2.3%	17.7%
Total Fund return	(8.3)%	(3.2)%	7.3%	4.8%	20.3%
Portfolio figures					
Investment property	1,215,969	1,299,146	1,315,856	1,105,935	826,323
Investment property under construction	-	-	-	115,763	263,180
Gross initial yield	6.4%	5.1%	4.6%	5.0%	5.8%
Total number of properties	20	19	18	18	18
Average monthly rent per square metre (in €)	253	229	225	216	195
Financial occupancy rate (average)	93.2%	90.4%	90.4%	92.8%	90.0%
Sustainability (A, B or C label)	98.4%	99.6%	99.6%	80.1%	75.5%
Property performance (all properties)					
Income return	4.3%	3.4%	3.3%	2.7%	2.3%
Capital growth	(12.0)%	(6.0)%	4.5%	2.8%	19.8%
Total property return	(8.2)%	(2.8)%	8.0%	5.5%	22.5%
MSCI (Netherlands Property Index) office real estate (all properties)					
Income return	4.1%	3.1%	3.3%	3.5%	3.9%
Capital growth	(14.7)%	(6.2)%	5.0%	1.2%	12.7%
Total return MSCI (NPI)	(11.1)%	(3.2)%	8.5%	4.7%	17.1%

Message from the Manager

Dutch Office Investments

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

The deep recession feared at the end of 2022 did not emerge last year, thanks to a surprising surge in consumer spending, although GDP growth was flat or negative for most of the year. Despite this, unemployment has remained remarkably low over the past year. In fact, there are growing shortages of workers in several sectors, which is hampering growth. And while wages have increased quite sharply, they have not been able to keep pace with inflation. Following the end of the government's Covid-19 support measures, bankruptcies in 2023 were just over 50% higher than in 2022, possibly triggered by the end of government support and the payment of deferred taxes.

On a more positive note, environmental concerns and higher energy costs are increasing the demand for sustainable (climate-proof) and energy-efficient offices. The rise in the number of people working from home (WFH) also continued to increase. While this will limit overall demand for office space, it will only enhance employers' focus on providing employees with an inviting and well-located office. We have always taken the long-term view, including with regard to the future resilience and sustainability of our assets, and we believe this will help us to weather the current storms.

Office market

The sharp rise in interest rates had a major negative impact on the real estate investment market, including the market for offices, especially for investors that rely on leverage. Driven by higher interest rates, the yield gap also tightened significantly, putting additional pressure on prime yields. As a result, many (international) investors cut back on their investments or withdrew from the market. Nor did the increase in the real estate transfer tax from 1 January do anything to boost declining real estate investment levels.

Additionally, in late 2023, the government published a bill prohibiting the fiscal investment institutions (FIIs) from investing in directly held real estate, which will come into force on 1 January 2025. In anticipation of this, the Office Fund converted into a fund for mutual account (FMA - Dutch FGR) effective 1 January 2023.

High interest rates continued to affect yields throughout 2023, while - a temporary - overallocation to real estate was also of concern for institutional investors. Given the above, office investment volumes came in at a subdued total of € 1.4 billion, way down on 2023 volumes.

Economic uncertainty, severely limited new-build projects and the impact of working from home filtered through in overall office demand and take-up came in at a total of 765,000 m² in 2023, down 30.8% on the previous year.

Conversely, office vacancy in the Netherlands ended up lower than at the start of the year. The same trend is visible in the 12 prime office locations, supporting prime rents.

The Fund's strategy and performance

The Fund's strategy remained largely unchanged in 2023 and while the Fund recorded a higher than expected negative total return of -8.3% for the full year 2023, this was still a solid outperformance of the MSCI index last year. The unexpectedly high negative return was entirely due to a more negative capital growth than expected, which was driven by the series of interest rate hikes in 2023. The difference between bids from potential buyers and the asking price from sellers was often large, resulting in few transactions and a decline in values. Interest rates are currently stabilising and we might even see some cuts, so the outlook for transactions and returns is less negative for this year and 2025. In the meantime, we are seeing an increase in the supply of assets that meet the Fund's investment strategy, while downward revaluations are making acquisitions more feasible.

The Fund also delivered solid progress on its three main strategic pillars: quality, diversification and sustainability. The acquisition of The Bell in Amsterdam strengthened the Fund's focus on the G4 cities and added a very promising multi-tenant asset to our portfolio in November. Meanwhile, the Fund signed a range of new leases that took financial occupancy to 94.3% at year-end 2023, largely thanks to a number of new tenants for another multi-tenant asset; Central Park in Utrecht.

On the sustainability front, in 2023 the Fund retained its GRESB five-star rating and improved its score to 93 points (92 in 2022), putting the Fund third in its Western Europe group of 29 peers. In Q4 of last year, following the BREEAM recertifications, the Fund once again achieved at least a Very Good label for all assets, with the exception of De Lairesse and Valeriusplein in Amsterdam, both of which are for sale. The Fund has incorporated measures to ensure that the labels continue to meet the targets in the future in the multi-year asset planning. The Fund also reviewed its ESG performance framework, and made preparations to enable it to direct its progress on Paris Proof targets and refine its asset-level sustainability plans based on the Carbon Risk Real Estate Monitor (CRREM) performance of those assets.

The average tenant satisfaction score for the Fund's office buildings came in at 7.3 in last year's survey, above the target of 7.0. All sub-elements of the offices are rated above 7.3, with only the indoor climate remaining a point of attention. The financial aspect (including service costs) was perceived more negatively in last year's survey, due to the exceptionally high rent indexations and increased energy costs last year.

With so much uncertainty in the market, the Office Fund ramped up its communications with clients last year. This included relevant market developments, as well as our financial performance and ESG-related performance. We will continue to keep our clients abreast of the latest developments on the fronts described above.

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

Bas Jochims

Fund Manager Dutch Office Investments

Report of the Management Board

Market environment

Key macro developments 2023

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

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

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

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

*Average numbers over the year

Source: Oxford Economics (11 January 2024)

Market 2023

Public policies

Government plans

On 7 July 2023, the Dutch government collapsed due to a disagreement between coalition parties over asylum policies. New national elections were held on 22 November 2023 and the process of forming a new government is still underway. This is

likely to take some time as at least four different parties are needed to form the new government. Until then, the caretaker government is not expected to make any major political decisions.

The Dutch government increased the real estate transfer tax (RETT) from 8.0% to 10.4% as of 1 January 2023.

Office real estate policies

As of 2023, all non-listed Dutch office buildings need to meet C energy label sustainability standards. However, as at 1 January 2024, 10% of all office floor space still do not meet these standards, while another 13% do not yet have an official label. The enforcement of this legislation is in the hands of local authorities. This could ultimately result in office buildings being withdrawn from the market when leasing risks do not justify the necessary investments. These changes are likely to favour the best office locations, where the office stock generally meets the label C requirements. The Fund complies with this new legislation; 98% of the Fund's assets have an A energy label. The two assets that do not have this label are listed buildings, which are not subject to this legislation.

Occupier market

While office workers have gradually returned to their desks over the past 12 to 18 months, the Covid-19 pandemic seems to have had a lasting effect: working from home for 1-2 days per week has become the new normal for many employees in the Netherlands. This will gradually result in a lower total need for office space.

The Fund expects this to mainly affect less attractive and secondary locations as occupiers will re-evaluate their existing office location and a number of them will opt for a smaller office at a better site. Taking into account the battle for talent, companies are expected to put even more effort into making sure their offices provide high-quality work spaces and are located in vibrant and easily accessible locations.

Last year saw a major drop in new-build office projects. High construction costs and interest rates are putting significant pressure on the potential return on new-build offices. Steep rental prices are needed to achieve a sound business case for both developers and investors, meaning that very few buildings are currently being developed.

Alternatively, investing in sustainability measures in existing buildings might provide for interesting opportunities, as tenants are increasingly open to paying a premium for sustainable office space, while at the same time cutting down on energy costs.

The combination of the effects of working from home, the low level of new-build projects and the current economic headwinds resulted in total office take-up of 765,000 m² in 2023, which was 30.8% lower than the previous year.

The transformation of vacant office buildings is still ongoing and as a result vacancy in the office market dropped to 5.8% in 2023 from 6.2% in 2022. Vacancy in prime office markets remained low and stable and stood at an average of 4.4% at year-end.

The low vacancy in prime locations resulted in a further increase in prime rents in Amsterdam, Rotterdam and Utrecht, while rents remained stable in The Hague and Eindhoven.

Occupier key factors	2023	2022
Take-up (m ²)	765,000	1,105,000
Vacancy (year-end)	5.80%	6.20%
Prime rent (/m ² /yr, year-end)	€ 535	€ 500

Source: JLL, Bouwinvest Research & Strategic Advisory

Investment market

The real estate investment market in the Netherlands and in most other countries came to a near standstill in the first half of 2023. The main reason for this was the rapid series of interest rate hikes by central banks to counter high inflation. As a result, initial yields increased and property values began to fall, which led to a cautious market sentiment and a growing gap in pricing between sellers and (leveraged) buyers.

In the Netherlands, additional challenges, including the above-mentioned increase in transfer tax and newly announced policies regarding tax measures for investors, also contributed to this cautious investment sentiment. Together with the increasingly gloomy economic outlook and geopolitical turmoil, this led to a sharp drop in total real estate investment volume to € 7.6 billion, from € 17.4 billion the previous year. The drop was across the board, although the second half of 2023, when inflation was tempered, did see signs of a recovery, especially in the residential and healthcare markets.

The office investment market came in at a total of € 1.4 billion over the full year 2023. This was 62.3% lower than the previous year, when two record transactions were recorded. Last year saw a drop in both the number of transactions and in the size of transactions. In 2023, only a single transaction over € 100 million was registered, the purchase of De Resident in The Hague for € 217 million.

As a result of the increase in interest rates and the challenging economic outlook, 2023 saw a further substantial expansion of initial yields. Amsterdam, which previously had the smallest yield gap, recorded the largest initial yield increase of the G5 cities over the past two years: +190 basis points. Current interest rates would indicate that we have now seen the largest part of the yield decompression.

The potential longer-term effects of working from home on the office sector is also cause for uncertainty in the office market, both on the occupier market and the investment market. The Fund firmly believes that this uncertainty is far greater for secondary office locations. Prime office locations have proven to be resilient in past crises and are likely to remain so, although they will not be immune to short-term pressure on vacancy rates and rents.

Investment market	2023	2022
Prime net initial yields (excl. purchase costs, year-end)	4.75%	3.60%
Investment volumes (€ bln)	1.4	3.8

Sources: JLL, Bouwinvest Research & Strategic Advisory

Performance on strategy

Portfolio characteristics

	2023	2022
Total property value	€ 1,216 million	€ 1,299 million
No. of assets	20	19
m ² floor space	271,908 m ²	264,940 m ²
Total Fund return	-8.3%	-3.2%
Fund income return	3.7%	2.8%
Occupancy rate	93.2%	90.4%
% multi-tenant	68.7%	64.5%
% in core regions	100%	100%
GRESB rating & score	5-star (93 points)	5-star (92 points)
BREEAM-NL labelled assets	95.8 ≥ Very Good	96.3 ≥ Very Good
% Gas-free assets	61%	63%

Performance on quality

Core regions

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

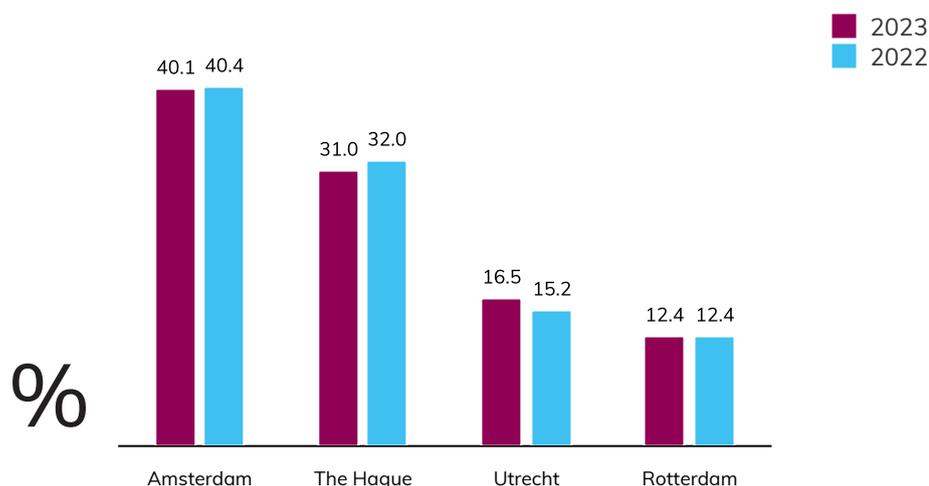
The Fund's core regions closely correlate with the urbanisation trend in the Netherlands and the ongoing shift towards a knowledge-based economy. For that reason, the Fund added Eindhoven as a potential target for acquisitions in non-core regions, which can account for a maximum of 20% of the Fund's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

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

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

Multifunctional locations

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



Investments and divestments

The Fund has a moderate growth target which has been increased by the new commitments obtained in 2022. However, the range of assets available for acquisition and that fit the Fund's strategy is limited. At the same time, there is a discrepancy between the asking prices of sellers and the prices that the Fund is willing to pay. Declining values, which the Fund itself has also had to deal with, is making transactions increasingly feasible.

