Vesteda Annual Report 2024

At home with Vesteda

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

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Management report

Message from the Management Board

Dear stakeholders,

We are pleased to present you with our annual report 2024, in which we describe the key developments and account for our financial and ESG performance.

Vesteda delivered strong operational performance while also seeing high portfolio revaluations, resulting in an outperformance of the three-year MSCI benchmark. We are proud that our continuous commitment on the ESG front was recognised. We were once again named Global Sector Leader Residential by GRESB, and we have further increased our tenant satisfaction score, outperforming the benchmark and ending best in class on almost all aspects.

In 2024, we gained clarity on the Affordable Rent Act, which was approved by the Parliament and came into effect on 1 July 2024. We also received the Supreme Court's decision on rent increase clauses, confirming the legality of a standard surcharge on rent in addition to inflation. This clarity enables us to continue our strategy of investing in affordable and sustainable homes in the Netherlands. It is also crucial for the investment market as we seek new investors to service redemption requests. We achieved positive results on redemptions, welcoming pension fund MITT and paying out the entire Redemption Available Cash. In addition, we are in the process of modernising our liquidity mechanism to improve fund liquidity and attractiveness to investors.

This year also marked a change of CEO, followed by the development and implementation of a refined strategy. Through Vesteda, we join a growing movement of organisations striving to make a difference, contributing to a better and more sustainable world, while ensuring financial outperformance. Our goal is to remain a leader in the Dutch housing market, shaping a more sustainable and equitable future for all stakeholders. We aim to create consistent, long-term value for our investors by optimising our portfolio, maintaining operational excellence, and staying ahead of market trends. We are committed to making a meaningful, measurable impact on residents and communities, embodying our vision of Housing as a force for good.

As we look to the future, we are aligning our organisation with our vision of "Housing as a force for good" by preparing to take the necessary actions. We will utilise technology and data to continually enhance our services, ensuring we adapt to evolving market dynamics. In the short term, we will be cautious about new acquisitions while focusing on strengthening our long-term business partnerships. This approach will position us to seize market opportunities as they emerge, enabling us to expand our reach and support a growing number of residents.

Let's move forward together, inspired by this shared purpose. We would like to thank our stakeholders for their continued support and we thank Gertjan van der Baan for his great leadership over the past 10 years.

Astrid Schlüter (CEO) and Frits Vervoort (CFO)

Amsterdam, 19 March 2025

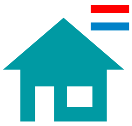
Vesteda at a glance

About Vesteda

Leading institutional residential investor

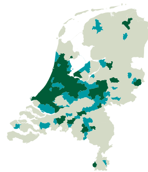
Vesteda is a residential investor and landlord that focuses on sustainable homes for middle-income households. Vesteda invests funds for institutional investors, such as pension funds and insurance companies. Our portfolio consists of over 28,000 residential units and has a total value of nearly €10 billion. Our homes are mainly located in economically strong regions and core urban areas in the Netherlands. Vesteda is internally managed, is cost-efficient and has its own in-house property management.

Key characteristics



Dutch residential rental market

Middle income households



Primary regions

Fund

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

Assets

- Diversified portfolio consisting of nearly 500 residential complexes in economically strong regions;
- Only in the Netherlands, all in residential and related properties;
- Focus on homes for middle-income households;
- Offers sustainable housing and operates in a socially responsible manner.

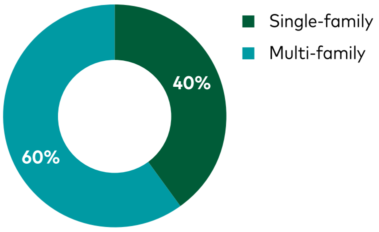
Targets

- Tenant satisfaction: Outperform the Customeyes benchmark;
- ESG performance: Energy reduction in kWh/sqm ≈ 60% in 2030 (compared to 1990); Paris proof in 2045;
- Financial performance: Outperform the three-year MSCI IPD Netherlands Residential Benchmark.

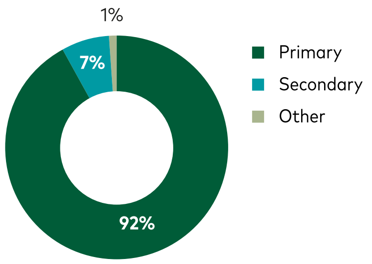
Portfolio overview

Number of residential units	Investment portfolio value	Occupancy rate	Gross rental income
28,069	€9.8 bln	98.0%	€399 mln

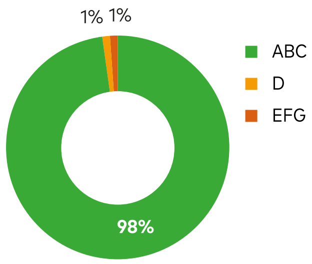
Portfolio by type of residential unit (weight in value)



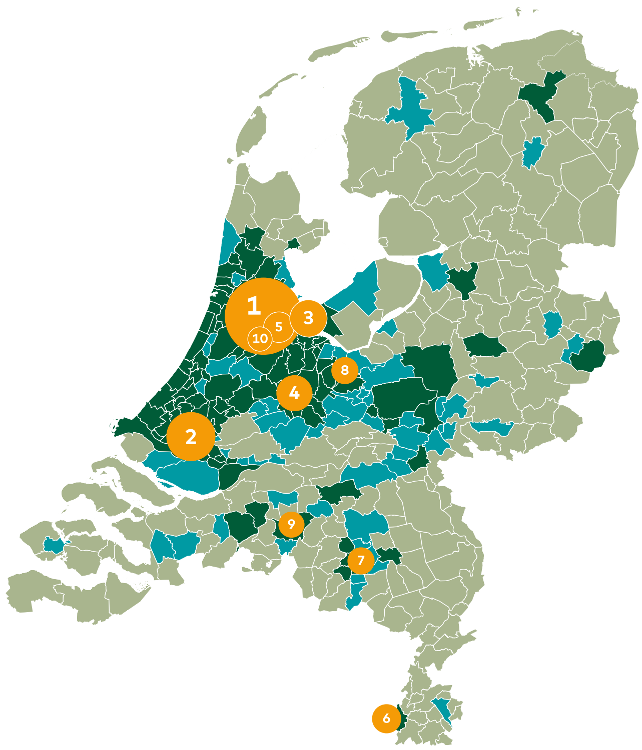
Portfolio by region (weight in value)



Portfolio by energy label (weight in units)



Portfolio distribution (value at year-end 2024)



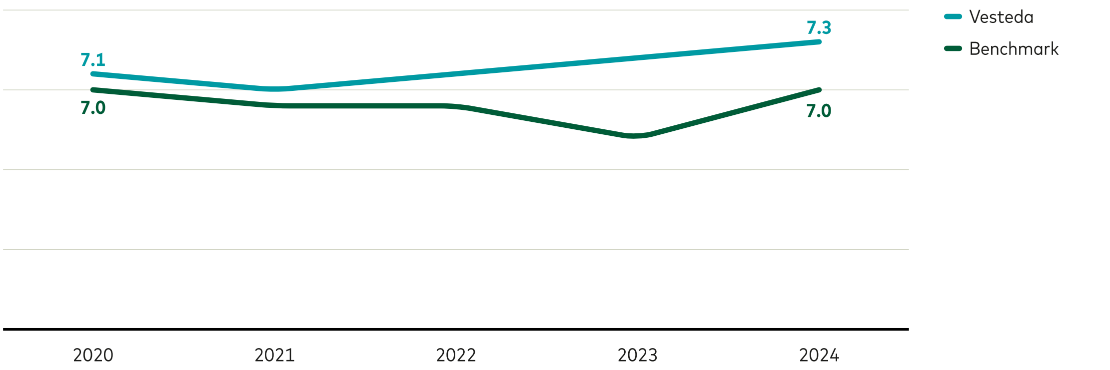
		€ million	% of total portfolio
1.	Amsterdam	2,049	21.1%
2.	Rotterdam	824	8.5%
3.	Almere	478	4.9%
4.	Utrecht	447	4.6%
5.	Diemen	320	3.3%
6.	Maastricht	287	3.0%
7.	Eindhoven	254	2.6%
8.	Amersfoort	250	2.6%
9.	Tilburg	235	2.4%
10.	Amstelveen	203	2.1%
	Total	**5,347**	**55.1%**

Vesteda focus regions

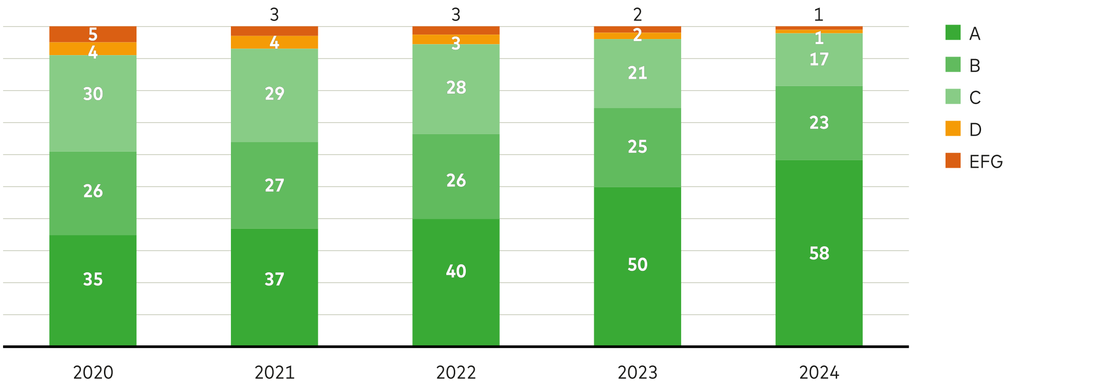
- Primary
- Secondary
- Other
- Top 10 region by portfolio value

Key figures

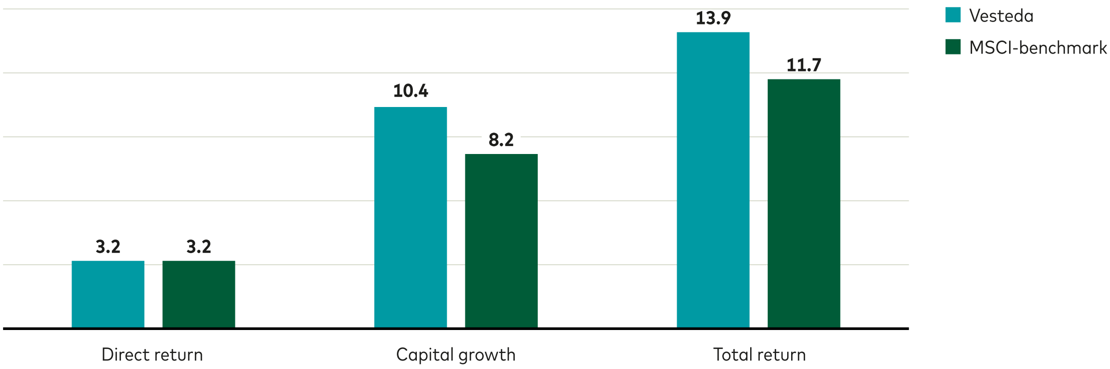
Tenant satisfaction (score out of 10)



Energy labels (%, weight in units)



Performance Vesteda vs MSCI benchmark 2024 (%)



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

The Ox
Amsterdam

168 apartments in a sustainable and energy-efficient building. Priority was given to residents from Nieuw-West, social housing tenants and key workers

Strategy

Housing as a force for good

Ambition

With 'Housing as a force for good' as its guiding principle, Vesteda wants to use its 28,000 homes as a way to bring about positive change in society. Driven by the desire to contribute and do something good for the world, we want to help create a housing market that puts affordability, sustainability, accessibility and solidarity front and centre. We see a future in which affordable housing helps make our tenants' lives both better and healthier.