Investments

The plan for investments in 2023 was € 130 million, while the Fund invested a total of € 65 million last year. The majority of this was related to the purchase of The Bell in Amsterdam. The remainder was invested in existing assets, such as WTC Rotterdam, WTC The Hague and Central Park (Utrecht).

The Bell in Amsterdam is a good fit with the Fund's strategy of investing in the G4 cities and in flexible, distinctive buildings in easily accessible and attractive multifunctional locations. The listed building already has an A++ energy label, is gas-free and making the building Paris Proof is financially feasible.

Divestments

The Fund's divestment activities were also affected by strongly changed market conditions, as a result of which it was not possible to realise the Fund's planned sales in 2023.

Performance on diversification

Type of property

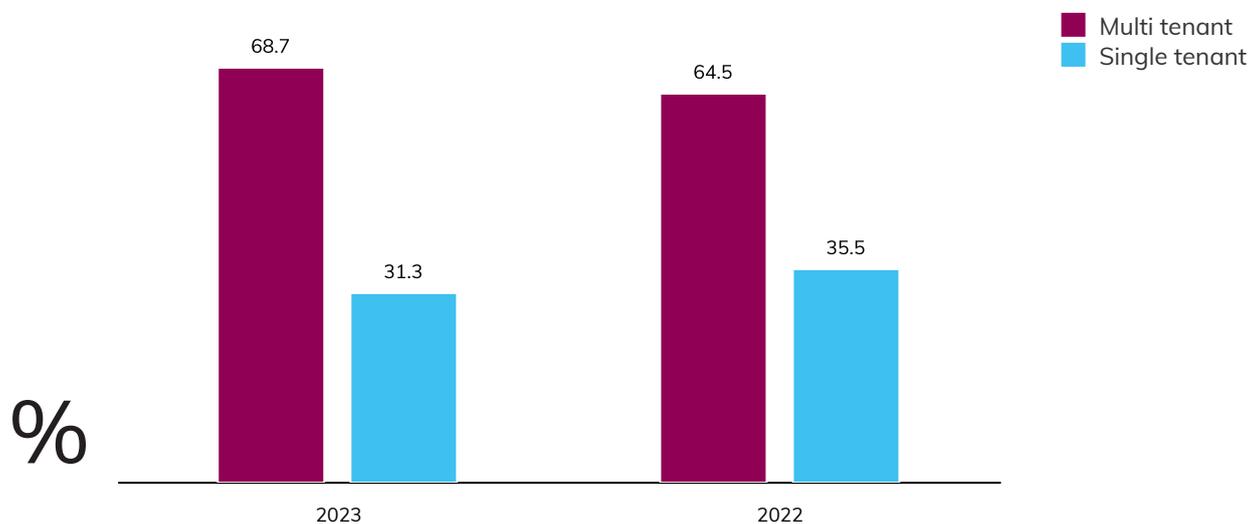
The Covid-19 pandemic has accelerated a number of existing trends, which are likely to increase demand for sustainable and easily accessible office buildings that are well suited to act as a social hub for users. For one, tenants are already looking for even more flexibility, in terms of both office use and in terms of flexible leases. In addition, a healthy working environment is

very much top of mind right now, and we could see the introduction of higher climate control and air quality standards. Very importantly, the fact that so many people have been working from home has highlighted just how important offices are as meeting places and workplaces for inspiration, brainstorming and innovation. The fact that many companies are likely to downsize their overall office space will create additional demand for more compact (flexible) offices. These will often be part of larger – multi-tenant and multifunctional – office complexes in vibrant and highly accessible locations, as these offer the flexibility and the additional facilities and amenities seen as essential by most modern office users.

Multiple lease agreements reduce the volatility of revaluations and help increase the control of asset management risks. Furthermore, the Fund focuses on locations that attract a widely diverse group of people and offer a mix of culture, education, sport and work facilities. The share of multi-tenant assets in the portfolio had increased to 68.7% at year-end 2023 (2022: 64.5%). The purchase of multi-tenant asset The Bell in Amsterdam contributed to this; 50 new tenants have been added to the portfolio.

Since the reduction of Covid restrictions, the dynamics on the occupier market have increased. There is a particular demand for sustainable buildings in easily accessible locations with something extra to encourage employees to return to the office. Central Park (Utrecht) has benefited from this. The Fund signed new lease contracts for a total of 7,176 m² in 2023, which means that the occupancy rate at Central Park had risen to 97.6% at 31 December 2023.

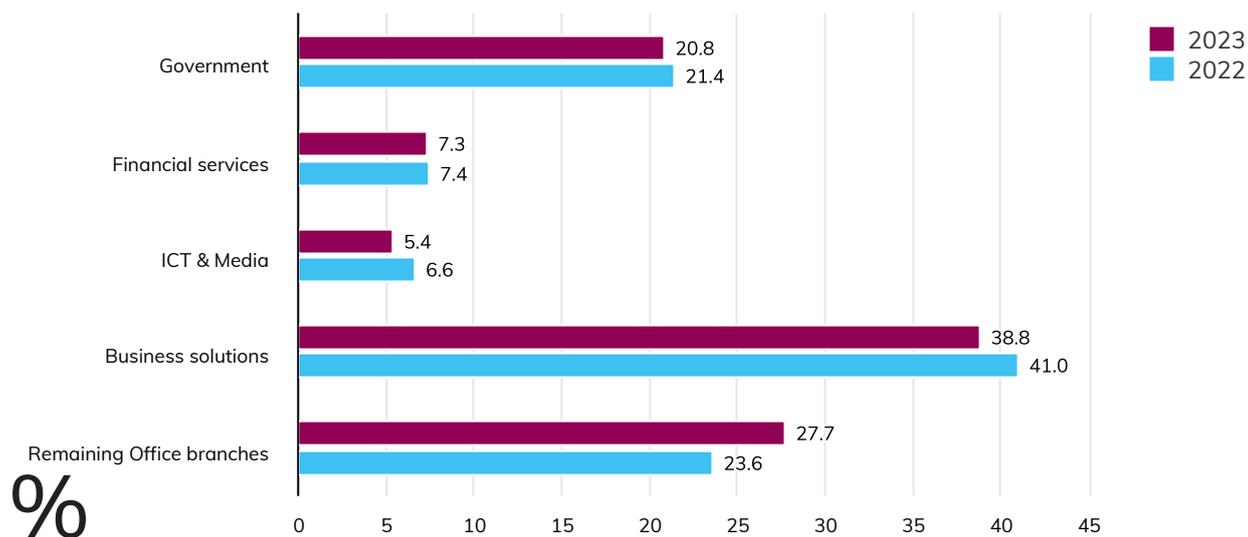
Portfolio composition by single versus multi-tenant based on market value



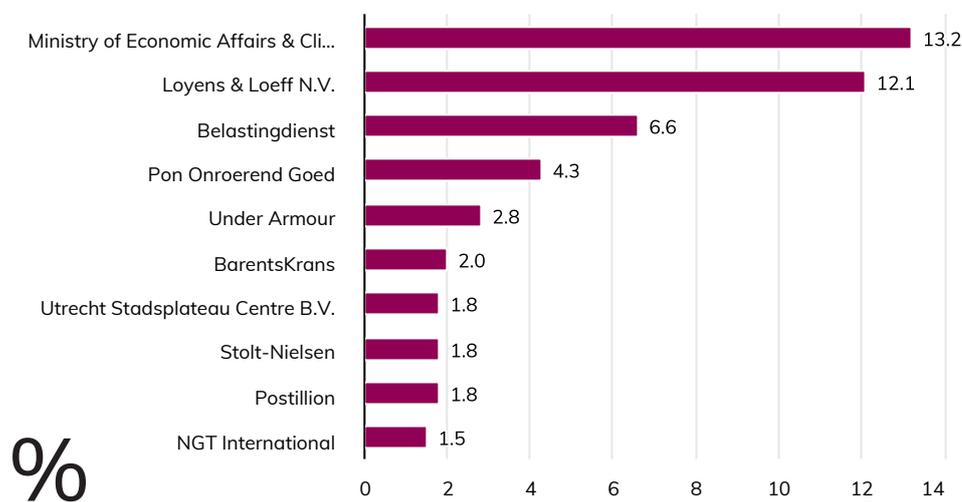
Tenant mix

Most of the Fund’s tenants are considered to have a low debtor’s risk. The exposure to the largest tenants (top 5) fell to 39.0% from 41.3% in 2023, which is in line with the Fund’s diversification guideline to the effect that the total potential rental income of the five largest tenants may provide a maximum of 50% of the Fund’s total potential rental income.

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



Top 10 major tenants based on passing rent



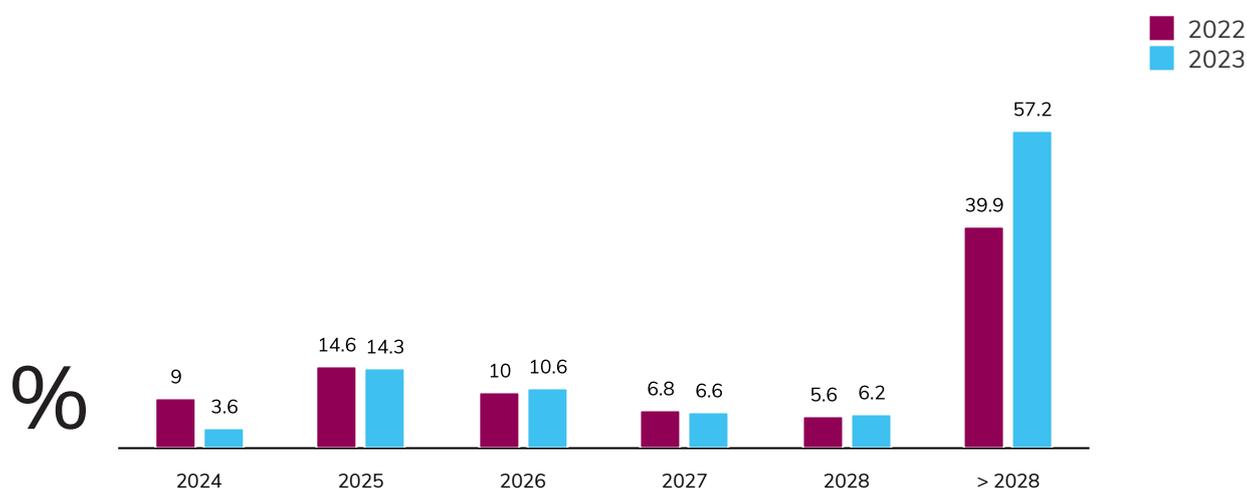
Expiry dates

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

The increase in expirations after 2028 is mainly a result of new rentals for Central Park (Utrecht) and some new lease agreements for The Bell (Amsterdam), WTC The Hague and Nieuwe Vaart (Utrecht). In addition, lease extensions, especially in WTC The Hague, WTC Rotterdam and Olympic Stadium (Amsterdam), also contributed.

The newly added asset to the portfolio, The Bell (Amsterdam), has a large number of tenants with relatively short remaining lease terms. This is one of the reasons why the average weighted remaining term of lease agreements at the end of 2023 was slightly lower than it was at the previous year-end (5.2 years as of 31 December 2023 versus 5.6 years at year-end 2022).

Expiry dates as a percentage of rental income

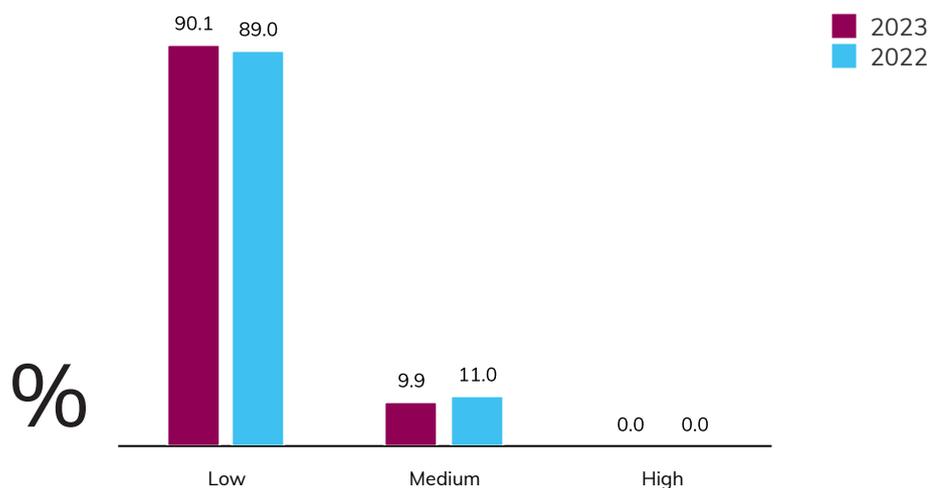


Allocation by risk

In terms of risk diversification, at least 90% of the investments must be low or medium risk. The actual risk allocation at year-end 2023 is shown in the figure below. Every year, the Fund assesses all properties separately. In 2023, the Fund was classified as 100% low to medium risk and as such was consistent with the framework of the Fund conditions.