Vesteda wants its homes to make an active contribution to solving some of the current challenges faced by society. We want to achieve this by acquiring and letting sustainable homes in liveable neighbourhoods and by fostering a sense of community to improve the well-being of our tenants. We do our best to minimise our impact on the environment by making sustainable choices in acquisitions, renovation projects and projects to make our homes more sustainable, as well as in the management and maintenance of our homes.

At the same time, we generate healthy financial returns for our participants. Our explicit goal is to achieve a healthy balance between social and financial returns. This enables Vesteda to create value for everyone who is involved in our organisation: from our tenants to our investors and from our employees to the partners we work with on a daily basis.

Armed with this ambition, we want to play a pioneering role in the sector and inspire others to also use their business operations as a force for good.

Strategy

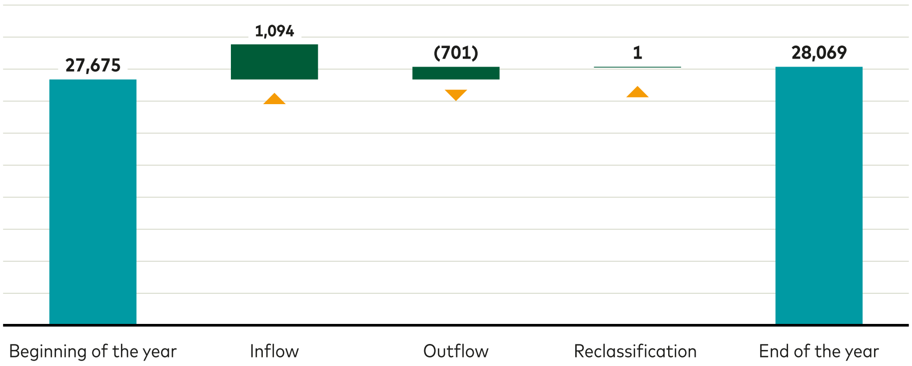
Our strategy for the coming years is aimed at realising our ambition to help more people find appropriate housing. We will do this by continuing to improve our services through the smart use of technology and data, without ever losing sight of the human touch. We also want to offer people room for growth, by promoting mobility and offering more people access to appropriate housing. And we want to strengthen Vesteda by working closely with our current partners and by forging new innovative partnerships. Finally, we will do our best to increase our tenants' engagement with their living environment, which will in turn help improve the quality of life and community spirit in our complexes and neighbourhoods.

These strategic choices will help us to achieve our ambition to realise 'Housing as a force for good' and help us to make a positive contribution to society. We are setting a new standard and leading the movement to make Vesteda a force for good, creating value for all our stakeholders.

Vesteda vision framework

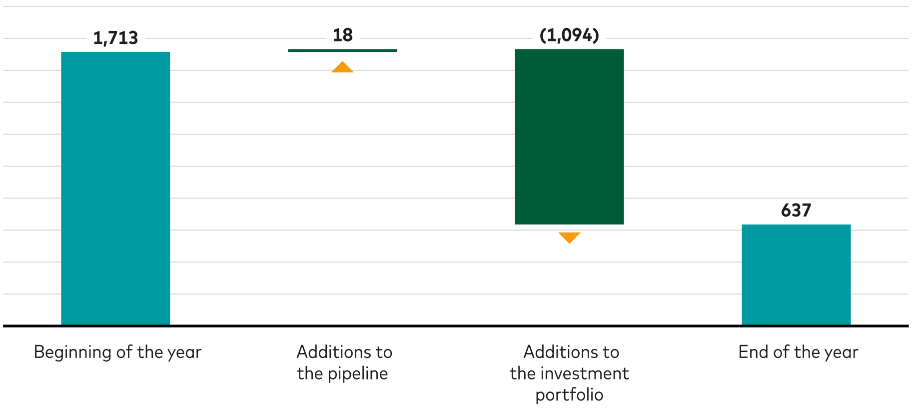
Units

Investment portfolio development in 2024 (number of units)



The total number of residential units stood at 28,069 at year-end 2024, an increase of 394 units compared with year-end 2023. In 2024, we added 1,094 new-build homes, sold 701 units and reclassified one unit as a residential unit.

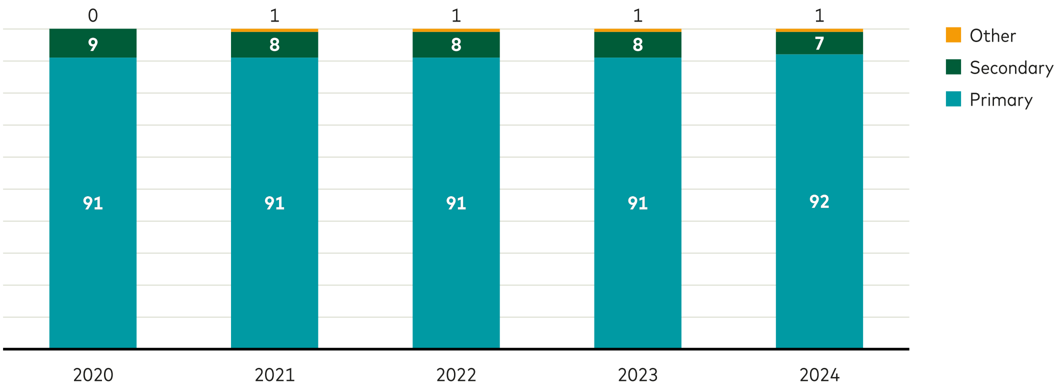
Acquisition pipeline development in 2024 (number of units)



The total committed pipeline stood at 637 units at year-end 2024. We signed for one new-build project, adding 18 units to the committed pipeline.

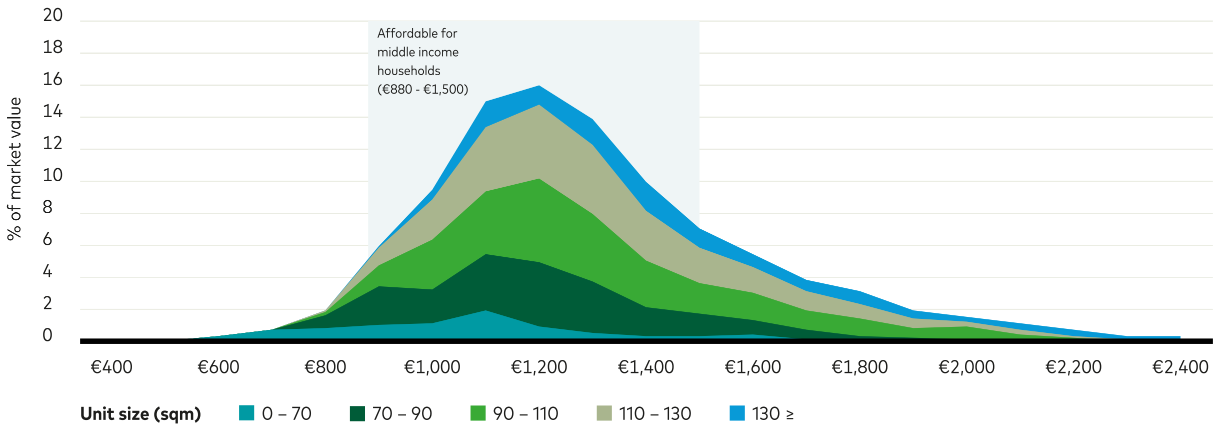
Segmentation

Investment portfolio by region (%, weight in value)



At year-end 2024, 92% of the investment portfolio was located in Vesteda's primary regions, due to the relative high inflow and some outflow in primary regions, the exposure to primary regions increased with 1%.

Investment portfolio by monthly rent and size (year-end 2024)



The chart above illustrates the distribution of our portfolio based on unit size, rent, and market value. 80% of the portfolio is attainable for middle-income households as defined by the Dutch government.

Acquisitions and property sales

The Dutch residential investment market showed signs of recovery, as the investment volume in the residential real estate market increased by 59% compared with 2023. This growth was primarily driven by an increase in portfolio transactions and renewed interest from international investors (Sources: Capital Value, Cushman & Wakefield). Despite this positive trend, challenges persist. The demand for affordable rental housing continues to outstrip supply, particularly for middle-income households. The market is still adapting to the new regulatory environment, including the implementation of the Affordable Rent Act in July 2024.

Vesteda recognises the persistently strong demand for affordable housing and remains committed to delivering good quality homes for middle-income households. While transaction volumes are still below pre-2022 levels, we see opportunities emerging. The stabilisation of interest rates and a slight improvement in investor sentiment have created a more favourable environment for long-term investors. Looking ahead, Vesteda remains cautious with regard to new acquisitions in the short-term, while maintaining and strengthening its long-term business partnerships, positioning itself to capitalise on market opportunities as they arise. We continue to focus on sustainable, high-quality residential assets that align with our strategy of providing affordable housing while delivering value to our stakeholders.

In 2024, Vesteda sold five complexes totaling 257 units that did not align with our long-term strategic goals. Additionally, we sold 444 individual units, bringing the total units sold for the year to 701.