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

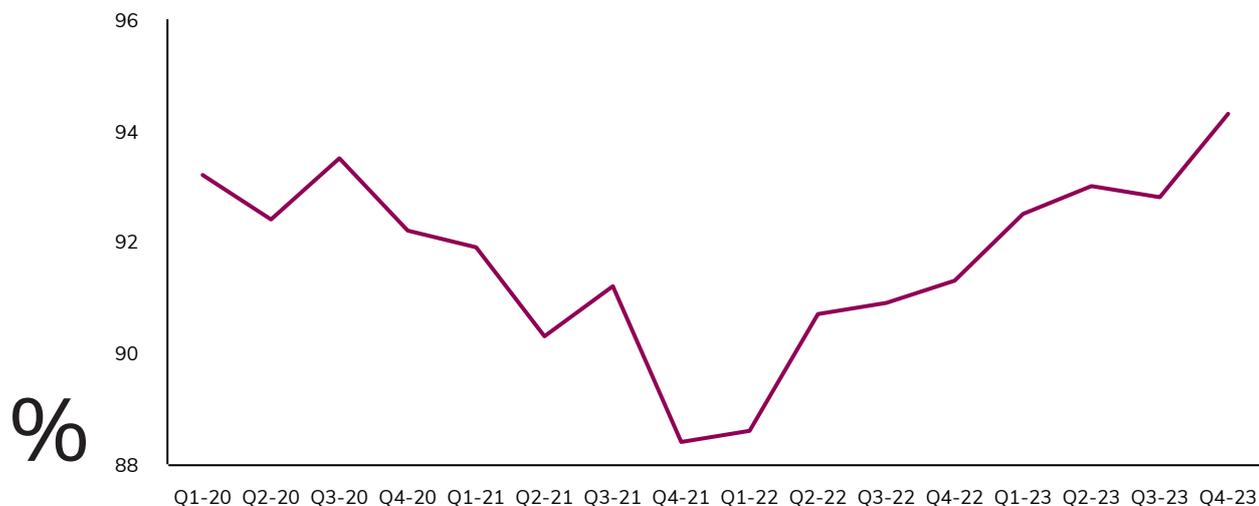
Allocation of investment property by risk category based on market value



Financial occupancy

In the course of 2023, the occupancy rate increased to 93.2% from 90.4%. The Fund closed numerous new leases, especially in the second half of the year. Transactions for Central Park (Utrecht) led to an increase in the financial occupancy rate for this asset to 97.6% per 31 December 2023 from 72,5% at the beginning of the year. Many of the new lease agreements started on 1 December, which will result in a further increase in the financial occupancy rate at portfolio level from 2024.

Financial occupancy rate



Performance on sustainability

Highlights performance on sustainability 2023

	KPIs	2023	2022
1. Building a future-proof and sustainable portfolio			
Above-average sustainable fund	Improvement annual GRESB score	93	92
	GRESB (5-)star rating	5	5
Above-average sustainable buildings	BREEAM-NL In Use very good or better - Asset score	96%	96%
	BREEAM-NL In Use very good or better - Management score	79%	70%
2. Reducing environmental impact			
Combatting climate change: source of energy	Gas-free assets (%m ²)	61%	63%
	Scope 2 CO ₂ emissions in kg CO ₂ m ² (electricity purchased by the Fund)	0 (All compensated)	0 (All compensated)
Combatting Climate Change: Energy efficiency of buildings	Average energy intensity*	134	137
3. Liveable, affordable, attainable and inclusive places where people want to reside			
Tenant health and well-being	BREEAM In-Use health assessment score on asset level	As from 2024	N/A
	BREEAM In-Use health score on management level	As from 2024	N/A
Product accountability	Tenant satisfaction score	7.3	7.3
4. Contributing to healthy, safe and responsible operations			
Considerate constructors scheme (construction sites)	Construction sites with considerate constructors scheme (%€)	N/A	N/A

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

Promoted ecological and social characteristics

The Fund promotes ecological and social characteristics and is therefore classified as an Article 8 product according to the SFDR. In 2023, the Fund introduced its ESG Framework, which explicitly defines all ESG-related elements for the Fund. The Fund has defined four ESG objectives, which reflect the environmental and social characteristics that the Fund promotes. The ESG objectives are at the heart of the 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



Installation of renewable energy

8 DECENT WORK AND ECONOMIC GROWTH



Considerate constructor scheme for construction projects

11 SUSTAINABLE CITIES AND COMMUNITIES



Above average sustainable portfolio

13 CLIMATE ACTION



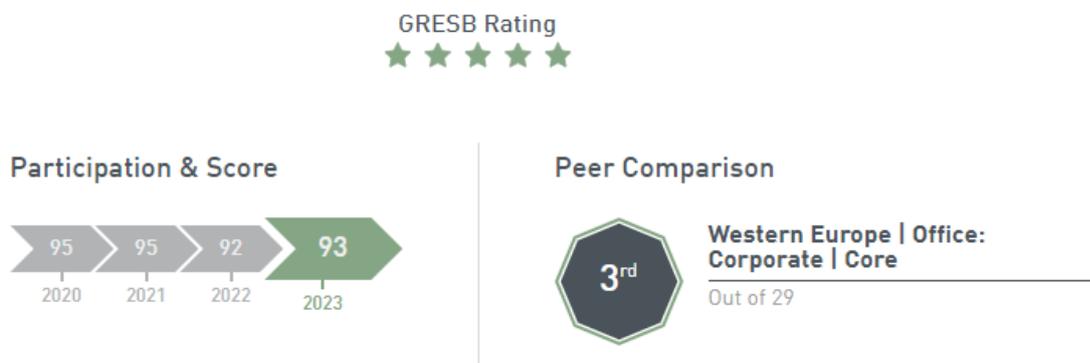
Climate adaptation

1. Building a future-proof and sustainable portfolio

Above-average sustainable fund

In 2023, the Fund retained its GRESB 5-star rating and saw an increase in its overall score of one point to 93 points (from 92 in 2022). The higher score was mainly due to an increase in scores on GHG, water and waste due to a better performance on those indicators. Also, the Fund scored higher on like-for-like reductions in energy consumption. The Fund will continue to focus on both coverage of data and on reductions to improve its score this year. Other opportunities for future improvements are related to the reuse of water.

GRESB scores 2023

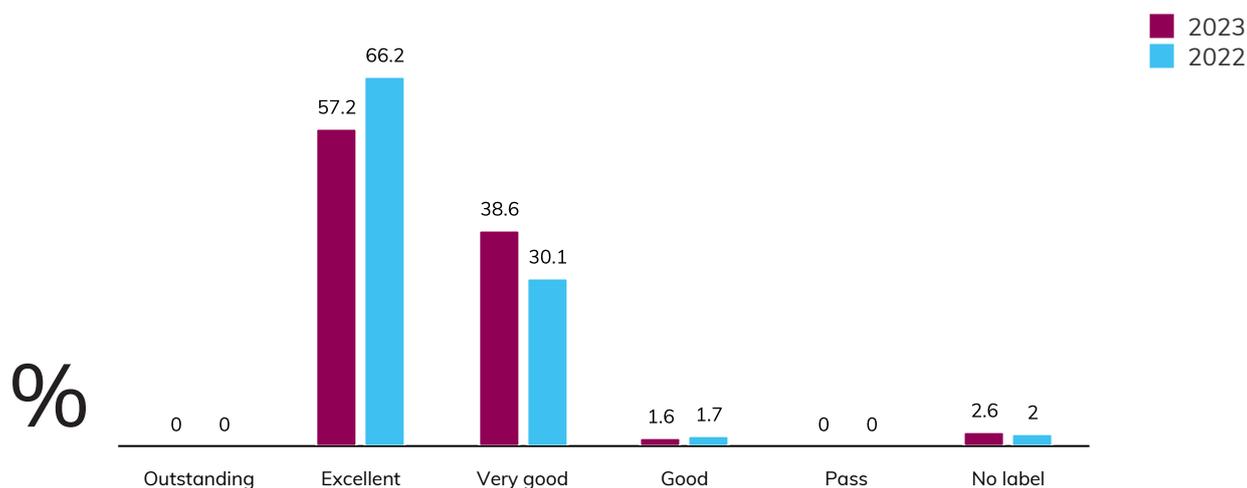


Above-average sustainable buildings

The target for 2023 was to achieve a minimum of a BREEAM-NL Very Good rating for every asset in the portfolio. The Fund almost met its target last year, as 96% of the portfolio assets now have at least a BREEAM-NL Very Good rating at asset level and 79% for management. No less than 66% have a BREEAM-NL Excellent rating. The Fund has retained its target for 2024 based on its ESG Framework. The asset The Bell (Amsterdam), delivered in November, did not yet have a BREEAM-NL label on 31 December. The Bell will be certified using de V6 version of BREEAM in 2024.

The figure below shows all the certificates obtained per asset.

BREEAM scores (% of lettable floor space)



2. Reducing environmental impact

Bouwinvest committed itself to the Paris Proof commitment of the Dutch Green Building Council (DGBC). The Fund has drawn up a roadmap to realise its ambition to be net-zero carbon (Paris Proof) before 2045. In 2023, 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

The Fund's long-term goal is to have a portfolio that consists of 100% gas-free assets in 2045. Gas-free offices account for 61% of total assets. Seven assets have a gas connection, in addition to the thermal energy storages systems that are occasionally supplied with gas. Four of these connections are for cooking facilities in restaurants and a decorative fireplace. Two relate to assets that the Fund intends to sell. One asset has gas-fired heating and the Fund is mapping out the possibilities for linking this asset to an existing local thermal energy storage system to make the building gas-free.

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

Combatting Climate Change: energy efficiency of buildings

The Fund reduced the average energy intensity of its portfolio by 2% to 134kWh/m² in 2023 (137kWh/m² in 2022). This is in line with the targeted reduction per year. The results shown are based on the information from the energy labels of all the office spaces. In the coming years, the Fund will make a major effort to report on the basis of actual energy consumption. To do this, the Fund needs to increase the data coverage of the energy use of its tenants.

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

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

Product accountability: tenant satisfaction

The target for the tenant satisfaction score is ≥ 7.0 and with a score of 7.3 the Fund achieved this target in 2023. Tenant satisfaction is measured annually, by an external agency. In 2023, a total of 116 tenants (59%) completed the survey, which was slightly lower than in 2022 (119, 65%) and also just below the target of 60%. The Fund is planning to take action to improve the survey request, with the aim of achieving a future response rate of more than 60%.

This survey provides the opportunity to gain insight into the satisfaction of tenants with their office building and the services of Bouwinvest and its partners, such as property managers. The average satisfaction score (weighted by number of tenants) for the office buildings was 7.3. The services provided by the property manager scored 6.9. The financial aspect (including service costs) was viewed more negatively last year, due to the exceptionally high rent indexations and increased energy costs. However, our property managers devoted extra attention to communications with tenants, which led to an increase in the appreciation of this element (7.5 versus 7.2 in 2022) and this is expected to increase thanks to the roll-out of the Chainels communication platform across the portfolio in 2024.

4. Contributing to healthy, safe and good working conditions

Considerate constructors scheme (construction sites)

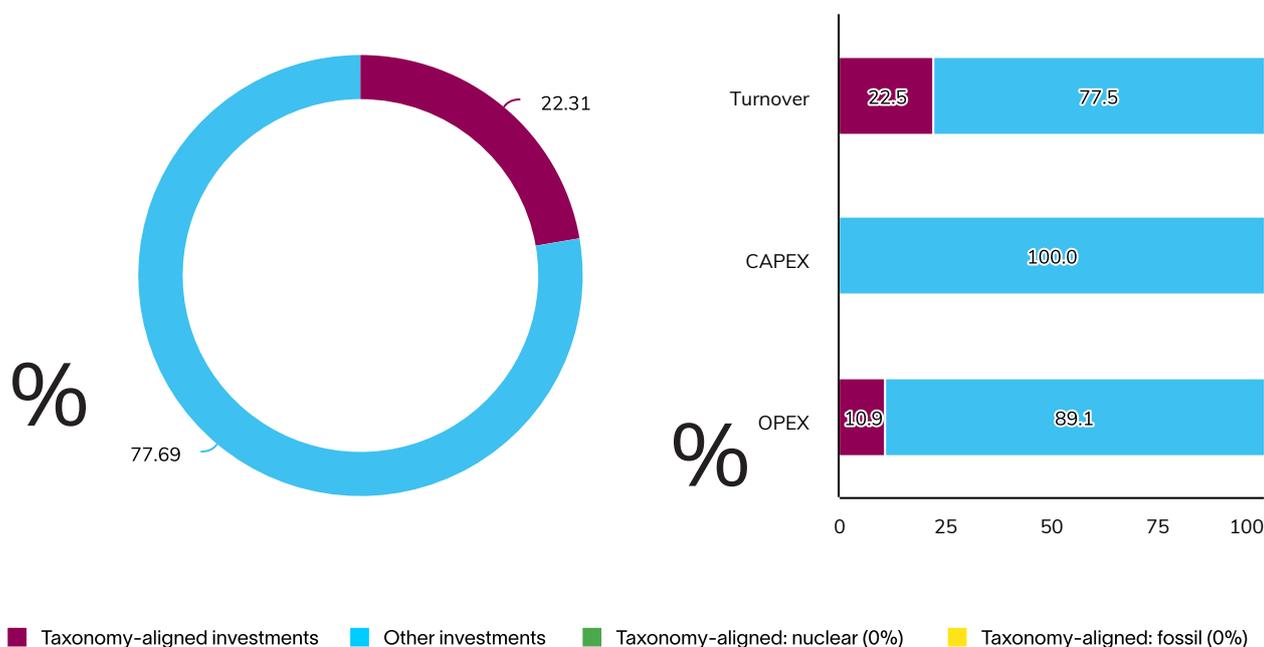
All the construction sites related to assets in the Fund must be registered under the Dutch Considerate Constructors Scheme (Bewuste Bouwers). This ensures that the contractor deals with the concerns of local residents and addresses safety and environmental issues during the construction phase.

The target was to have more than 75% of its construction sites registered under the Considerate Constructors Scheme by the end of 2023. However, at the end of 2023 the Fund has no construction sites.

EU Taxonomy

The Fund's investments are in Taxonomy-eligible economic activity, namely the 'acquisition and ownership of buildings'. We take into account all standing assets that are the whole year in portfolio. The Fund choose for its activities to substantial contribute to the mitigation of climate change (article 10 of the Taxonomy Regulation). All assets are aligned with the definition of substantial contribution to climate change mitigation. At the same time the activities should not significantly harm other environmental objectives and are carried out in compliance with the minimum safeguards. The adaptation to climate change risk analyse, for the do not significantly harm criteria, is only done for the gross risks. A large part of the portfolio has a high gross risk for adaptation to climate change. The calculation uses asset-level data for the Green Asset Ratio (GAR). The graphs below show the results expressed in GAR, turnover, OPEX and CAPEX which are calculated on the basis of the corresponding (sustainable) assets. This results in only 22% of the assets are in line with the EU taxonomy.

Taxonomy alignment of investments



Financial performance

Fund return

The Fund realised a total return of -8.3% in 2023, consisting of 3.7% income return and -11.7% in capital growth. Net rental income, administrative and finance expenses are the main drivers for the income return. The decline in capital growth was primarily driven by uncertainties triggered by the geopolitical and economic effects of the war in Ukraine, high interest rates, inflation and energy prices.

Fund performance	2023		2022
	Actual	Plan	Actual
Income return	3.7%	3.3%	2.8%
Capital growth	(11.7)%	(6.3)%	(5.9)%
Fund performance	(8.3)%	(3.1)%	(3.2)%

Income return

Net rental income of € 51.8 million was € 0.1 million lower than the plan of € 51.9 million (2022: € 43.8 million). The most significant drivers of the deviation from plan were higher property operating expenses (€ 1.8 million) offset by higher gross rental income (€ 1.8 million).

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

Capital growth

The Fund realised capital growth of -11.7% compared with the plan of -6.3%. Highly changing market circumstances in 2023 caused all real estate forecasts to be less accurate. Especially the further rise of inflation and interest rates affected the yields and thus the capital values. The (prime) office market is substantially leveraged and was therefore hit harder by the yield increase, while, additionally, the uncertainty regarding the effects of the working from home remains hanging over the market.

Property performance

Property performance	2023	2023	2022
	Actual	MSCI	Actual
Income return	4.3%	4.1%	3.4%
Capital growth	(12.0)%	(14.7)%	(6.0)%
Property performance	(8.2)%	(11.1)%	(2.8)%

The total property return for 2023 came in at -8.2%, consisting of a 4.3% income return and -12.0% capital growth. The Fund outperformed the MSCI Netherlands Property Office Index (all properties) by 288 basis points in 2023. This outperformance was related to both the Fund's capital growth as the income return. The capital growth of -12.0% was 266 basis points higher than the benchmark's capital growth of -14.7%. The income return of 4.3% was 14 basis points higher than the benchmark's income return of 4.1%. Outperformance was mainly driven by a lower allocation to Amsterdam (where the benchmark had the lowest total return of -14.05%) and a significant higher allocation to The Hague (where the benchmark an above average total return of -7.1%). In addition, the Fund showed higher total returns in all G4 cities. The highest outperformance was shown in Utrecht (0.6% versus -5.1%) and Rotterdam (-8.7% versus -11.3%).

The Bell Multi-tenant

Amsterdam
The Netherlands



Investor information

Introduction

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

Financial management

Results

Income Statement summary (all amounts in € thousands)	2023	2022	change	in %
Revenues	89,906	70,999	18,907	27%
Operating expenses	(38,109)	(27,176)	(10,933)	40%
Net rental income	51,797	43,823	7,974	18%
Net valuation gain / (loss)	(150,324)	(76,208)	(74,116)	97%
Result on disposal	-	-	-	0%
Administrative expenses	(5,994)	(6,485)	491	(8)%
Finance expenses	(1,698)	(2,464)	766	(31)%
Income taxes	(555)	-	(555)	
Result for the year	(106,774)	(41,334)	(65,440)	158%
Financial occupancy	93.2%	90.4%		
REER	1.5%	1.3%		
TGER	0.6%	0.5%		

In 2023, the full-year result declined to -€ 106.8 million, from -€ 41.3 million in 2022 (-159%). The decline of € 65.4 million was primarily driven by significantly lower valuations of the investment properties (€ 74.1 million) and an increase in the net rental income (€ 8.0 million).

Revenues of € 89.9 million were € 18.9 million higher than 2022 (€ 71.0 million), mainly driven by higher gross rental income (€ 8.8 million) and service charges income (€ 9.7 million), primarily due to De Zeven Provinciën (newly added to the portfolio in December 2022) and Central Park (Utrecht, by the commencement of new lease agreements). Furthermore, other income increased by € 0.5 million compared with 2022.

Operating expenses of € 38.1 million were € 10.9 million higher than in 2022 (€ 27.2 million), driven by higher service charge expenses (€ 10.1 million) and higher property operating expenses (€ 0.8 million). Service charge expenses increased mainly due to the significantly higher energy prices. The increase in property operating expenses was largely due to higher rental commission (€ 0.7 million), higher costs related to the Business Centre (€ 0.4 million), higher planned maintenance costs (€ 0.4 million) and higher property tax (€ 0.3 million) partly offset by lower costs for associations of owners (€ 0.7 million). The TGER increased to 0.6%, from 0.5% in 2022 due to lower average NAV and higher total expenses. The increase in total expenses is driven by higher service charge expenses (€10.1 million) compared to 2022.

The REER increased to 1.5%, from 1.3% in 2022, due to the decline in the average NAV.

Dividend

Bouwinvest will distribute all of the distributable result to its investors in four quarterly interim dividend payments and one final dividend payment.

The Management Board proposes to pay a dividend of € 41.0 million for 2023 (2022: € 35.4 million), which corresponds to a pay-out ratio of 100%. It is proposed that the dividend will be paid in cash. Of this total dividend, € 32.3 million or 79% was paid out in the course of 2023. The fourth instalment was paid on 15 February 2024. The rest of the distribution over 2023 will be paid in one final instalment following the adoption of the annual report by the Annual General Meeting of investors on 10 April 2024.

Performance per unit	2023	2022
Dividends (in €)	77.66	109.97
Net earnings (in €)	(256.48)	(104.46)
Net asset value IFRS (in €, at year-end)	2,634.41	2,964.33
Net asset value INREV (in €, at year-end)	2,648.94	2,968.82

Funding

According to internal guidelines, the Fund is not allowed to have an unsecured pipeline. At the end of 2023, the Fund had no pipeline.

The Fund closed no new commitments in 2023. The Fund made capital calls for a total of € 80 million.

Name investor	Number of units at year-end 2023
Investor A	385,076
Investor B	16,731
Investor C	16,255
Investor D	10,910
Investor E	1,940
Investor E	854
Investor G	813
Total	432,579

Leverage

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

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

Treasury management

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

At year-end 2023, the Fund had € 17.9 million freely available in cash. In 2023, the Fund's cash position increased by € 5.5 million compared with year-end 2022 (€ 12.4 million).

Interest rate and currency exposure

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

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

Tax

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

Furthermore, the Fund met its obligations related to value added tax, transfer tax and other applicable taxes in their entirety in 2023.

Fund governance

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

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

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

Rules and principles governing day-to-day business:

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

Structure of the Fund

Up until 1 January 2023, the Fund was structured as an investment company with variable capital, as defined in article 2:76a of the Dutch Civil Code, with its corporate seat in Amsterdam, the Netherlands. Until that date, the Fund was a fiscal investment institution (FII) within the meaning of Article 28 of the Dutch Corporate Income Tax Act 1969. Bouwinvest Real Estate Investors B.V. ('Bouwinvest') is the Fund's sole Statutory Director and management company pursuant to the management agreement. The management company has a licence within the meaning of Article 2:65 of the Dutch Financial Supervision Act and is subject to supervision of the Dutch Financial Markets Authority (AFM).

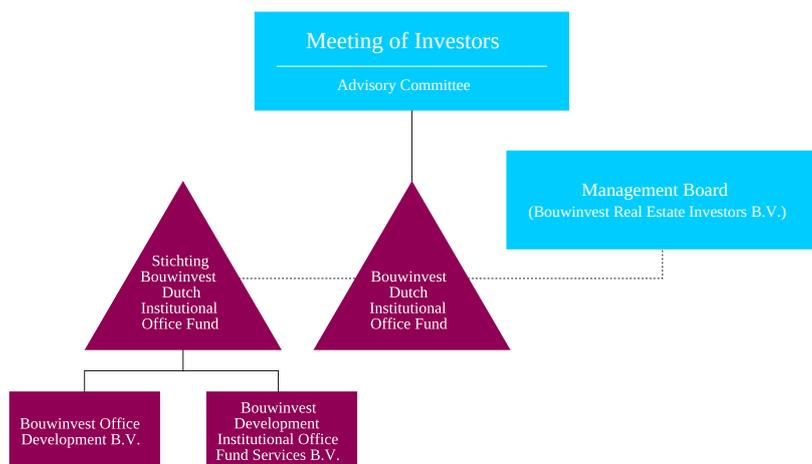
As of 1 January 2023, the Fund is structured as a Fund for Mutual Account (FMA, FGR in Dutch). An FMA is a contractual arrangement pursuant to which participants contribute capital that is invested by a management company (Bouwinvest) for the account of its participants. As the FMA has no legal personality,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

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

Subsidiaries

The Fund has two taxable subsidiaries, Bouwinvest Dutch Institutional Office Fund Services B.V., which renders services that are ancillary to the Fund’s renting activities, and Bouwinvest Office Development B.V., which pursues development activities that are ancillary to the Fund’s investment portfolio. The shares of the subsidiaries are held by Stichting Bouwinvest Dutch Institutional Office Fund.

Fund governance bodies



Advisory Committee

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

Role of the Advisory Committee

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

General Meeting of Investors

Investors of the Office Fund must be professional institutional investors within the meaning of section 1:1 of the Dutch Financial Markets Supervision Act (FMSA). General Meetings of Investors are held at least once a year to discuss the annual report,

adopt the financial statements and discharge the Statutory Director of the Fund for its management. Investors approval is required for the Fund Plan and for other resolutions pursuant to the Fund Documents.

Anchor Investor

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

Manager of the Fund

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

Management Board

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

Supervisory Board

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

Policies, rules and regulations

Corporate Governance Code

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

Code of Conduct

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

Conflicts of Interest policy

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

Funds and Partnerships managed by Bouwinvest

Bouwinvest manages the following alternative investment funds and partnerships:

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

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

Bouwinvest aims for the highest level of transparency in its communications on its financial situation, strategy, plans and other information relevant to its existing and potential investors and other stakeholders. In addition to this annual report, the management company reports on a quarterly basis on the status of the Fund and organises quarterly conference calls to discuss the developments within the Fund with its investors. Furthermore, Bouwinvest organises General Meetings of Investors 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 investors via the Bouwinvest Investor Portal.

Investors' calendar

15 February 2024	Payment interim dividend fourth quarter 2023
27 February 2024	Advisory Committee
10 April 2024	Investor meeting
3 May 2024	Payment of final dividend 2022
22 May 2024	Payment interim dividend first quarter 2024
5 June 2024	Advisory Committee
15 August 2024	Payment interim dividend second quarter 2024
11 September 2024	Advisory Committee
13 November 2024	Advisory Committee
17 November 2024	Payment interim dividend third quarter 2024
11 December 2024	Investor meeting
18 February 2025	Payment interim dividend fourth quarter 2024

Risk management

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

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

Risk governance

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

Risk profile

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

Risk taxonomy

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

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

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

Risk appetite

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

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

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

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

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

Market risk

Market risk overall

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

Bouwinvest monitors and evaluates these market circumstances on a continuous basis and they are taken into account in both the daily management of the Fund and in the investment and divestment decision processes.

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

Credit risk

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

Liquidity risk

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

Business risk

Tax risk

Fund for Mutual Account (FMA)

The Fund was restructured into a fund for mutual account (FMA) on 1 January 2023. Due to its fiscal transparency, as from this date the Fund is not subject to corporate income tax.

Increase in real estate transfer tax (RETT) rate

It is not possible to specify the exact impact on the real estate market of the increase in the RETT rate as per 1 January 2023 due to market volatility.