The following table provides an overview of the new-build additions to the investment portfolio in 2024.

New-build additions to the investment portfolio in 2024

Residential building	Location	Number of units	Type	Region	Quarter of completion
The Ox	Amsterdam	168	Multi-family	Primary	Q1
Binck Poort	The Hague	205	Multi-family	Primary	Q2
Imagine	Rotterdam	133	Multi-family	Primary	Q2
Grote Beer	Rotterdam	193	Multi-family	Primary	Q2
Typisch Tuinstad	Amsterdam	120	Multi-family	Primary	Q3 & Q4
Podium Vathorst	Amersfoort	68	Multi-family	Primary	Q4
De Kuil	Rotterdam	40	Multi-family	Primary	Q2
New Brooklyn	Almere	167	Multi- & single-family	Primary	Q2 & Q3
Total		**1,094**			

Our acquisition strategy is focused on homes for middle-income households. Given the current challenging macroeconomic developments, we limited our acquisitions to one new-build project that was added to our pipeline in Q2 2024. Vesteda acquired an additional 18 units in the Zuiderhof project in Rotterdam. All units are attainable for middle income households.

The total committed pipeline stood at 637 units at year-end 2024, with an estimated market value at completion of €233 million as per year-end 2024. All projects are in line with our portfolio strategy. The majority are located in the urban expansion sites of larger cities in the Netherlands, where Vesteda can benefit from the financially promising and ongoing development and improvement of the areas.

Committed acquisition pipeline at year-end 2024

Residential building	Location	Number of units	Type	Region	Expected completion
De Kuil	Rotterdam	80	Multi-family	Primary	Q2 2025
Loos	The Hague	78	Multi-family	Primary	Q2 2025
De Weverij	Enschede	116	Multi-family	Primary	Q3 2025
CZAN Singelblok	Amsterdam	185	Multi-family	Primary	Q3 2025
Zuiderhof	Rotterdam	178	Multi- & single-family	Primary	Q4 2025
Total		**637**			

Investments in quality and sustainability

We continued to actively create value and add quality to our existing portfolio, via renovations and sustainability improvements of selected assets. This usually entails transforming outdated yet promising assets in favourable locations into future-proof, sustainable, and cost-effective assets. This enables us to realise a higher reversionary potential, reduce future operating costs, lower the risk profile of the assets, reduce energy demand and increase quality and comfort for our tenants. In 2024, we successfully completed one renovation project comprising a total of 87 residential units.

Completed renovations in 2024

Residential building	Location	Number of units	Type	Previous energy label	New energy label
Tuindorp	Utrecht	87	Single-family	D	A+
Total		**87**			

Moreover, in the first quarter of 2025, we completed two renovation projects of in total 200 residential units.

Committed renovation pipeline at year-end 2024

Residential building	Location	Number of units	Type	Current energy label	New energy label
Bors van Waveren	Amstelveen	95	Single-family	F	A+
Schippersmeen	Harderwijk	105	Single-family	C	A+
Total		**200**			

In addition to the committed renovation pipeline, another five projects with approximately 500 residential units are currently in the initiative or design phase for renovation in the near future. These renovations contribute to a more sustainable portfolio, in line with our aim to outperform Paris Proof by 2045.

Performance

Market rent and theoretical rent

(€ million, year-end)	**2024**	%-growth	2023	%-growth	2022	%-growth	2021	%-growth	2020	%-growth
Market rent	487	11.0%	438	9.3%	401	4.1%	385	5.8%	364	8.0%
Theoretical rent	421	6.8%	394	4.8%	376	3.9%	362	3.1%	351	6.4%

The total theoretical rent stood at €421 million at year-end 2024, an increase of €27 million compared with year-end 2023. This was mainly driven by the inflow of new-build homes into the portfolio, the annual rent increase in July, and rent increases due to investments in quality and sustainability in selected assets in the portfolio. The reversionary potential stood at 15.6% at year-end 2024, increasing further due to strong market rental growth driven by the scarcity and inflation.

Average monthly rent per unit

(€, year-end)	**2024**	2023	2022	2021	2020
Average monthly rent	1,189	1,133	1,081	1,042	1,016

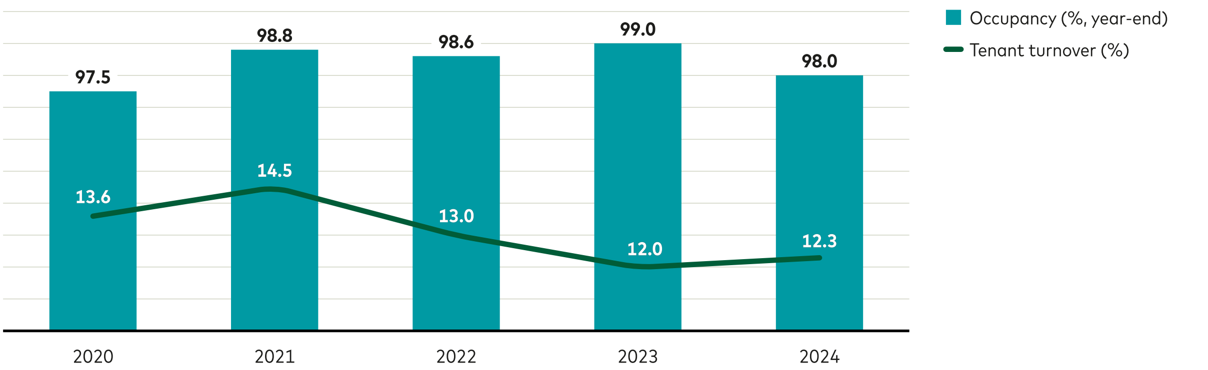
The average monthly rent (residential) increased by 5.0% in 2024, due to the like-for-like growth of our standing portfolio and changes in the composition of the portfolio due to inflow and outflow.

Development of total theoretical rent of residential units

	2024	2023
Average rent increase for current tenants	3.8%	3.7%
Re-letting	0.9%	0.8%
Other	0.3%	0.2%
Total like-for-like rent increase	**5.0%**	**4.7%**

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

Occupancy and tenant turnover



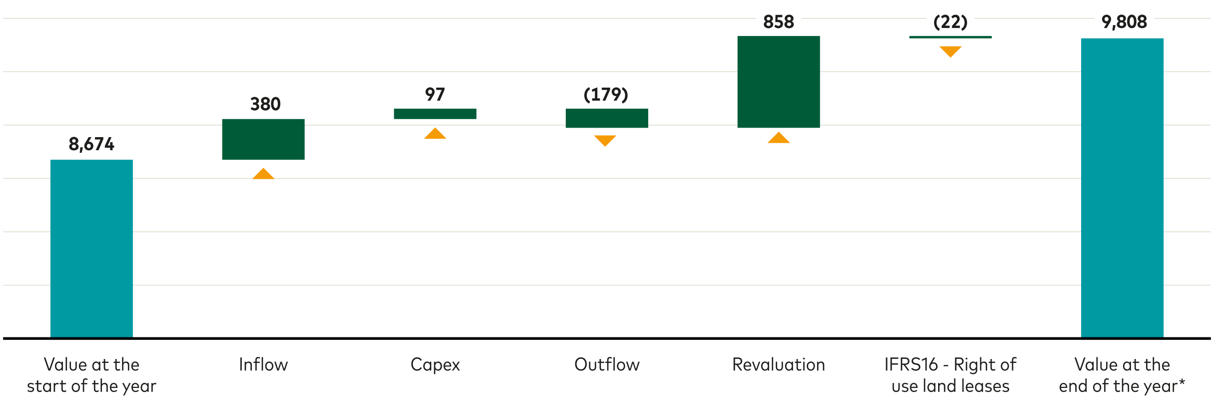
The occupancy rate decreased slightly to 98% in 2024 compared with 99% in 2023. The vacancy is mainly caused by renovation projects and recent inflow which was not fully rented by year end. Tenant turnover in the residential portfolio was 12.3% and remained fairly steady compared to the previous year.

Rental income

(€ million, unless otherwise stated)	**2024**	2023	2022	2021	2020
Gross rental income	399	378	363	347	335
Net rental income	289	284	270	260	251
Gross/net ratio	28.0%	25.2%	26.1%	25.4%	24.9%

The gross rental income and net rental income of the portfolio both increased last year, driven by the inflow of new-build homes, the annual rent increase and rent increases following large renovations. Our property operating expenses (including service charges) also increased, largely due to rising cost levels driven by inflation, higher maintenance and higher property related taxes. The cap on rent increase and high inflation puts pressure on the gross/net ratio, which came in at 28.0%, 3% higher than in 2023.

Changes in market value in 2024 (€ million)



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

The previous graph shows the market value development of the investment portfolio. The total value increased to €9.8 billion at year-end 2024 (including IFRS 16), which was 13.1% higher than at year-end 2023. This is the result of an increased number of units in the portfolio and positive revaluations driven by declining interest rates, reduced risk perception and continuously rising vacant possession values.

1 Theoretical rent is measured at a single point in time (year-end) and therefore does not correspond with the increase in theoretical rent in 2024 compared with 2023, which you will find in Note 5 of the consolidated financial statements in this report.

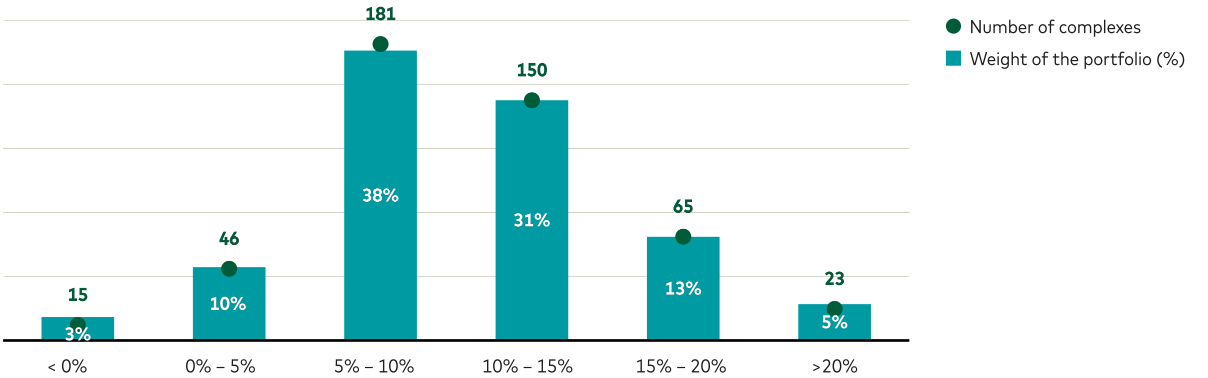
Average market value per unit

(€ thousand, year-end)	**2024**	2023	2022	2021	2020
Average value per residential unit	345	308	335	340	292

The average value per Vesteda residential unit increased by 12% to €345 thousand at year-end 2024. This increase was largely driven by positive revaluations and changes in the composition of the portfolio due to in- and outflow.