Legal & Claim Risk

Claim Loyens & Loeff (Hourglass)

Ever since Loyens & Loeff moved into the building, there have been persistent delivery points that have led to a claim from the tenant due to reduced enjoyment of the rental. The Fund has presented Loyens & Loeff with several suggestions for additional building investments which could be of value for Loyens & Loeff as compensation for the inconvenience that the building defects have caused over time. So far, Loyens & Loeff have not responded to the suggestions made. The parties agree that a final resolution of the claim can only take place after all technical issues have been resolved.

Dispute over maintenance costs (SOSA)

Following the ruling of the Supreme Court in Q3 2022 and based on the earlier request made by co-owner Stichting Olympisch Stadion Amsterdam (SOSA), an independent expert has launched a technical investigation into the relationship between leaks from the past and the concrete damage that was discovered in 2018. The Amsterdam Court of Appeal will use the technical report for its assessment of the distribution of repair costs related to the concrete damage among the co-owners. At the same time, it will have to be legally determined whether and to what extent the Fund failed to carry out maintenance if this could have prevented the concrete damage. A new court hearing will be scheduled in Q1 or Q2 2024.

Operational risk

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

ESG risk

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

Compliance risk

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

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

WTC Multi-tenant

The Hague
The Netherlands



Outlook for the Fund 2024-2026

In summary, the upcoming period seems to be filled with uncertainties and, like all real estate investors, the Fund expects to face multiple challenges. However, the high quality of the Fund's portfolio and the fact the Fund uses no leverage are notable strengths in this challenging environment. While the path to attaining the Paris Proof target has its fair share of hurdles, we are making steady progress and the full force of the organisation is committed to achieving the Fund's goals. Fortunately, the Fund has a diversified portfolio of assets that are perfectly aligned with its strategy.

In the coming three years, the Fund expects to provide investors with a total annual net return of between 1.1% and 9.0%. The performance and portfolio forecasts set out in this Fund Plan reflect the so-called base scenario. Given the many uncertainties in the market, the Fund has also drawn up additional upside, downside and stress scenarios.

Amsterdam, 26 March 2024

Bouwinvest Real Estate Investors B.V.

Mark Siezen, Chief Executive Officer and Statutory Director
Henk-Dirk de Haan, Chief Financial & Risk Officer and Statutory Director
Marleen Bosma, Chief Client Officer
Allard van Spaandonk, Chief Investment Officer Dutch Investments
Stephen Tross, Chief Investment Officer International Investment

Financial statements

Consolidated statement of comprehensive income

All amounts in € thousands, unless otherwise stated

	Note	2023	2022
Gross rental income	6	67,431	58,652
Service charge income	6	19,750	10,096
Other income		2,725	2,251
Revenues		89,906	70,999
Service charge expenses		(22,148)	(12,060)
Property operating expenses	7	(15,961)	(15,116)
		(38,109)	(27,176)
Net rental income		51,797	43,823
Result on disposal of investment property		-	-
Positive fair value adjustment investment property	12	3,731	26,928
Negative fair value adjustment investment property	12	(154,055)	(103,136)
Net valuation gain (loss)		(150,324)	(76,208)
Administrative expenses	8	(5,994)	(6,485)
Result before finance result		(104,521)	(38,870)
Finance result	9	(1,698)	(2,464)
Net finance result		(1,698)	(2,464)
Result before tax		(106,219)	(41,334)
Income taxes	10	(555)	-
Result for the year		(106,774)	(41,334)
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		(106,774)	(41,334)
Net result attributable to investors		(106,774)	(41,334)
Total comprehensive income attributable to investors		(106,774)	(41,334)
Earnings per unit (€)			
From continuing operations			
Basic		(256)	(104)
Diluted		(256)	(104)

Consolidated statement of financial position

Before appropriation of result, all amounts in € thousands

As at 31 December	Note	2023	2022
Assets			
Non-current assets			
Investment property	12	1,215,969	1,299,146
Total non-current assets		1,215,969	1,299,146
Current assets			
Trade and other current receivables	13	3,942	6,542
Cash and cash equivalents	14	17,948	12,415
Total current assets		21,891	18,957
Total assets		1,237,860	1,318,103
Equity and liabilities			
Equity attributable to the owners of the Fund			
Issued capital		432,579	404,373
Premium		556,653	504,858
Revaluation reserve		140,823	245,881
Retained earnings		116,309	84,915
Net result for the year		(106,774)	(41,334)
Total equity	15	1,139,590	1,198,693
Liabilities			
Non-current lease liabilities	16	82,992	80,182
Current trade and other payables	17	15,278	39,228
Total liabilities		98,270	119,410
Total equity and liabilities		1,237,860	1,318,103

Consolidated statement of changes in equity

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

	Issued capital	Premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2023	404,373	504,858	245,881	84,915	(41,334)	1,198,693
Comprehensive income						
Net result	-	-	-	-	(106,774)	(106,774)
Total comprehensive income	-	-	-	-	(106,774)	(106,774)
Other movements						
Issued units	28,206	51,794	-	-	-	80,000
Appropriation of result	-	-	-	(41,334)	41,334	-
Dividends paid	-	-	-	(32,330)	-	(32,330)
Movement revaluation reserve	-	-	(105,058)	105,058	-	-
Total other movements	28,206	51,794	(105,058)	31,394	41,334	47,670
Balance at 31 December 2023	432,579	556,652	140,823	116,309	(106,774)	1,139,590

* See explanation dividend restrictions in Note 15.

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

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

* See explanation dividend restrictions in Note 15.

** As per 1 January 2023 investors will hold units instead of shares, due to the restructuring of the Fund to FGR. The applicable share/unit exchange ratio is 1:1.

Consolidated statement of cash flows

All amounts in € thousands

	Note	2023	2022
Operating activities			
Net result		(106,774)	(41,334)
Adjustments for:			
Valuation movements		150,324	76,208
Net finance result		1,699	2,464
Movements in working capital		(21,351)	19,697
Cash flow generated from operating activities		23,898	57,035
Interest paid		(2,201)	(2,202)
Interest received		707	-
Cash flow from operating activities		22,404	54,833
Investment activities			
Proceeds from sale of investment property		-	-
Payments of investment property		(64,541)	(33,926)
Payments of investment property under construction		-	(25,176)
Cash flow from investment activities		(64,541)	(59,102)
Finance activities			
Proceeds from the issue of capital		80,000	45,000
Redemption of units		-	-
Dividends paid		(32,330)	(43,512)
Cash flow from finance activities		47,670	1,488
Net increase/(decrease) in cash and cash equivalents		5,533	(2,781)
Cash and cash equivalents at beginning of year		12,415	15,197
Cash and cash equivalents at end of year	14	17,948	12,415

Notes to the consolidated financial statements

All amounts in € thousands, unless otherwise stated

1 General information

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

Up until 1 January 2023, the Fund was structured as a public limited liability company (naamloze vennootschap), Bouwinvest Dutch Institutional Office Fund N.V. (the Company). On 1 January 2023, the Company was converted into a foundation (stichting) under Dutch law, Stichting Bouwinvest Dutch Institutional Office Fund (the Legal Owner), that acts as the holder of the legal title of the assets and liabilities of the Fund for Mutual Account Bouwinvest Dutch Institutional Office Fund (fonds voor gemene rekening).

The comparative figures and disclosures of the Bouwinvest Dutch Institutional Office Fund N.V. have been added to the 2023 financial statements because of their relevance to the current period figures.

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

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

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

2 Summary of material accounting policies

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

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

2.1 Basis of preparation

Going concern

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

Statement of compliance

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

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

Statement of comprehensive income

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

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

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

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

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

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

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

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

The Fund is monitoring these regulatory changes.

Preparation of the financial statements

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

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

2.2 Basis of consolidation

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

The following entities are included in the consolidated financial statements:

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

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

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

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

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

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

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

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

2.3 Investment property

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

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

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

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

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

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

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

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

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

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

Net result on the sale of investment property

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

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

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

2.4 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.

2.5 Leases

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

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

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

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

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

2.6 Financial instruments

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

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

Financial assets

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

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

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

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

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

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

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

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

Financial liabilities

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

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

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

2.7 Prepayments

Prepayments are stated at cost less any accumulated impairment losses.

2.8 Cash and cash equivalents

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

2.9 Issued capital

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

2.10 Redeemed units

The Fund has two classes of issued units, issued units (to investors) and redeemed units. The redeemed units are held by the Fund with a nominal value of € 1,000 and don't have any rights for voting, dividends or other investor rights. Redeemed units are units bought by the Fund if a redemption request is granted. After the redemption has been executed, the units are classified as redeemed units until the units are either issued again or cancelled. Redeemed units will be issued again in case of capital calls within the same financial year. All redeemed units 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 units is initially fully deducted from the other reserves. The withdrawal of the redeemed units is incorporated in the issued capital and other reserves after the withdrawal is finalised.

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

2.11 Non-current lease liabilities

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

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

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

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

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

2.11 Current trade and other payables

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

Tenant deposits

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

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

2.12 Dividend distribution

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

2.13 Rental income

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

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

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

2.14 Service charges, property operating expenses and administrative expenses

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

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

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

2.15 Other income

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

2.16 Finance income and expenses

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

2.17 Cash flow statement

Cash flows are stated according to the indirect method.

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

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

2.18 Earnings per unit

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

2.19 Income taxes

Being a closed Fund for Mutual Account the Fund is not subject to corporate income tax. For tax purposes the results of the Fund are directly allocated to the investors.

3 Financial risk management

3.1 Financial risk factors

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

Market risk

Market risk is the risk of changes in the value of assets under management due to fluctuations in the financial markets. Within a real estate alternative investment fund typical factors possibly influencing the volatility in the performance (NAV) of the Fund, are changes in yields (external valuations), and rental and occupancy rate levels. The concentration of these risks are

mitigated by the Fund's diversification strategy on among others asset, tenant and geographical level. The sensitivity of the investment portfolio to changes in yields and rental rates is presented in the sensitivity analysis included in note 12.

Credit risk

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

The credit risk relating to the receivables is maximised to € 3.8 million in 2023 (2022: € 6.5 million) and the receivables are closely monitored.

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

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

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

Liquidity risk

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

3.2 Fair value estimation

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

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

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

3.3 Capital management

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

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

4 Critical accounting estimates and judgements

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

4.1 Critical accounting estimates and assumptions

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

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

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

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

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

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

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

5 Core regions

A spread by core regions is applied in the analysis of the valuation of the investment property portfolio. Amsterdam, Rotterdam, The Hague and Utrecht are considered core office regions in 2023. The Fund is currently active in these 4 regions.

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

Property valuation as at 31 December	2023	2022
Region		
Amsterdam	537,492	573,232
Rotterdam	140,517	151,590
Utrecht	186,550	184,149
The Hague	351,410	390,176
Total	1,215,969	1,299,146

6 Gross rental income and service charge income

	2023	2022
Theoretical rent	80,264	72,530
Incentives	(7,422)	(6,993)
Vacancies	(5,411)	(6,884)
Total gross rental income	67,431	58,652

The future contractual rent from leases in existence on 31 December 2023, until the end of the contract (accounted for on the basis of the minimum rent) can be analysed as follows:

	2023	2022
First year	71,901	65,222
Second year	65,208	62,231
Third year	55,412	54,253
Fourth year	48,715	45,284
Fifth year	43,511	39,244
More than five years	96,034	113,626

Service charge income represents € 19.8 million (2022: € 10.1 million) income receivable from tenants for the services utilities, caretakers, etc. when the Fund acts as a principal.

7 Property operating expenses

	2023	2022
Taxes	2,694	2,576
Insurance	399	270
Maintenance	5,615	5,467
Valuation fees	98	106
Property management fees	1,189	1,133
Letting and lease renewal fees	1,925	1,222
Addition to / release from provision for doubtful debtors	34	21
Non reclaimable VAT	669	646
Business center expenses	1,331	954
Association of owners	361	1,109
Other operating expenses	1,646	1,612
Total property operating expenses	15,961	15,116

In 2023, € 0.4 million (2022: € 0.6 million) of the maintenance expenses related to unlet properties.

The decrease in association of owners costs is primarily attributed to the direct allocation of 2022 expenses related to WTC Rotterdam (€ 0.5 million) to the association of owners in 2023.

8 Administrative expenses

	2023	2022
Management fee Bouwinvest	5,310	6,102
Audit fees	60	45
Other administrative expenses	432	192
Legal fees	104	68
Other Fund expenses	88	78
Total administrative expenses	5,994	6,485

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

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

9 Finance income and expenses

	2023	2022
Finance income and expenses	(707)	78
Interest on lease liabilities	2,405	2,386
Total finance income and expenses	1,698	2,464

The Fund had no external loans and borrowings during 2023. The Fund was subject to the positive interest rate development for its bank balances.

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

10 Income taxes

Distribution obligation

Activity rules

The Fund, being a so called closed fund for mutual account ('closed FGR' in Dutch), is tax transparent for Dutch corporate income tax and dividend withholding tax purposes. and therefore, all activities are attributable to the investors for tax purposes. A foundation ("Stichting Legal Owner") will hold the legal titles of the real estate and the shares of the subsidiaries. To qualify as a tax transparent FGR, the transfer of the Fund-participations solely occurs via a purchase and re-issuance by Fund FGR.

11 Employee benefits expense

The Office Fund has no employees.