The graph below shows a breakdown of the 2024 revaluations throughout our portfolio.

Revaluation in 2024



Gross initial yield

(%, year-end)	**2024**	2023	2022	2021	2020
Gross initial yield	4.3	4.6	4.0	3.8	4.4

The gross initial yield of the portfolio, defined as the theoretical rent at year-end divided by the value of the portfolio at year-end (excl. IFRS 16), decreased to 4.3% in 2024 from 4.6% in 2023.

Imagine
Rotterdam

133 energy-efficient apartments with a shared inner garden, located in Rotterdam South

Notes to the results

Income statement

(€ million)	**2024**	2023
Theoretical rent	408	385
Loss of rent	(9)	(7)
Gross rental income	**399**	**378**
Service charges income	14	12
Other income	2	2
Revenues	**415**	**392**
Property operating expenses (excluding service charges)	(105)	(89)
Service charges	(21)	(19)
Net rental income	**289**	**284**
Result on property sales	46	10
Management expenses	(30)	(30)
Financial results (incl. amortisation of financing costs and IFRS 16)	(68)	(56)
Realised result before tax	**237**	**208**
Unrealised result	891	(863)
Result before tax	**1,128**	**(655)**
Tax	(1)	(1)
Result after tax	**1,127**	**(656)**
Settlement pre-hedge contracts	1	1
Revaluation of Property Plant and Equipment (PPE)	1	(2)
Total comprehensive income	**1,129**	**(657)**

Gross rental income

The total theoretical rent increased by €23 million to €408 million in 2024. The average monthly rent (residential) increased to €1,189 at year-end 2024, from €1,133 at year-end 2023. The like-for-like rent increase was 5.0% in 2024 (2023: 4.7%), while the loss of rent increased to 2.1% in 2024, from 1.7% in 2023. Overall, this resulted in an increase in gross rental income of €21 million to €399 million in 2024.

Net rental income

Property operating expenses, including non-recoverable charges, amounted to €112 million in 2024, €16 million higher than in 2023, mainly due to higher property taxes and higher maintenance costs. Operating expenses, including non-recoverable charges, amounted to 28.0% of gross rental income in 2024 (2023: 25.2%). This resulted in a net rental income of €289 million in 2024, compared with €284 million in 2023.

Result on property sales

Vesteda sold in total 701 individual homes in 2024, consisting of 444 individual unit sales and five complex sales consisting of 257 units. The net result on property sales amounted to €46 million (2023: €10 million).

Management expenses

Management expenses amounted to €30 million in 2024, which was in line with 2023. The Total Expense Ratio (TER) declined to 33 basis points over Gross Asset Value (GAV) in 2024, from 34 basis points over GAV in 2023.

Financial results

Financial results came in at -€68 million in 2024, compared with -€56 million in the prior year, due to higher interest expenses as a result of higher debt and higher interest rates. The average cost of debt increased to 2.5% in 2024, from 2.2% in the prior year.

Financial results and EBITDA

(€ million, unless otherwise stated)	**2024**	2023
Financial results (incl. amortisation of financing costs and IFRS 16)	(68)	(56)
Interest expenses	61	48
EBITDA including result on property sales	307	265
EBITDA excluding result on property sales	261	255
Interest cover ratio	4.3	5.3

Realised result

The realised result was €237 million in 2024, compared with €208 million in 2023. The increase was mainly due to higher results on property sales. Realised return as a percentage of time weighted average equity increased to 3.5% in 2024 from 3.1% in 2023. Excluding the result on property sales, the realised result declined to €191 million in 2024 from €198 million in 2023, mainly due to higher interest expenses.

Unrealised result

Favourable revaluations in four quarters led to a positive unrealised result of €891 million in 2024, compared with a negative unrealised result of €863 million in 2023, driven by rising vacant possession values.

Total comprehensive income

Vesteda's total comprehensive income increased to a positive result of €1,129 million in 2024 from a negative result of €657 million in 2023, mainly due to positive revaluations in 2024 in contrast to negative revaluations in 2023. The total return on time-weighted average equity (ROE) came in at 16.9% in 2024 (2023: -9.8%), consisting of a realised return of 3.5% (2023: 3.1%) and an unrealised return of 13.4% (2023: -12.9%).

Statement of financial position

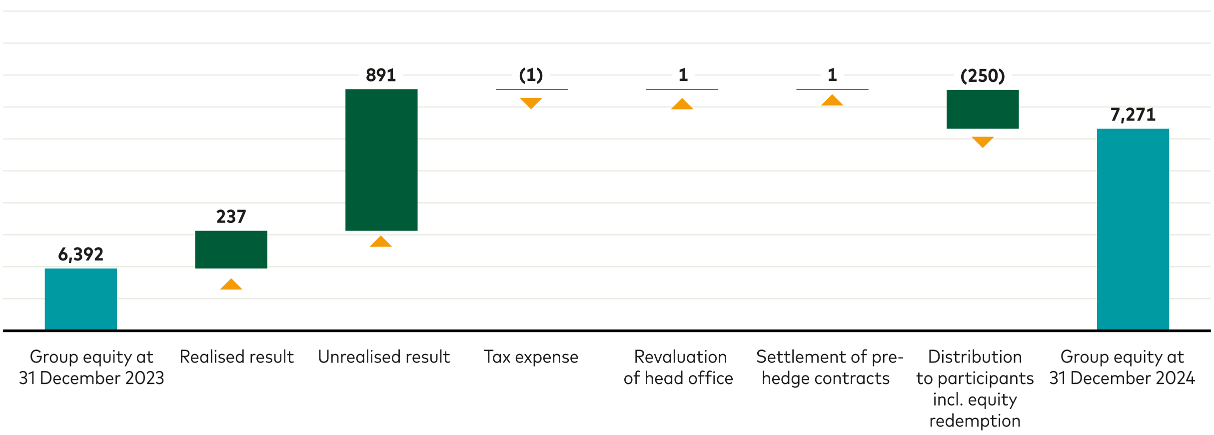
(€ million, unless otherwise stated)	**31 December 2024**	31 December 2023
Total assets (excl. IFRS 16)	9,902	8,956
Equity	7,271	6,392
Net debt	2,539	2,479
Leverage ratio (%, excl. IFRS 16)	25.6	27.7

At year-end 2024, the leverage ratio excluding IFRS 16 stood at 25.6% (year-end 2023: 27.7%). Including IFRS 16, the leverage ratio stood at 26.4% at year-end 2024 (year-end 2023: 28.7%).

Changes in equity

At year-end 2024, group equity amounted to €7,271 million, compared with €6,392 million at year-end 2023. The €879 million increase in equity was the balance of a realised result after tax of €236 million, a positive unrealised result of €891 million, a €1 million settlement gain on pre-hedge contracts, a positive €1 million revaluation of the head office, an equity redemption of €50 million and profit distributions to participants totaling €200 million.

Changes in equity (€ million)



Return on equity

(% of time weighted average equity)	**2024**	2023
Realised return	3.5	3.1
- return from letting	2.9	3.0
- return from property sales	0.6	0.1
Unrealised return	13.4	(12.9)
Total return	**16.9**	**(9.8)**
Return from other comprehensive income	-	-
Total comprehensive return	**16.9**	**(9.8)**
Total comprehensive income in € per participation right (based on number of participations at year-end)	32.1	(18.5)
Proposed distribution over the financial year	2.9	3.1

For more information, please see the Consolidated financial statements and Company financial statements sections of this report.

Performance compared with MSCI benchmark

In 2024, Vesteda outperformed the MSCI IPD Netherlands Residential Benchmark by 1.9%. The outperformance on capital growth was 2.0%, the annual capital growth for the Benchmark came in at 8.2%. Vesteda underperformed on direct return with (0.1%). On the three-year average total return Vesteda outperformed by 0.3%, driven by a higher capital growth and assets with individual sales in 2024. Our focus for the coming years remains on long-term outperformance, the three-year average total return.

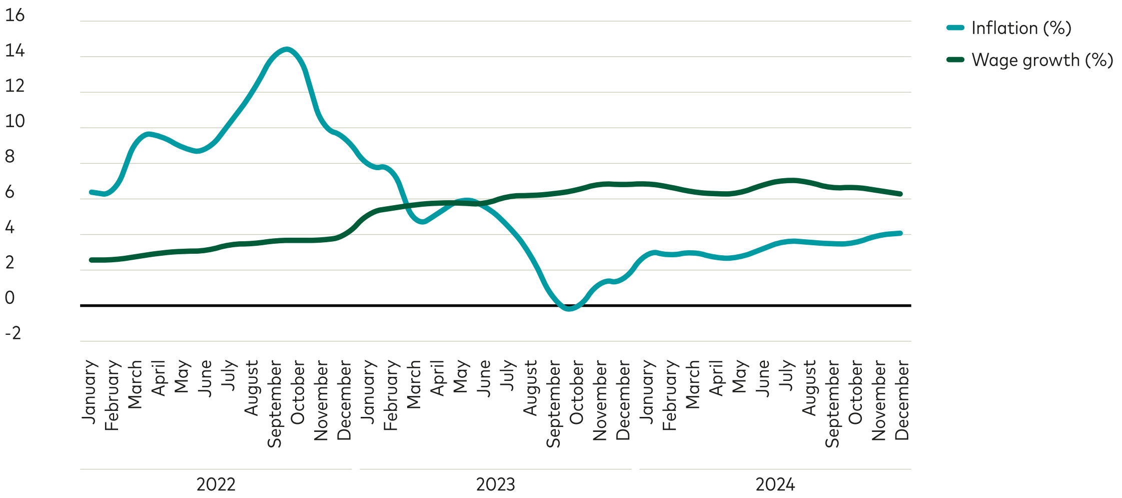
Vesteda Residential Fund versus MSCI residential benchmark

(%)	**2024**	2023	2022	2021	**3 yr average**	**5 yr average**
Direct return						
Vesteda	3.2	3.2	2.8	3.1	3.0	3.1
MSCI-benchmark	3.2	3.1	2.6	2.9	3.0	3.0
Outperformance	*(0.1)*	*0.1*	*0.1*	*0.2*	*0.0*	*0.1*
Capital growth						
Vesteda	10.4	(8.9)	(2.1)	14.9	(0.5)	3.2
MSCI-benchmark	8.2	(8.8)	(1.0)	12.2	(0.8)	2.9
Outperformance	*2.0*	*(0.2)*	*(1.1)*	*2.4*	*0.3*	*0.3*
Total return						
Vesteda	13.9	(6.0)	0.6	18.4	2.5	6.4
MSCI-benchmark	11.7	(5.9)	1.6	15.4	2.2	5.9
Outperformance	*1.9*	*(0.1)*	*(1.0)*	*2.6*	*0.3*	*0.4*

Market developments

The housing market started to recover and showed growth throughout the year. The investment market sentiment has been gradually improving, while on the consumer side, both the rental and owner-occupied housing sectors are showing signs of renewed market dynamics. This resurgence is primarily due to an improved economic climate, characterised by stabilising inflation rates and interest rates, although these remain on an elevated level, coupled with substantial increases in household incomes. Consequently, we have observed a sharp rise in both market rents and the prices of owner-occupied homes. However, this positive trend also highlights the housing market's most pressing issue: the substantial disparity between supply and demand. The current housing supply significantly lags behind demand, resulting in a situation where a considerable portion of Dutch households face challenges in securing suitable and affordable housing. This supply-demand imbalance will remain a key focus area for both policymakers and the investment market moving forward.

Inflation 2022-2024 (CPI) and wage growth (CAO)



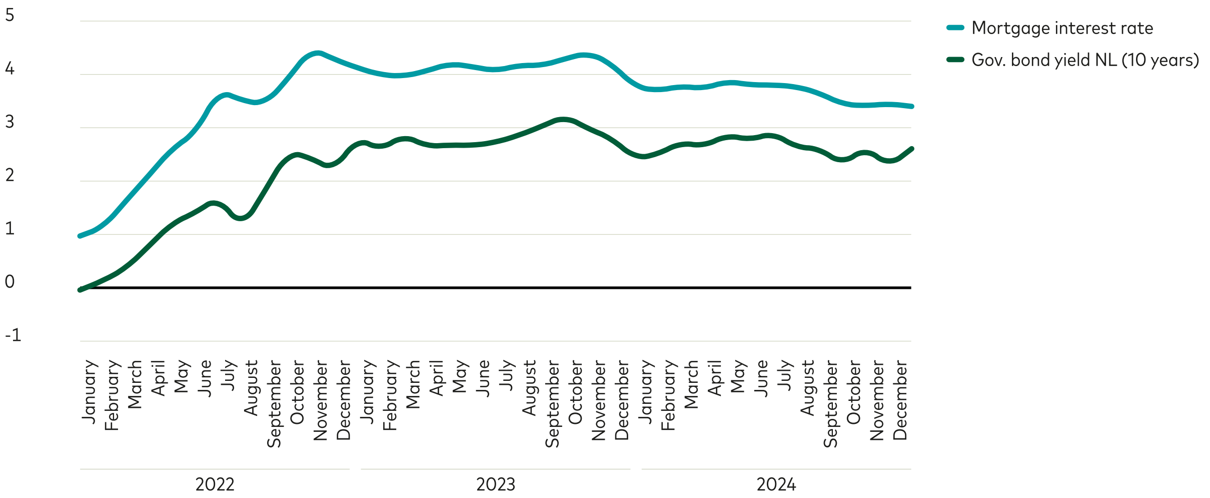
Source: Statistics Netherlands

Despite a significant decline in inflation in the Netherlands and the eurozone, this remains above the targeted 2%. The European Central Bank (ECB) raised interest rates ten times in the period from July 2022, reaching a level of 4%, to curb demand for goods and services and reduce inflation. This strategy proved effective, leading to a substantial decline in inflation. Consequently, in June 2024, the ECB lowered interest rates for the first time since July 2022, followed by a number of further reductions. However, consumer goods and services were still 4.1% more expensive in December 2024 than the previous year, slightly up from 4.0% in October, as reported by Statistics Netherlands (CBS). The annual inflation rate for 2024 was 3.3%. The Netherlands has experienced higher average wage growth than the rest of the eurozone, primarily due to labour shortages in various sectors.

Both wage growth and broader economic conditions, including supply constraints and strong demand, have contributed to inflation in recent years. Rent increases, which are partly tied to average wage increases in the Netherlands, have made a significant contribution to inflation. Lastly, the persistent high demand for products and services relative to production capacity, coupled with a tight labour market, continues to exert upward pressure on wages and prices from the demand side of the economy.

Average mortgage rates in the Netherlands remained relatively stable in 2024. Mortgage rates have increased significantly since early 2022, due to higher inflation expectations in the eurozone, leading to a rise in capital market rates. For example, the average 10-year mortgage rate with NHG (National Mortgage Guarantee) rose from 1.11% in early 2022 to 4.27% within 12 months. In 2023, mortgage rates stabilised at a higher average level. More recently, there has been a slight decline in rates. The 10-year rate with NHG fell to 3.40% from 3.77% one year ago (source: Hypotheker).

Mortgage interest rate vs government bond yield NL (10 years)



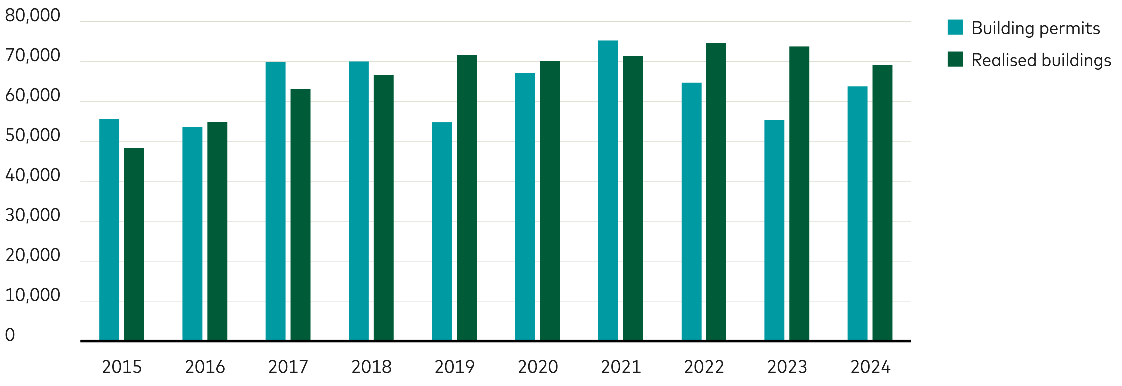
Source: IEX, BLG wonen

The impact of the lower mortgage rates and increase in household income was also reflected in a sharp increase in owner-occupied house prices. In 2024, the prices of existing owner-occupied homes in the Netherlands saw a significant increase, rising by an average of 8.7 percent compared to 2023. This marked the largest year-on-year increase in over two years. The housing market had previously reached a peak in July 2022, after which prices began to decline for a period. However, house prices have been rising again since June 2023. At the end of 2024, average prices had surpassed the previous peak of July 2022 to a level of €450,000, indicating a robust recovery and growth in the Dutch housing market (source: Statistics Netherlands).

On the investment market, the overall transaction volume for the year saw a substantial 59% growth compared to 2023. In total, some 28,500 properties were sold, with domestic investors accounting for the majority (85%) of these transactions. New-build rental properties accounted for 45% of the total transaction volume, representing €3 billion. These investments have the potential to facilitate the construction of approximately 12,000 new rental units in the coming years. The transaction volume in new-build increased by 25%. While both housing associations and institutional investors increased their investments by 52% and 32% respectively compared to the previous year, these levels remain insufficient to meet the targets set by the government. Furthermore, both existing portfolios and recent acquisitions of existing properties are increasingly being sold to private owner-occupiers, leading to a gradual decline in the rental stock over time.

The housing shortage continues to rise, due to the sale of rental homes, limited new construction, and a growing population. In the third quarter of 2024, building permits were granted for 12,400 new homes, representing an increase of one thousand units compared to the same period in the previous year. However, this figure indicates a significant decrease of 6,500 homes (-34 percent) from the second quarter of 2024. During the same period, 17,100 newly constructed homes were completed and delivered to the market. The number of approved building permits serves as a key indicator for future housing construction activity. Unfortunately, the current figures do not present an optimistic outlook for addressing the persistent housing shortage. This trend suggests that the supply of new homes may continue to lag behind demand in the near and medium term, potentially exacerbating the existing housing deficit (source: Statistics Netherlands, Capital Value).

Building permits vs realised buildings 2015-2024



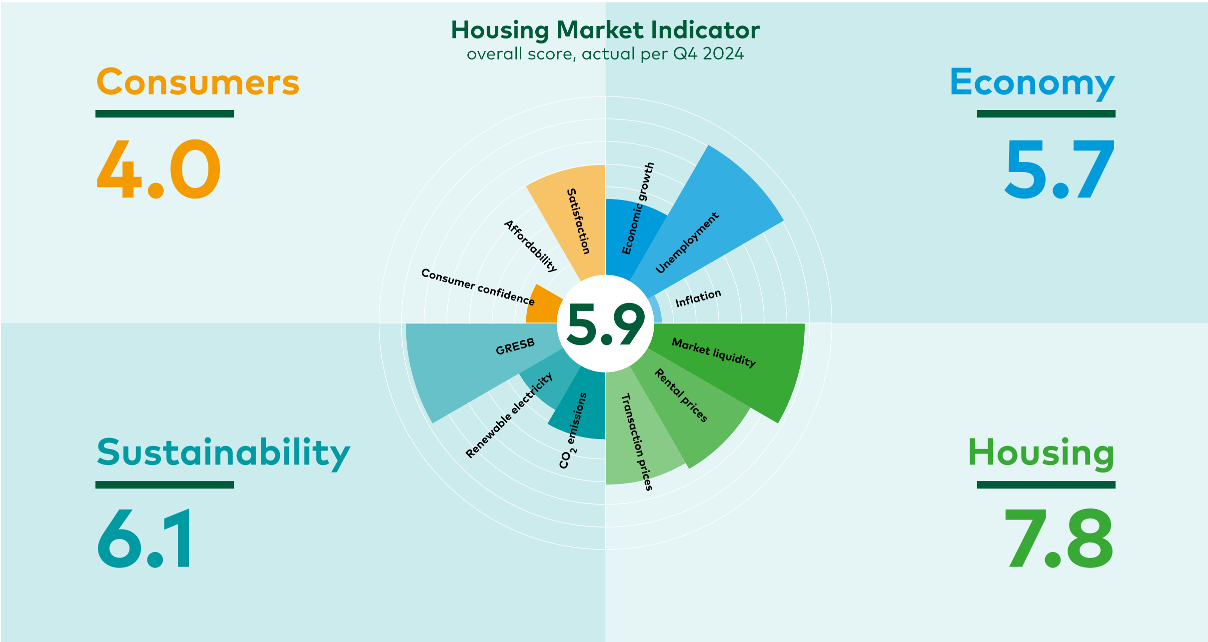
Source: Statistics Netherlands, Capital Value

Vesteda Housing Market Indicator

The above-described market dynamics over the past year are further reflected by Vesteda's Housing Market Indicator (HMI). The HMI provides an overview of the most relevant drivers on the Dutch housing market from a residential investor's perspective. In 2024, the HMI remained fairly stable at 5.9, with a temporary increase to 6.3 in the third quarter of 2024.