12 Investment property

	2023	2022
At the beginning of the year	1,282,332	1,299,067
Investments	51,901	48,972
Subsequent capital expenditure	11,458	10,104
Additions	63,359	59,076
Transfers to investment property under construction	-	-
Transfer from investment property under construction	-	-
Total transfer to/from investment property under construction	-	-
Disposals	-	-
Net gain (loss) from fair value adjustments on investment properties (like for like)	(143,760)	(53,391)
Net gain (loss) from fair value adjustments on investment properties	(6,564)	(22,817)
In profit or loss	(150,324)	(76,208)
In other comprehensive income	-	-
Transfers out of level 3	-	-
Movement of right of use ground leases	2,606	397
Total investment property (level 3)	1,197,973	1,282,332
Lease incentives	17,996	16,814
At the end of the year	1,215,969	1,299,146

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 2023, 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 2023, and 31 December 2022, 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 2023 the amount of lease incentives is € 18.0 million (2022: € 16.8 million).

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

	2023	2022
Investment Property	1,215,969	1,299,146
Less: lease liabilities	(82,992)	(80,182)
Valuation as per valuation report	1,132,977	1,218,964

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

Investments	2023	2022
Amsterdam	48,035	-
Rotterdam	7,664	10,313
Utrecht	5,422	22,869
The Hague	2,238	25,894
Total investments	63,359	59,076

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

2023	Amsterdam	Rotterdam	Utrecht	The Hague	Total
Current average rent (€/m ²)	357	199	263	209	253
Current average rent (€/PP)	2,787	2,957	2,803	2,117	2,527
Market rent (€/m ²)	397	211	265	211	267
Market rent (€/PP)	3,437	3,116	3,015	2,201	2,814
Gross initial yield	5.8%	6.7%	6.2%	7.2%	6.4%
Net initial yield	4.9%	3.7%	3.5%	5.2%	4.6%
Current vacancy rate (financial)	2.0%	13.8%	13.4%	5.4%	6.8%
Long-term growth rental rate	2.6%	2.8%	1.3%	1.8%	2.2%
Risk free (NRVT)					291.0%

2022	Amsterdam	Rotterdam	Utrecht	The Hague	Total
Current average rent (€/m ²)	342	181	248	181	229
Current average rent (€/PP)	1,797	1,990	2,586	1,924	1,979
Market rent (€/m ²)	379	188	256	205	251
Market rent (€/PP)	2,441	2,294	2,863	2,155	2,351
Gross initial yield	4.7%	5.8%	4.5%	5.6%	5.1%
Net initial yield	4.1%	2.1%	2.6%	4.0%	3.6%
Current vacancy rate (financial)	0.9%	15.3%	33.9%	4.4%	9.6%
Long-term growth rental rate	2.3%	1.8%	1.2%	1.8%	1.9%
Risk free (NRVT)					2.0%

The net valuation gain (loss) for the year included a positive fair value adjustment of € 3.7 million (2022: € 26,9 million) and a negative fair value adjustment of € 154.1 million (2022: 103.1 million) relating to investment properties that are measured at fair value at the end of the reporting period.

The valuation of the investment properties takes into account a rent-free period/rent incentives ranging from 1 to 3 months after occupation. Investment property includes no buildings held under finance leases. The carrying amount is € nil (2022: € nil).

Sensitivity analysis

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

The appraisal of the portfolio implies a net initial yield of 4.6 % (2022: 3.6%). If the yields used for the appraisals of investment properties on 31 December 2023 had been 25 basis points higher (2022: 25 basis points higher) than was the case at that time, the value of the investments would have been 5.2% lower (2022: 6.5% lower).

	2023		2022	
Change rental rates	-5%	5%	-5%	5%
Value of the investment property change	(56,649)	56,649	(60,948)	60,948

	2023		2022	
Change net initial yield	- 25 bps	+ 25 bps	- 25 bps	+ 25 bps
Value of the investment property change	65,256	(58,516)	90,716	(78,963)

13 Trade and other current receivables

	2023	2022
Trade receivables	2,484	1,542
VAT receivable	1,458	2,769
Other receivables	-	2,229
Balance as at 31 December	3,942	6,540

The other receivables in the previous year consist of prepaid expenses and settlement of dividend in 2023 due to the restructuring of the Fund into a Fund for Mutual Account.

14 Cash and cash equivalents

	2023	2022
Bank balances	17,949	12,415
Balance as at 31 December	17,949	12,415

The bank balances of € 17.9 million are freely available to the Fund as at 31 December 2023.

15 Equity attributable to investors of Bouwinvest Dutch Institutional Office Fund

For 2023, before appropriation of result

	Issued capital	Premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2023	404,373	504,858	245,881	84,915	(41,334)	1,198,693
Comprehensive income						
Net result	-	-	-	-	(106,774)	(106,774)
Total comprehensive income	-	-	-	-	(106,774)	(106,774)
Other movements						
Issued units	28,206	51,794	-	-	-	80,000
Appropriation of result	-	-	-	(41,334)	41,334	-
Dividends paid	-	-	-	(32,330)	-	(32,330)
Movement revaluation reserve	-	-	(105,058)	105,058	-	-
Total other movements	28,206	51,794	(105,058)	31,394	41,334	47,670
Balance at 31 December 2023	432,579	556,652	140,823	116,309	(106,774)	1,139,590

* See explanation dividend restrictions in this Note.

For 2022, before appropriation of result

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

* See explanation dividend restrictions in this Note.

** As per 1 January 2023 investors will hold units instead of shares, due to the restructuring of the Fund to FGR. The applicable share/unit exchange ratio is 1:1.

Dividend restrictions

The Office Fund is subject to legal restrictions regarding the amount of dividends it can pay to its investors. 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 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, the distributable dividends are made from retained earnings insofar as the retained earnings – being the total amount of retained earnings and result for the year – are not negative. The remaining amount of legally required distributable dividends is subsequently made from the premium. Any residual negative retained earnings is supplemented from the premium.

	Number of units in fully paid up equivalents	Paid-up capital	Premium	Total capital and premium
Opening balance at 1 January 2023	404,373	404,373	504,858	909,231
Issued units	28,206	28,206	51,794	80,000
Dividends paid	-	-	-	-
Balance at 31 December 2023	432,579	432,579	556,652	989,231

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

* As per 1 January 2023 investors will hold units instead of shares, due to the restructuring of the Fund to FGR. The applicable share/unit exchange ratio is 1:1.

Issued capital

The authorised capital comprises 1 million units each with a nominal value of € 1,000. As at 31 December 2023, in total 432,579 units had been issued and fully paid up.

Premium

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

Revaluation reserve

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

16 Non-current lease liabilities

	2023	2022
Balance as at 1 January	80,182	79,524
Interest	2,405	2,386
Lease payments	(2,201)	(2,125)
Other movements	2,606	397
Balance as at 31 December	82,992	80,182

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

	2023	2022
Land lease obligations undiscounted		
Year 1	2,201	2,125
Year 2	2,201	2,125
Year 3-5	6,602	6,375
Year > 5	96,566	94,036
Total land lease obligations	107,570	104,661

17 Current trade and other payables

	2023	2022
Trade payables	576	1,570
Rent invoiced in advance	6,749	8,278
Tenant deposits	3,709	2,832
Other payables	4,244	26,548
Balance as at 31 December	15,278	39,228

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

The other payables were incidentally high due to the deliverance of De Zeven Provinciën (The Hague) on 23 December 2022, while the payment took place on 27 January 2023 via Groninger deed.

18 Earnings per unit

	2023	2022
Net result attributable to investors	(106,774)	(41,334)
Weighted average number of ordinary units	416,310	395,670
Basic earnings per unit (€ per unit)	(256.48)	(104.46)

19 Dividends per unit

In 2023, the Fund paid out a dividend of € 77.66 per unit (2022: € 109.97) which amounts to a total of € 32.3 million (2022: € 43.5 million). A total dividend of € 41.0 million (2022: € 35.4 million), is to be proposed at the Annual General Meeting of investors on 10 April 2024. These financial statements do not reflect the final 2023 payment.

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

20 Contingent liabilities and assets

As at 31 December 2023, the Fund had unprovisioned contractual liabilities for future repairs and maintenance of € 0.2 million (2022: € 0.8 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 Office Fund's subsidiaries and members of the Supervisory Board and the Management Board of Bouwinvest and the other entities under management by Bouwinvest, qualify as related parties of the Office Fund. The Fund paid Bouwinvest a fee of € 5.3 million in 2023 (2022: € 6.1 million).

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

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

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

22 Management fee

Bouwinvest is the manager and the Statutory Director of the Fund. The management fee paid for the year 2023 amounted to € 5.3 million (2022: € 6.1 million).

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

During the reporting period, the manager, Bouwinvest, is responsible for five funds of which the Residential Fund, Office Fund 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. and Dutch Social Impact Real Estate Partnership. Bouwinvest Real Estate Investors B.V. charges a management fee to compensate its personnel expenses and other costs (e.g., office costs, IT costs). As Bouwinvest Real Estate Investors B.V. provides key management personnel services as well as other services (e.g. office, IT) for several funds, the management fee cannot objectively be allocated to the various components of services provided to the Fund by Bouwinvest Real Estate Investors B.V. The remuneration, in line with Article 22 of the AIMFD, is disclosed in the annual report 2023 of Bouwinvest Real Estate Investors B.V.

23 Audit fees

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

	2023	2022
Audit of the financial statements	54	40
Other assurance engagements	6	5
Tax advisory services	-	-
Other non-audit services	-	-
Total fees	60	45

24 Subsequent events

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

Company balance sheet

Before appropriation of result, all amounts in € thousands

As at 31 December	Note	2023	2022
Assets			
Non-current assets			
Investment property		1,215,969	1,299,146
Financial assets	3	3,328	536
Total non-current assets		1,219,297	1,299,682
Current assets			
Trade and other current receivables		3,942	6,165
Cash and cash equivalents		14,866	11,601
Total current assets		18,808	17,766
Total assets		1,238,105	1,317,448
Equity and liabilities			
Equity attributable to the owners of the Fund			
Issued capital		432,579	404,373
Premium		556,653	504,858
Revaluation reserve		149,062	254,120
Retained earnings		108,070	76,676
Net result for the year		(106,774)	(41,334)
Total equity	4	1,139,590	1,198,693
Liabilities			
Non-current lease liabilities		82,992	80,182
Current trade and other payables		15,523	38,573
Total liabilities		98,515	118,755
Total equity and liabilities		1,238,105	1,317,448

Company profit and loss account

All amounts in € thousands, unless otherwise stated

	2023	2022
Result of participation interests after taxes	2,792	9,499
Other income and expenses after taxes	(109,566)	-50,832
Result for the year	(106,774)	(41,334)

Notes to the company financial statements

All amounts in € thousands, unless otherwise stated

1 Summary of material accounting policies

1.1 General

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

Up until 1 January 2023, the Fund was structured as a public limited liability company (naamloze vennootschap), Bouwinvest Dutch Institutional Office Fund N.V. (the Company). On 1 January 2023, the Company was converted into a foundation (stichting) under Dutch law, Stichting Bouwinvest Dutch Institutional Office Fund (the Legal Owner), that acts as the holder of the legal title of the assets and liabilities of the fund for joint account Bouwinvest Dutch Institutional Office Fund (fonds voor gemene rekening).

The comparative figures and disclosures of the Bouwinvest Dutch Institutional Office Fund N.V. have been added to the 2023 financial statements because of their relevance to the current period figures.

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

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

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

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

1.2 Financial assets

Subsidiaries

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

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

Recognition of losses

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

2 Financial risk management

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

3 Financial assets

	2023	2022
As per 1 January	536	798
Acquisitions and capital contributions	-	-
Dividends received	-	(9,761)
Net result for the year	2,792	9,499
As per 31 December	3,328	536

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

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

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

4 Equity attributable to investors of Bouwinvest Dutch Institutional Office Fund

For 2023, before appropriation of result

	Issued capital	Premium	Revaluation reserve*	Retained earnings	Net result for the year	Total equity
Balance at 1 January 2023	404,373	504,858	254,120	76,676	(41,334)	1,198,693
Comprehensive income						
Net result	-	-	-	-	(106,774)	(106,774)
Total comprehensive income	-	-	-	-	(106,774)	(106,774)
Other movements						
Issued units	28,206	51,794	-	-	-	80,000
Appropriation of result	-	-	-	(41,334)	41,334	-
Dividends paid	-	-	-	(32,330)	-	(32,330)
Movement revaluation reserve	-	-	(105,059)	105,059	-	-
Total other movements	28,206	51,794	(105,059)	31,395	41,334	47,670
Balance at 31 December 2023	432,579	556,652	149,062	108,070	(106,774)	1,139,590

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

For 2022, before appropriation of result

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

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

** As per 1 January 2023 investors will hold units instead of shares, due to the restructuring of the Fund to FGR. The applicable share/unit exchange ratio is 1:1.

Issued capital

The authorised capital comprises 1 million units each with a nominal value of € 1,000. As at 31 December 2023, in total 473,518 units had been issued and fully paid up.