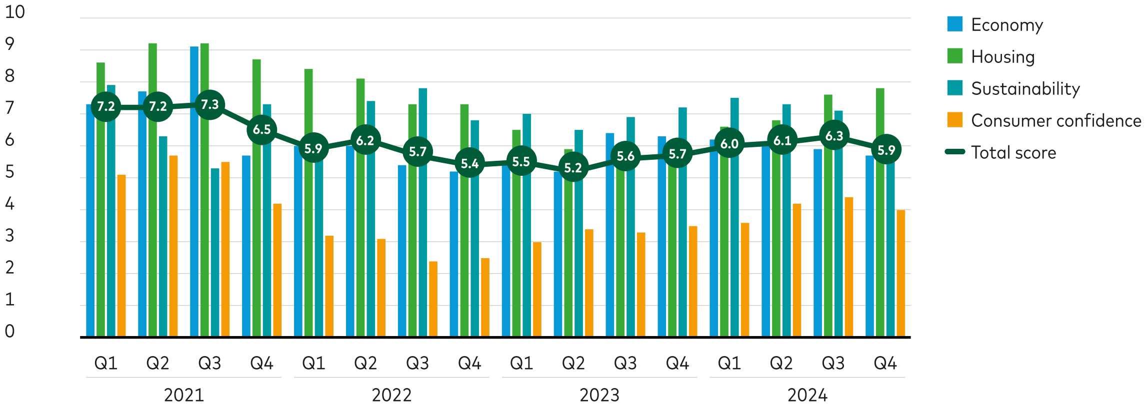
The housing quadrant, in particular, saw a significant increase from 5.9 to 7.8, primarily driven by rising house prices. However, while the housing quadrant improved in 2024, other aspects of the market showed mixed results. Affordability for consumers declined, putting pressure on the consumer quadrant. In terms of the economy quadrant, economic growth improved, but the score for inflation fell due to persistently high inflation levels. The sustainability quadrant saw a decline in the score, due to an increase in carbon emissions from households. Overall, the Housing Market Indicator (HMI) remained relatively stable. However, the underlying drivers of the HMI present an inconsistent picture, reflecting the complex and sometimes contradictory trends in the housing market.

Vesteda Housing Market Indicator, actual as per Q4 2024



Source: Vesteda

Vesteda Housing Market Indicator, Q1 2021 - Q4 2024



Source: Vesteda

New government and Affordable Rent Act shape housing policy

In 2024, a political transition occurred in the Netherlands with the installation of a new coalition government. After a complex formation process, the new government was sworn in on 2 July 2024. This government formation included representatives from multiple parties, with four deputy prime ministers appointed, one from each participating party.

Concurrently, the previously announced Affordable Rent Act was implemented and this came into effect on 1 July 2024. This act, aimed at addressing high rental prices in the Netherlands, applies to all new rental contracts signed on or after this date for rental homes scoring 186 points or less according to the housing valuation system. The law represents a significant step by the Dutch government in the regulation of rental prices. Even though we support the goal of this law and we are pleased that there is now clarity, we believe that regulation is not a solution to the problems in the housing market. The new regulation also impacts Vesteda, however we will continue with our strategy of investing in affordable and sustainable homes.

Outlook for 2025

Market developments

The Dutch residential investment market, which started to recover in 2024, is likely to gain further momentum in 2025. After facing substantial changes in recent years, mainly due to rising interest rates, high inflation and uncertainty about possible government measures, the market seems ready for a rebound. The investment climate in general is expected to improve, driven by the perspective of the reduced transfer tax (to 8% in 2026 from the current 10.4%), ongoing pressure on the housing market and with clarity regarding the introduction of the Affordability legislation most uncertainty on this level was mitigated (source: CBRE, DNB). However, we see that additional local building regulations and requirements for new build product put restraints on feasibility of new developments.

The Dutch economy is projected to experience more robust growth in 2025 compared with 2024. The Dutch Central Bank (DNB) expects the economy to grow at a rate of 1.3% in 2025, up from 0.5% in 2024. The European Commission projects an even higher growth of 1.6% for the Netherlands in 2025. Inflation is expected to stabilise further in 2025, potentially allowing for more accommodative monetary policies. However, the level of inflation is still well above the target of 2%, which makes this monetary easing fairly uncertain. The exact trajectory of interest rates and inflation will depend on broader economic developments and European Central Bank policies.

Despite the expected economic improvement, challenges persist. The housing shortage remains a significant issue, and the transition to sustainable energy continues to be a priority. The impact of government regulations, including the Affordable Rent Act implemented in 2024, will likely continue to influence the residential market in 2025. Furthermore, the macro-economic and political developments make the short-term outlook uncertain. However, while short-term uncertainties may persist, the long-term outlook for Dutch residential investments remains positive. The sector is likely to continue to generate stable returns, particularly as the market adjusts to new regulations and economic conditions stabilise.

Impact on our portfolio

Given the quality of our portfolio, Vesteda is well positioned to respond to these market developments. We expect our operational performance to remain solid, driven by high demand for our homes that are attainable for middle income households. Inflation will have an impact on the cost of housing for our tenants, and also on the operating expenses of the portfolio. The rise of interest rates has an impact on our cost of debt, and this puts pressure on our results.

As a result, we will closely monitor our financial targets, remain committed to our long-term strategy and we will continue to invest in the quality and sustainability of our portfolio. The investments will increase the quality of our assets and result in a future-proof portfolio, which will in turn reduce our overall risk levels. By complying with higher ESG standards and scoring better on affordability and sustainability, we will be able to attract more green and social funding at favourable terms.

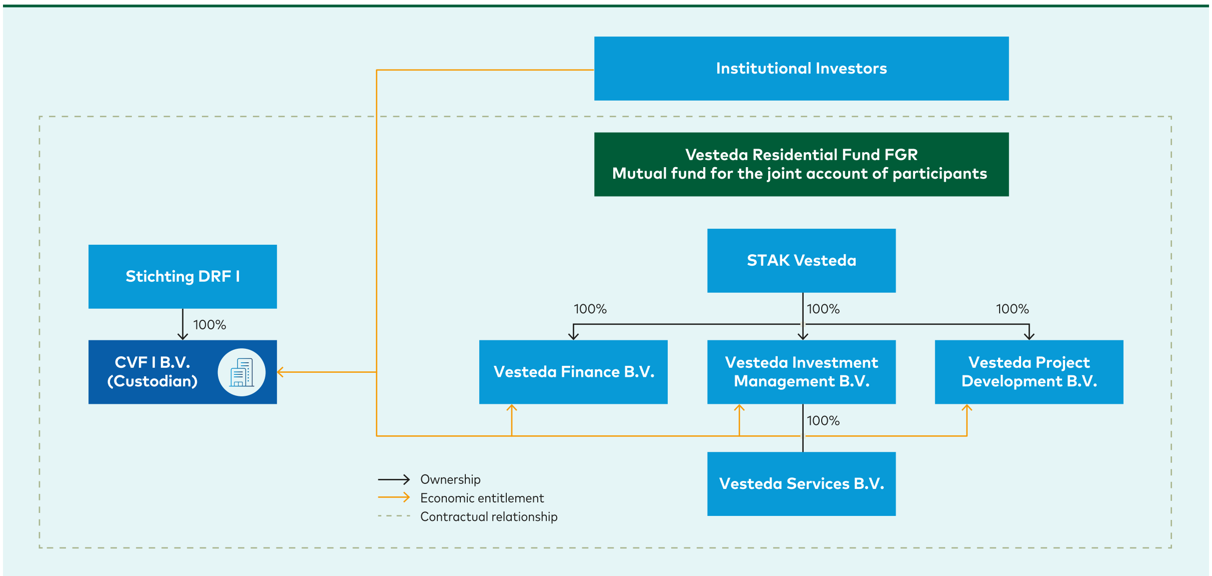
Furthermore, we may increase divestment volumes of assets that do not meet (or cannot meet) long term portfolio criteria, and will consider to reduce our target for new inflow to reduce our future financing needs.

Governance, Risk & Compliance

General information

Legal structure

Vesteda Residential Fund



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

StAK Vesteda

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

Vesteda Investment Management B.V. (the Manager)

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

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

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

Custodian

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

Participants

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

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

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

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

Role

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

Custodian

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

Depositary

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

Dutch Corporate Governance Code

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

The Manager and its Management Board

Composition and governance

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

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

The Management Board is supported by a Management Team, comprising the COO and the HR Director.

Role

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

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

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

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

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

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

Remuneration

The employment contracts of members of the Management Board include provisions related to severance pay. The amount of the severance pay as laid down in these contracts has been maximised at one year's fixed salary, in line with the Dutch Corporate Governance Code. The total remuneration of the Management Board comprises the base salary, the variable bonus, pension expenses and other employer charges. For a detailed overview of the remuneration of the Management Board, please see the Remuneration report or Note 29 to the consolidated financial statements.

Members of the Management Board

The Management Board has a 50%-50% female/male ratio and consists of Astrid Schlüter (CEO) and Frits Vervoort (CFO).

Astrid Schlüter (1969)

CEO and Chair of the Management Board since 3 April 2024. First term of office ends 3 April 2028.