Premium

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

Revaluation reserve

The revaluation reserve relates to the revaluation of the property investments. The (unrealised) positive or negative difference between the cumulative increase or decrease in the fair value of the investment property owned at the end of the year has been included in the revaluation reserve. The revaluation reserve as at year-end 2023 was determined at the individual property level. From a fiscal perspective a margin on development activities has been realised in the development entity. On a consolidated level this margin (negative) has been eliminated. As a result the cost price on company only level is lower than on consolidated level and the revaluation reserve on company only level is higher than on consolidated level.

Appropriation of profit 2022

The Annual General Meeting of Investors on 12 April 2023 adopted and approved the 2022 financial statements of the Office Fund. A dividend of € 35.4 million (in cash) was paid. Of the profit for 2022 amounting to -€ 41.3 million, -€ 41.3 million was incorporated in the retained earnings.

Proposal for profit appropriation 2023

The management of the Fund proposes to the General Meeting of Investors that a dividend of € 41.0 million (in cash) is to be paid. Of the profit for 2023 amounting to -€ 106.8 million, -€ 106.8 million will be incorporated in the retained earnings.

5 Employee benefits expense

The Office Fund has no employees.

6 Remuneration

Reference is made to Note 22 of the consolidated financial statements.

Signing of the Financial Statements

Amsterdam, 26 March 2024

Bouwinvest Real Estate Investors B.V.

Mark Siezen, *Chief Executive Officer and Statutory Director*

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

Marleen Bosma, *Chief Client Officer*

Allard van Spaandonk, *Chief Investment Officer Dutch Investments*

Stephen Tross, *Chief Investment Officer International Investments*

Other information

Articles of Association related to the appropriation of profit

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

20.1

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

20.2

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

20.3

The General Meeting may resolve to distribute one or more interim dividends and/or other interim distributions. The Executive Board of Directors 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 investors 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 units held by the Fund in its own capital shall not be taken into account.

Independent auditor's report

To the participants of Bouwinvest Dutch Institutional Office Fund

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

Our opinion

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

In our opinion:

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

The consolidated financial statements comprise:

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

The company financial statements comprise:

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

Basis for our opinion

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

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

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

Information in support of our opinion

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

Materiality

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

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

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

Scope of the group audit

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

Our group audit mainly focused on significant group entities.

We have performed audit procedures ourselves at group entities.

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

Audit approach fraud risks

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

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

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

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

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

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

We evaluated whether the selection and application of accounting policies, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 4 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. Reference is made to the section "Our key audit matter".

Valuation of investment property

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

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

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

Risk of incorrect recognition of acquisitions of investment property

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

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

We carried out procedures on the transactions of property investments.

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

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

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

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

Audit approach fraud risks compliance with laws and regulations

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

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

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

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

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

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

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

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

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

Audit approach going concern

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

We have evaluated the Management Board assessment of the Bouwinvest Dutch Institutional Office Fund's ability to continue as a going concern and inquired the Management Board regarding any knowledge of events or conditions beyond the period of the Management Board assessment. On the basis of our audit procedures, we have not identified any indication that would give rise to uncertainty on the Bouwinvest Dutch Institutional Office Fund's ability to continue as a going concern. Bouwinvest Dutch Institutional Office Fund has total off-balance sheet items for a total of EUR 0.2 million due in the upcoming years. These off-balance sheet items will be financed via, (a) the available cash position as per December 31, 2023, (b) the cashflow from the operational result, (c) current and new commitments and capital calls, noting sufficient headroom in the current market circumstances. Furthermore we noted that there is no indication that cash positions and cash flows will be insufficient to meet future obligations. The tenant mix does not lead to concern over dependency on a single tenant or group of tenants in respect to the rental income and respective cash flows.

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

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

Our key audit matters

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

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

Key audit matter	How the key audit matter was addressed in the audit
<p>Valuation of investment property</p> <p>Refer to note 12 to the consolidated financial statements.</p> <p>As at December 31, 2023, Bouwinvest Dutch Institutional Office Fund held a portfolio of investment property with a fair value of EUR 1,216 million (December 31, 2022: EUR 1,299 million).</p> <p>The portfolio mainly consists of Office properties.</p> <p>At the end of each reporting period, the Management Board determines the fair value of its investment property portfolio in accordance with the requirements of IAS 40 and IFRS 13.</p> <p>Bouwinvest Dutch Institutional Office Fund uses external valuation reports issued by external independent professionally qualified valuers to determine the fair value of its investment property.</p> <p>As the valuation of investment property is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balance. The most significant assumptions and parameters involved, given the sensitivity and impact on the outcome, are the gross initial yield and market rent levels.</p> <p>IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorizes the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. (Unobservable) inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date.</p>	<p>Our audit procedures included, among others, the following:</p> <p>We have gained understanding of the valuation process and tested design and implementation of Bouwinvest Dutch Institutional Office Fund's relevant controls with respect to the data used in the valuation of the property portfolio.</p> <p>We noted that management involved established parties to assist with the valuation of the investment properties. We evaluated the competence of Bouwinvest Dutch Institutional Office Fund's external appraiser, which included consideration of their qualifications and expertise.</p> <p>In relation to the significant assumptions in the valuation of investment property we have:</p> <ul style="list-style-type: none"> - Determined that the valuation methods as applied by the Management Board, as included in the valuation reports, are appropriate and consistent with prior year. - Challenged the significant assumptions (such as gross initial yield, market rent levels) against relevant market data. We have involved our internal real estate valuation experts in these assessments. - Assessed the sensitivity analysis on the key input data and assumptions to understand the impact of reasonable changes in assumptions on the valuation. - Assessed the appropriateness of the disclosures relating to the assumptions used in the valuations and sensitivity analysis in the notes to the consolidated financial statements.

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

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

Observation

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

REPORT ON THE OTHER INFORMATION INCLUDED IN ANNUAL REPORT

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

The other information consists of:

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

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

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

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

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

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

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of Management Board for the financial statements

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

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

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

Our responsibilities for the audit of the financial statements

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

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

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

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

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

- Concluding on the appropriateness of Executive Board of Director'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.

Amsterdam, March 26, 2024

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE SUSTAINABILITY INFORMATION BOUWINVEST DUTCH INSTITUTIONAL OFFICE FUND

To the participants of Bouwinvest Dutch Institutional Office Fund

Our conclusion

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

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

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

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

The sustainability information is included in section 'Performance on sustainability' part of chapter 'Performance on strategy' on page 20-24 of the annual report, excluding the EU Taxonomy section on page 23-24.

Basis for our conclusion

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

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

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

Criteria

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

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

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

Materiality

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

Limitations to the scope of our assurance engagement

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

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

Our conclusion is not modified in respect to these matters.

Responsibilities of the Management Board for the sustainability information

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

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

Our responsibilities for the assurance engagement on the sustainability information

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

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

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

Our limited assurance engagement included among others:

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

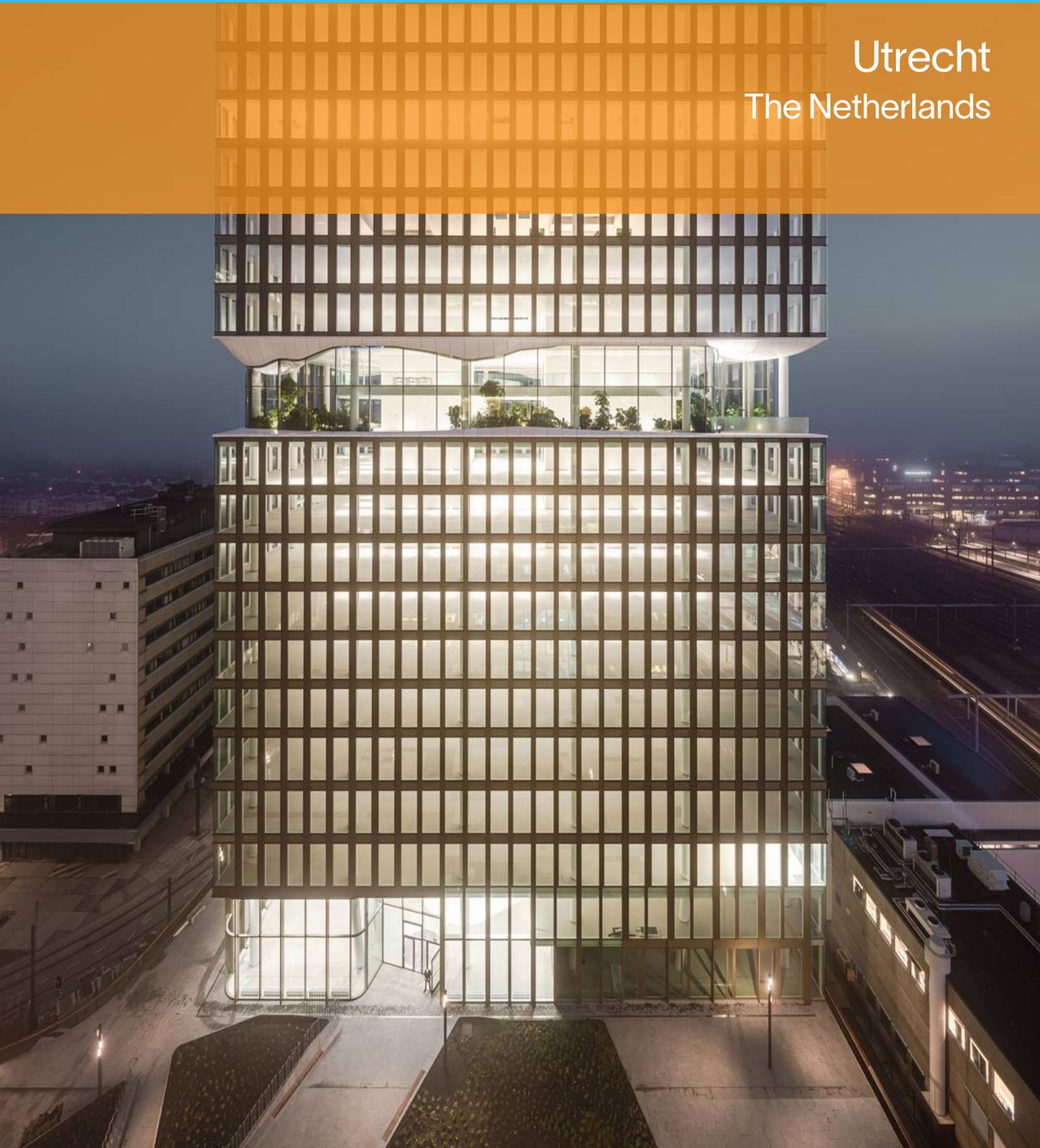
Amsterdam, March 26, 2024

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Central Park Multi-tenant

Utrecht
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 unit	Actual impact on 2023 figures	Actual impact on 2022 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 investor loans and hybrid capital instruments (including convertible bonds) that represent investors long term interests in a vehicle	X	X	N/A	N/A
2 Effect of dividends recorded as a liability which have not been distributed	X	X	N/A	N/A
NAV after reclassification of equity-like interests and dividends not yet distributed	X	X	N/A	N/A
Fair value of assets and liabilities	X	X	N/A	N/A
3 Revaluation to fair value of investment properties	X	X	N/A	N/A
4 Revaluation to fair value of self-constructed or developed investment property	X	X	N/A	N/A
5 Revaluation to fair value of investment property held for sale	X	X	N/A	N/A
6 Revaluation to fair value of property that is leased to tenants under a finance lease	X	X	N/A	N/A
7 Revaluation to fair value of real estate held as inventory	X	X	N/A	N/A
8 Revaluation to fair value of other investments in real assets	X	X	N/A	N/A
9 Revaluation to fair value of indirect investments not consolidated	X	X	N/A	N/A
10 Revaluation to fair value of financial assets and financial liabilities	X	X	N/A	N/A
11 Revaluation to fair value of construction contracts for third parties	X	X	N/A	N/A
12 Set-up costs	X	X	N/A	N/A
13 Acquisition expenses	X	X	Yes	Yes
14 Contractual fees	X	X	N/A	N/A
Effects of the expected manner of settlement of sales/vehicle unwinding	X	X	N/A	N/A
15 Revaluation to fair value of savings of purchaser's costs such as transfer taxes	X	X	N/A	N/A
16 Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	X	X	N/A	N/A
17 Effect of subsidiaries having a negative equity (non-recourse)	X	X	N/A	N/A
Other adjustments	X	X	N/A	N/A
18 Goodwill	X	X	N/A	N/A
19 Non-controlling interest effects of INREV adjustments	X	X	N/A	N/A
INREV NAV	X	X	Yes	Yes

INREV adjustments

All amounts in € thousands, unless otherwise stated

Note	Total 2023	Per unit 2023	Total 2022	Per share 2022
NAV as per the financial statements	1,139,590	2,634.41	1,198,693	2,964.33
Reclassification of certain IFRS liabilities as components of equity				
1 Effect of reclassifying investor loans and hybrid capital instruments (including convertible bonds) that represent investors 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	1,139,590	2,634.41	1,198,693	2,964.33
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	6,286	14.5	1,816	4.5
14 Contractual fees	-	-	-	-
Effects of the expected manner of settlement of sales/vehicle unwinding				
15 Revaluation to fair value of savings of purchaser's costs such as transfer taxes	-	-	-	-
16 Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	-	-	-	-
17 Effect of subsidiaries having a negative equity (non-recourse)	-	-	-	-
Other adjustments				
18 Goodwill	-	-	-	-
19 Non-controlling interest effects of INREV adjustments	-	-	-	-
INREV NAV	1,145,876	2,648.94	1,200,509	2,968.82
Number of units issued	432,579		404,373	
Number of units issued taking dilution effect into account	432,579		404,373	
Weighted average INREV NAV	1,174,132		1,265,928	
Weighted average INREV GAV	1,195,932		1,288,999	
Total Expense Ratio (NAV)	0.5%		0.5%	
Total Expense Ratio (GAV)	0.5%		0.5%	
Real Estate Expense Ratio (GAV)	1.5%		1.3%	

Notes to the INREV adjustments

All amounts in € thousands, unless otherwise stated

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

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

Investor 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 units, no adjustment is included.

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

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

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

3 Revaluation to fair value of investment property

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

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

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

5 Revaluation to fair value of investment property held for sale

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

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

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

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

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

7 Revaluation to fair value of real estate held as inventory

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

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

8 Revaluation to fair value of other investments in real assets

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

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

9 Revaluation to fair value of indirect investments not consolidated

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

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

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

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

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

11 Revaluation to fair value of construction contracts for third parties

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

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

Adjustments to reflect the spreading of one-off costs

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

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

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

12 Set-up costs

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

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

13 Acquisition expenses

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

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

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

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

Most of the acquisitions are realised via a turn-key agreement with a development company. Since these acquisitions can be purchased free of transfer-tax normally the acquisition price is higher than if transfer-taxes 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 units. 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 units in a

property vehicle might be taken into account when determining the deduction of transfer taxes and purchaser's costs (if this lowers the actual transfer tax and/or purchaser's costs to be paid upon sale by the seller).

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

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

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

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

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

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

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

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

18 Goodwill

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

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

19 Non-controlling interest effects of INREV adjustments

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

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

Independent auditor's report

To the participants of Bouwinvest Dutch Institutional Office Fund

REPORT ON THE INREV ADJUSTMENTS

Our Opinion

We have audited the accompanying INREV adjustments 2023 of Bouwinvest Dutch Institutional Office Fund, 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 86 up to and including page 91.

Basis for our opinion

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

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

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

DESCRIPTION OF RESPONSIBILITIES FOR THE INREV ADJUSTMENTS

Responsibilities of Management Board for the INREV adjustments

Management Board is responsible for the preparation of the INREV adjustments in accordance with the accounting policies selected and disclosed by the Company (INREV valuation principles) as set out on page 86 up to and including page 91.

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 26, 2024

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Enclosures

Composition of the Management Board



Chief Executive Officer and Statutory Director

Mark Siezen

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



Chief Financial & Risk Officer and Statutory Director

Henk-Dirk de Haan

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



Chief Client Officer

Marleen Bosma

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



Chief Investment Officer Dutch Investments

Allard van Spaandonk

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



Chief Investment Officer International Investments

Stephen Tross

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



Fund Manager Dutch Office & Hotel Investments

Bas Jochims

Bas Jochims is the Fund Manager of Dutch Office & Hotel Investments. In this role, he is entrusted with overseeing the overall fund management, encompassing both financial and non-financial performance aspects. Previously, he was responsible for the performance of the assets as Director Dutch Office & Hotel Investments since 2008. Bas started as Asset Manager at Bouwinvest in 2005. In total he has 24 years of experience in real estate. Bas gained his real estate experience with Dynamis ABC Offices, where he worked as an Account Manager and was responsible for the total property management in the greater Amsterdam and The Hague regions. Bas studied Management, Economics and Law in Eindhoven and obtained an academic degree (Msc) in Real Estate Development & Investment at the University of Greenwich (UK).

Responsible investment performance indicators

Continued improvement of the Fund's sustainability performance

Promoted ESG characteristic	Indicator	Measure	Units of measure	2023	2022	% change	Plan 2023-2025
Fund: above-average sustainable fund	GRESB	Star rating	# stars	5	5	-	Annual improvement of overall GRESB score
		Overall score	# [1-100]	93	92	1	
Building: building certificate BREEAM In-Use score	BREEAM	BREEAM-NL Label (asset)	%	95.8%	96.3%	-0.5 pp	All standing investments minimum BREEAM-NL in-use VERY GOOD by the end of 2023 at asset-level
		BREEAM-NL Label (management)	%	78.9%	70.1%	+8.7 pp	

Reducing environmental impact

Promoted ESG characteristic	Indicator	Measure	Units of measure	2023	2022	% change	Plan 2023-2025
Combatting climate change: source of energy (phase out fossil fuels)	Free of natural gas	Percentage of gas free m ²	%	61.4%	63.0%	-2.6%	100% Gas free in 2045
		Emissions in kg CO ₂ m ² (electricity purchased by the Fund)	kg	0 (All emissions compensated)	0 (All emissions compensated)	+0	Annually no scope 2 emissions
Combatting climate change: energy-efficient buildings	Average energy intensity	kWh/m ² /yr	#	134	137	-2.0%	

Stakeholder engagement performance

Promoted ESG characteristic	Indicator	Measure	Units of measure	2023	2022	% change	Plan 2023-2025
Tenant health & wellbeing	BREEAM In-Use health assessment score	BREEAM Label (asset)	%			+0.0 pp	2024: > 70%
		BREEAM Label (management)	%			+0.0 pp	2024 > 60%
Product accountability: tenant satisfaction	Tenant satisfaction	Average total score	#	7.3	7.3	+0.0	Tenants give the Fund a score higher than 7

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

Being a responsible organisation

Promoted
ESG

characteristic	Indicator	Measure	Units of measure	2023	2022	% change	Plan 2023-2025
Considerate constructors scheme (construction sites)	Construction sites working under the considerate constructors scheme (based on purchase price)	Participation rate (by acquisition price)	%	N/A	N/A		≥75% of total construction sites

Reporting of performance indicators

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

Bouwinvest reports environmental data of those assets where there is management control possible (operational control approach). Data is provided for those assets where 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.

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

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

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

Properties overview

Municipality	Street name/property name	Floor space (in m ²)	No. of parking units	Year of construction/renovation	Land ownership	Core region	Financial occupancy rate (average)
The Hague	Centre Court (Offices)	41,208	-	2002	Freehold	The Hague	100.0%
The Hague	Centre Court (Parking)	4	670	2002	Freehold	The Hague	93.4%
The Hague	WTC The Hague / Prinsenhof (Offices)	63,306	-	2004	Leasehold	The Hague	91.0%
The Hague	WTC The Hague / Prinsenhof (Parking)	584	923	2004	Leasehold	The Hague	91.0%
The Hague	De Zeven Provinciën	5,232	23	1960	Freehold	The Hague	100.0%
Amsterdam	De Lairese	3,522	57	1998	Leasehold	Amsterdam	58.8%
Amsterdam	Valeriusplein	918	-	1917	Leasehold	Amsterdam	100.0%
Amsterdam	Olympisch Stadion (Parking)	125	850	2001	Leasehold	Amsterdam	99.9%
Amsterdam	Olympisch Stadion (Offices)	12,821	-	1999	Leasehold	Amsterdam	99.9%
Amsterdam	Valina	3,716	14	2015	Leasehold	Amsterdam	100.0%
Amsterdam	Move	7,351	40	2019	Leasehold	Amsterdam	100.0%
Amsterdam	The Garage	12,561	25	2019	Leasehold	Amsterdam	100.0%
Amsterdam	Hourglass	21,975	148	2020	Leasehold	Amsterdam	100.0%
Amsterdam	The Bell	6,948	50	1873	Freehold	Amsterdam	100.0%
Rotterdam	Maasparc	6,357	30	2000	Freehold	Rotterdam	100.0%
Rotterdam	WTC Rotterdam (Offices)	45,082	-	1987	Freehold	Rotterdam	83.7%
Rotterdam	WTC Rotterdam (Parking P1 / P2)	26	240	1987	Freehold	Rotterdam	66.3%
Rotterdam	WTC Rotterdam (Parking WTC-Beursplein)	-	248	1987	Freehold	Rotterdam	99.8%
Utrecht	Nieuwe Vaart	11,560	111	1992	Freehold	Utrecht	94.1%
Utrecht	Central Park	28,613	365	2021	Freehold	Utrecht	84.7%
Total		271,908	3,794				93.2%

Periodic disclosure under SFDR

SFDR periodic disclosure

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

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

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

Product name: Bouwinvest Office Fund

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 22% of sustainable investments <ul style="list-style-type: none"> <input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

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



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

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

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

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

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

E/S char.	Indicator	2023	2022	2021	2020
Ia.	GRESB score	93	92	95	95
	GRESB star rating	5-star rating	5-star rating	5-star rating	5-star rating
Ib.	Building certificate	96%	96%	98%	96%
	BREEAM-NL VERY GOOD or better (asset)				
	Building certificate	79%	70%	N/A	N/A
	BREEAM-NL VERY GOOD or better (management)*				
Ila.	Free of natural gas (% m)*	61%	63%	N/A	N/A
	CO emissions in kg CO m of purchased energy (scope 2) compensated)	0 (all emissions compensated)			
Ilb.	Average energy intensity (kwh/ m /yr)*	134	137	N/A	N/A
III.	Tenant satisfaction	7.3	7.3	7.3	7.3
	BREEAM In-Use health assessment score	As per 2024	N/A	N/A	N/A

IV.	Considerate construction scheme (construction sites)	N/A	N/A	100%	100%
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The performance on several sustainability indicators was in line with the plan of the Fund for 2023. The Fund improved its performance for different KPI's, like GRESB, BREEAM-NL VERY GOOD or better on management level and its average energy intensity and came close to achieving its goal for 2023.

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

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

● **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.

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 this financial product consider principal adverse impacts on sustainability factors?

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



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

What were the top investments of this financial product?

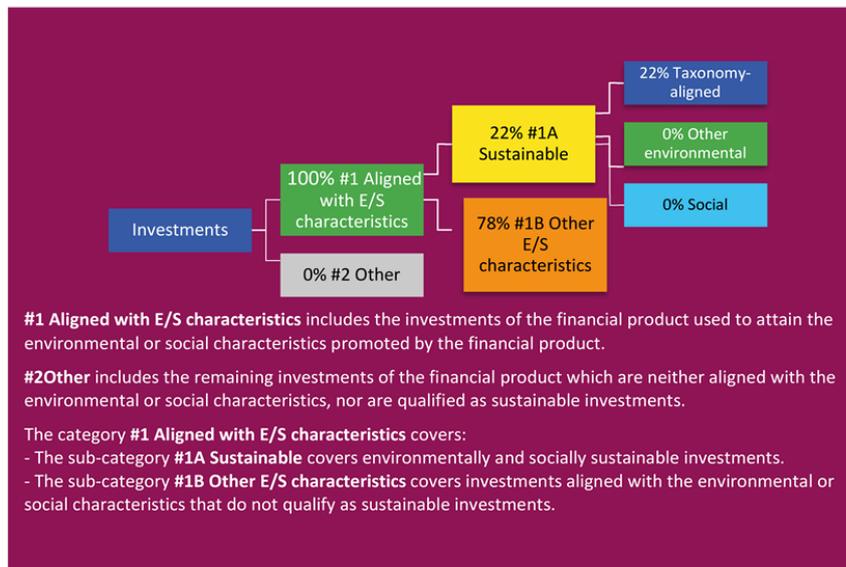
Largest investments	Sector	% Assets	Country
WTC The Hague / Prinsenhof (Offices)	Real estate - Office	15%	Netherlands
Central Park	Real estate - Office	13%	Netherlands
Hourglass	Real estate - Office	12%	Netherlands
Centre Court (Offices)	Real estate - Office	10%	Netherlands
WTC Rotterdam (Offices)	Real estate - Office	9%	Netherlands

Asset allocation describes the share of investments in specific assets.



What was the proportion of sustainability-related investments?

● *What was the asset allocation?*



● *In which economic sectors were the investments made?*

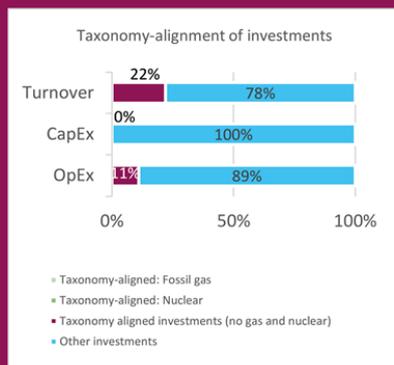
The Fund's asset allocation is 100% towards direct real estate assets.

Taxonomy-aligned activities are expressed as a share of:

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

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

The graphs below show 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?**

Compared to previous reference period, the percentage of investments that were aligned with the EU Taxonomy have increased with 19%.



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?

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



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

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

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

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

Glossary

Acquisitions

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

Considerate constructors scheme

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

Direct property return

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

Distributable result

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

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 investors' equity of the Fund.

Net initial yield

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

Net rental income

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

On-site solar power

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

Passing rent

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

Pay-out ratio of distributable earnings

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

Property value

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

Real Estate Expense Ratio (REER)

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

Reduction of energy consumption

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

Residential units in mid-rental segment

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

Sustainably certified portfolio

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

Theoretical rent

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

Total Global Expense Ratio (TGER)

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

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Design and production: TD Cascade

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