Astrid Schlüter is responsible for portfolio strategy, acquisitions & development, HR Management, Corporate Communications & Marketing, Investor Relations and ESG.

Astrid Schlüter joined Vesteda in 2013 as Property Management Director and was appointed as Operations Director in October 2016, followed by a promotion to COO in January 2021. Astrid Schlüter studied econometrics and started her career at accountancy firm EY. After EY, Astrid Schlüter worked at Jacobus Recourt, an all-round real estate broker firm, where she held the position of Managing Director/Owner in her last five years with the company.

Other position: member of the Supervisory Board of N.V. Zeedijk and member of the Supervisory Board at StiVAD 'Stichting Vastgoeddata' Amstelveen.

Frits Vervoort (1962)

CFO and member of the Management Board since 1 November 2016. Third term of office ends in October 2026.

Frits Vervoort is responsible for accounting, control & reporting, risk, legal & compliance, operations, digital & innovation and treasury.

Frits Vervoort has an extensive background in finance and management and more than 15 years' experience as a CFO. His previous employers include Vedior, where he was CFO and a member of the Board of Management from 2001 to 2008, when Vedior was acquired by Randstad. Prior to joining Vesteda, Frits Vervoort was CFO and a member of the Executive Board of Grontmij.

The Management Board is supported by the Management Team consisting of Michiel de Bruine (COO) and Renée Verhulst (HR Director):

Members of the Management Team

Renée Verhulst (1971)

Renée Verhulst joined Vesteda on 1 May 2022 and was appointed as HR Director. Before joining Vesteda, she worked as Head of HR at Van Dorp, a leading technical services provider. Renée worked for over 20 years at the Achmea group, where she held several senior HR roles.

Michiel de Bruine (1966)

Michiel de Bruine joined Vesteda on 1 August 2024 and was appointed as COO. He has over thirty years' experience in the real estate business. Before joining Vesteda, he worked for eighteen years in various roles at Bouwinvest, lastly as Director Dutch Residential Investments. Michiel studied Law at the Vrije Universiteit in Amsterdam.

Supervisory Committee

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

The Supervisory Committee shall have at least five members, with the exact number to be determined by the participants. At present, the Supervisory Committee comprises five members.

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

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

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

Role

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

Remuneration of Supervisory Committee members

For the remuneration of the Supervisory Committee, please see the Remuneration report or Note 30 to the consolidated financial statements.

Typisch Tuinstad
Amsterdam

Designed as a sustainable, nature-inclusive and green residential building. Priority was given to residents from Nieuw-West, social housing tenants and key workers

Members of the Supervisory Committee

The Supervisory Committee comprises five members and has a 40%-60% female/male ratio.

Jaap Blokhuis (1958) - Chairman

Dutch. Former CEO of Multi Corporation and Redevco.

Areas of expertise: real estate, investments, compliance, risk management.

Other positions: member of the Supervisory Board of Heembouw Holding B.V.

Paul Meulenberg (1961)

Dutch. Former Partner Real Estate Advisory at Deloitte.

Areas of expertise: real estate, finance, urban planning.

Other positions: member of the Supervisory Board of Schiphol Area Development Company N.V and member of the board of Stichting Administratiekantoor Campus.

Ditri Zandstra (1973)

Dutch. Former Chief Operating and People Officer COFRA Holding.

Areas of expertise: strategy, sustainability, business operations and organisational structure and leadership.

Other positions: member of the Talent & Remuneration Committee of Constanter, member of the board of Universiteitsfonds TU Delft and member Stewardship Council The Wellbeing Project.

Theo Eysink (1966)

Dutch. CEO Spui Groep, former CFO KPN Business Market and former CFO Stork Technical Services Holding B.V.

Areas of expertise: risk management, audit, finance and compliance.

Other positions: member of the Supervisory Board and Audit Committee of Stedin Holding N.V., member of the Supervisory Board of Grant Thornton.

Eva Klein Schiphorst (1964)

Dutch. Director Schiphol Area Development Company (SADC) and former Director of Public Buildings Business Unit of Royal HaskoningDHV.

Areas of expertise: real estate, energy transition, organisational development and project management.

Other position: member of the Supervisory Board of IPSE de Bruggen.

The table below provides an overview of the composition of the Supervisory Committee as per 19 March 2025 and the rotation schedule.

Name	Committee	Date of first appointment	End of current term
Jaap Blokhuis (Chairman)		11 September 2017	11 September 2025 (second term)
Theo Eysink	Chairman Audit Committee	1 May 2019	1 May 2027 (second term)
Eva Klein Schiphorst	Audit Committee	17 October 2019	17 October 2027 (second term)
Paul Meulenberg	NomRem Committee	14 February 2024	14 February 2028 (first term)
Ditri Zandstra	Chair NomRem Committee	9 December 2023	9 December 2027 (first term)
End of tenure:			
Hans Copier	Audit Committee	12 February 2016	12 February 2024 (second term)

All members of the Supervisory Committee are deemed independent.

Report of the Supervisory Committee

Chairman's Statement

In 2024, Vesteda's operational performance remained strong and continued to improve. Vesteda maintained a focused and restrained investment strategy and continued to invest in its existing portfolio, improving the sustainability of buildings via upgrades or full renovations. The company preserved financial stability, while optimising returns through individual unit sales and block sales, which provided liquidity and enabled Vesteda to optimise its portfolio. The unexpected surge in property valuations further strengthened Vesteda's financial position, enhancing the value of its portfolio and contributing to overall performance. This resulted in an outperformance of the MSCI three-year benchmark. Furthermore, Vesteda kept its S&P A- rating in July 2024. The aforementioned circumstances also had a positive impact on Vesteda's performance leading to a direct result of EUR 237 million.

In April 2024, Gertjan van der Baan stepped down as CEO and member of the Management Board after ten years of leading the organisation. During his tenure, Vesteda solidified its position as a market leader in the mid-rental segment, strengthened its financial foundation, and increased the sustainability of its portfolio, earning a top ranking in the GRESB benchmark. The Supervisory Committee is grateful for the changes he made throughout his tenure, thanks to which he leaves behind an admirable legacy.

Upon nomination by the Supervisory Committee, the participants of Vesteda unanimously appointed Astrid Schlüter as the new CEO. The Supervisory Committee is of the opinion that she was the best candidate to navigate Vesteda through the current investment climate and effectively address both present and future challenges.

While Vesteda's foundations remain strong, we are aware of the evolving societal and regulatory landscape. Shifts in public sentiment concerning housing availability, affordability, sustainability and social equity are becoming increasingly prominent. In response, the government has introduced various regulatory measures to address these pressing issues in the housing market. Vesteda recognises its responsibility to make a meaningful contribution to the resolution of these challenges and strives to use its capabilities to create a positive impact on the world around us. Under the leadership of our new CEO, a new strategy, *Housing as a force for good*, was developed, emphasising Vesteda's commitment to having a positive impact on all its stakeholders. The Supervisory Committee fully supports this vision and is proud to see it embraced by Vesteda's participants, who approved the 2025-2029 Business Plan in December, reflecting a shared commitment to making a meaningful difference.

The Supervisory Committee was pleased to see recognition for Vesteda's dedication, leadership, and commitment to ESG principles and sustainability reaffirmed. In 2024, Vesteda was named Global Sector Leader Residential in the Global Real Estate Sustainability Benchmark (GRESB) for the second consecutive year. Vesteda remains committed to the continuous improvement of the sustainability of its portfolio and the Supervisory Committee will continue to make this a focal point of its supervision.

Vesteda's steady focus on offering a solid value proposition for all its stakeholders continues to pay off. Stakeholders are seen to be engaged and satisfied with the company's achievements. The tenant satisfaction survey resulted in a score of 7.3 (out of 10), outperforming both the benchmark and its own strong precedent of 7.2 in 2023. The participant satisfaction score remained at the same level as in 2023, with a score of 4.2 (out of 5). In general, participants are satisfied with the performance of Vesteda, especially regarding access to information and reporting. The liquidity mechanism remains an area of attention for the participants and has also been a topic in the meetings of the Supervisory Committee.

In 2024, Vesteda welcomed new investor Bedrijfstakpensioenfonds Mode Interieur Tapijt Textiel. Their choice for Vesteda underscores Vesteda's long term investment strategy and demonstrates the ability to attract investors to the fund and generate liquidity for the participants, even during challenging market conditions. Furthermore, Stichting Pensioenfonds KPN and Stichting Pensioenfonds PostNL, previously represented by Stichting TKPI European Real Estate Fund, acquired direct participations in the fund through a restructuring transaction.

In early 2024, the Supervisory Committee welcomed a new member, Paul Meulenberg. The Supervisory Committee also approved an updated version of the Supervisory Committee Charter to align with current practices. In order to see where the cooperation among the Supervisory Committee members and between the Supervisory Committee and the Management Board could be improved, in the fourth quarter we conducted an extensive self-assessment and discussed the outcome with the Management Board. The members of the Supervisory Committee were at all times able to operate independently and critically, towards each other, as well as towards the Management Board and the Management Team. I would like to thank my fellow Supervisory Committee members for their hard work and dedication.

As we look ahead, the Supervisory Committee remains committed to supporting the Management Board in the continued development of the strategy set out in the 2025-2029 Business Plan. And we are confident that Vesteda's position will remain strong throughout the upcoming year. Vesteda will maintain and increase its focus on having a positive impact that benefits all stakeholders. On behalf of all of us, I conclude by thanking the company's Management Board, Management Team and all other Vesteda employees.

Jaap Blokhuis, Chairman of the Supervisory Committee

Supervisory Committee

Focal points

The main task of the Supervisory Committee is to supervise the management carried out by the manager and the general course of the fund's business, as described in more detail in the Corporate governance and Risk management sections of this report.

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

- Investment strategy: limited investments and need for liquidity;
- Regulatory landscape;
- New strategy for 2025-2029: Housing as a force for good.

Meetings and attendance record

The Supervisory Committee consists of Jaap Blokhuis (Chairman), Theo Eysink, Eva Klein Schiphorst, Paul Meulenberg and Ditri Zandstra, all of whom are deemed independent in the sense described in the Supervisory Committee's by-laws.

In 2024, the Supervisory Committee met eight times, either in person or by means of a conference call. In addition, the Supervisory Committee met for their annual permanent education day and to conduct their self assessment. The Management Board and (members of) the Management Team attended most of these meetings, except the self assessment. The Supervisory Committee met, without the Management Board, before regular scheduled meetings, during the self-assessment session and with the Works Council.

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

Overview of attendance record Supervisory Committee

Name	Supervisory Committee	Audit Committee	Nomination & Remuneration Committee
Jaap Blokhuis	8 of 8	n.a.	n.a.
Theo Eysink	8 of 8	7 of 7	n.a.
Eva Klein Schiphorst	8 of 8	6 of 6	1 of 1
Ditri Zandstra	8 of 8	n.a.	4 of 4
Paul Meulenberg	7 of 7	n.a.	3 of 3
Hans Copier	1 of 1	1 of 1	n.a.

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

The activities of the Supervisory Committee and its separate committees in 2024 are summarised in the following schedule:

Supervisory Committee activities in 2024 (including separate committees)

Q1

- Q4 2023 report
- Strategic risks
- Compliance and risk updates
- Report of external confidential counselor
- Internal Audit updates and reports
- Internal Audit report 2023
- Investment Property Report 2023
- Internal Audit plan 2024 & Risk analysis
- Internal Audit Integrity
- External auditor report 2023 (Deloitte)
- ISAE report 2023
- Financial statements, annual report & accounts 2023
- Treasury update
- Fund liquidity
- Acquisitions & developments pipeline
- Investment proposal Zuiderhof
- Project Surinameplein
- Participants' satisfaction survey
- Remuneration report 2023
- Annual employee performance review
- Targets and bonus Management Board and Management Team 2023
- Revision remuneration policy
- Employee remuneration 2024
- Targets Management Board and Management Team 2024
- Application Malus scheme
- Review variable remuneration Management Board and Management Team
- NomRem Committee appointment
- SC Charter revision
- Revaluations 2023
- Revolving Facility Agreement
- Analysis mid-rental allocation
- Analysis long-term leasehold agreements
- Performance cycle
- HPO
- Permanent Education
- Recruitment COO
- Works' Council update

Q2

- Q1 2024 report
- Strategic risks
- Compliance and risk updates
- Internal Audit updates and reports
- Fraud risks
- Internal Audit report diversity and pay gap
- Internal Audit variable renumeration
- Internal Audit recruitment & selection procedure
- Cyber security
- Digital Operational Resilience Act
- Fund liquidity
- Green bond issue
- MSCI index performance
- Acquisitions & developments pipeline
- Impact analysis Affordable Rent Act
- Impact analysis Rent Increase Clause decision Supreme Court
- HPO
- Update employee remuneration 2024
- Update targets Management Board and Management Team 2024
- Phantom Share Plan
- Review variable remuneration Management Board and Management Team
- Good Leaver COO
- Recruitment COO
- Permanent education
- Works' Council update

Q3

- Q2 2024 report
- Strategic risks
- Compliance and risk updates
- Internal Audit updates and reports
- Fraud risks
- Internal Audit Pre ISAE
- Audit plan external auditor (Deloitte)
- Report of depositary (Intertrust)
- Corporate Sustainability Reporting Directive
- 100-day plan CEO
- Business Plan 2025-2029
- Tax update
- Fund liquidity
- Treasury update
- Revaluations
- High Performance Financial Function
- Acquisitions & developments pipeline
- Divestment proposal Twentec
- Update Surinameplein
- Value creation through renovations
- Tenant satisfaction score
- HPO
- Update targets Management Board and Management Team 2024
- Review variable remuneration Management Board and Management Team
- Nomination CFO
- Remuneration CEO
- Work Absence
- Labor market campaign
- Self Assesment
- Works' Council update

Q4

- Q3 2024 report
- Strategic risks
- Compliance and risk updates
- Internal Audit updates and reports
- Quality assessment Internal Audit department
- Fraud risks
- Cyber security
- Corporate Sustainability Reporting Directive
- Internal Audit settling service costs
- Internal Audit horizontal tax supervision
- Business Plan 2025-2029
- Rent Increase Clause decision Supreme Court
- Functional costs
- Fund liquidity
- Treasury guidelines
- SMBC facility
- Assurance report loan compliance
- Investment Proposal Elzenhage NN2
- Investor Perception Study
- HPO
- Update targets Management Board and Management Team 2024
- 360° Management Board and Management Team review
- Review variable remuneration Management Board and Management Team
- Policy remuneration Management Board and Management Team
- Succession planning key personnel
- Work Absence
- Labor Market Campaign
- Works' Council update
- Self Assesment

See additional information on the role and functioning of the Supervisory Committee and its committees in the Governance section of this report.

Investment strategy: limited investments and need for liquidity

In 2024, Vesteda continued to employ a cautious investment strategy, with a strategic focus on unit sales and block sales aimed at long term value creation. Following this strategy, only one significant acquisition was approved by the Supervisory Committee in 2024, this being an expansion of project Zuiderhof in Rotterdam. In August 2024, the participants approved an acceleration of the disposal programme. This programme involves a continuous reassessment of the portfolio, emphasising long-term KPIs, strategic fit, financial performance, and ESG criteria to determine whether assets remain desirable or eligible for unit sales or a block sale. As part of this effort, the unit sale allocation was increased compared to the original Business Plan. One notable block sale was the sale of Twentec in Enschede, which the Supervisory Committee approved. The proceeds from these unit sales and block sales were reinvested in funding the committed pipeline.

These strategic actions had a positive impact on Vesteda's financials. They strengthened the company's financial position, resulting in a lower leverage and maintaining Vesteda's S&P credit rating of A-. The successful execution of the unit and block sales programme had a positive impact on the company's overall financial results and ensures that Vesteda had the flexibility to execute potential redemptions during liquidity events.

The Supervisory Committee acknowledges the increasing calls for the modernisation of Vesteda's liquidity mechanism among participants and was present during the annual informal participants' day when this topic was discussed. The upcoming liquidity review date in February 2026 and the need to effectively manage potential redemptions have underscored the importance of modernising the current mechanism.

In response, the management actively investigated a new liquidity mechanism that aligns with market practices and benefits all stakeholders. Such a mechanism not only strengthens continuity, transparency, alignment, and stability within the fund, but also increases Vesteda's appeal to prospective investors. The Supervisory Committee was given the opportunity to provide input on the proposal as drafted by management and presented to the participants.

Regulatory Landscape

The anticipation of the Wet Betaalbare Huur (Affordable Rent Act) and the legal challenges surrounding rent increase clauses created significant uncertainty for investors in the Dutch housing market. Enacted on 1 July 2024, the Affordable Rent Act aims to address rising rental costs in the Netherlands, particularly for middle-income households. The Supervisory Committee has been involved in discussions on how to best implement this new law.

The Supervisory Committee took note of a thorough impact analysis of the effects of the Affordable Rent Act on the portfolio, as well as measures taken to best implement the Act. Due to Vesteda's moderate rental policy, the rental prices were largely in line with the legislative proposal. This outcome highlights the strength of the company's portfolio and operational strategies, and Vesteda's adaptability and compliance underscore its resilience and preparedness for changes in housing policies, ensuring stability for both the company and its stakeholders.

In parallel, in 2023, various district courts ruled that specific rent increase clauses (CPI plus a maximum top-up percentage) were not deemed fair and therefore null and void. The Supervisory Committee took note of a study commissioned by IVBN estimating that the potential damages for institutional real estate investors could reach €6.4 billion, with another €87.5 billion in lost revenue projected through 2040. In Q4 2024, the Supreme Court provided clarity in its verdict, limiting the risk for Vesteda significantly. The Supervisory Committee views it as a fair and positive outcome, enabling Vesteda to compensate for cost increases that are above inflation and to keep its rents in line with the value development of the property. The clarity provided by the ruling of the Supreme Court has reduced legal uncertainty in the Dutch residential housing market. This will help create a healthy investment climate, which supports long-term growth and stability.

The increasingly strict regulatory landscape presents both challenges and opportunities for organisations. While the additional regulatory pressure can be burdensome in terms of time and financial resources, it also offers a chance to demonstrate commitment to compliance and best practices. The Supervisory Committee was informed about Vesteda's compliance with the Digital Operational Resilience Directive (DORA). Moreover, The Supervisory Committee took note of Vesteda's proactive approach to the Corporate Sustainability Reporting Directive (CSRD), which is partly incorporated on a voluntary basis. The Supervisory Committee is closely monitoring the implementation of these reporting requirements.

New strategy for 2025-2029: Housing as a force for good

Having a new CEO on board marks the beginning of a new chapter for Vesteda, focused on addressing the evolving challenges in the housing market. In recent years, we have seen a shift in public sentiment, particularly around housing availability and affordability, and growing demands for sustainability and social equity. Acknowledging the urgency and societal pressures on the housing market, the new leadership recognises Vesteda's responsibility and potential to create positive impact. Deep dives with internal and external stakeholders resulted in the formulation of a new vision, Housing as a Force for Good.

This vision is driven by a desire to have a positive impact on the world and take the lead in doing so. The concept of impact investing in real estate can be interpreted in various ways, often focusing primarily on reducing operational emissions and constructing new homes. Vesteda aims to lead the industry in redefining impact investing in real estate by taking a more comprehensive approach, encouraging others to follow its example. This approach not only addresses environmental concerns but also emphasizes the importance of social and economic factors. By setting this example, Vesteda hopes to inspire others in the industry to follow suit. This approach will help create a balance between financial and societal performance, and attract investors interested in making an impact with their investments. In line with this vision, the Supervisory Committee was informed about and consulted on a potential strategic collaboration to further these goals.

The Supervisory Committee has been actively involved in shaping the new strategy, participating in sessions to achieve a shared understanding of the strategic vision and to formulate the next steps. The Supervisory Committee was given insight and the opportunity to provide input and challenge the Management Board on multiple occasions. This vision was formalised in a 100-day plan, which the CEO presented to the Supervisory Committee for feedback and alignment. The Supervisory Committee challenged management on the translation of the vision into action by putting emphasis on value creation, balancing financial and societal gains, and confidently formulating a clear message about having a positive impact on the world. The new strategy, incorporated in the 2025-2029 Business Plan, was ultimately approved by the participants.

Miscellaneous

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

One of the Supervisory Committee's recurring tasks is determining the bonuses of the Management Board and the Management Team and setting targets for the year ahead.

The Supervisory Committee reviewed the evaluation of the 2023 targets conducted by the Nomination and Remuneration Committee and accepted its recommendations. Due to the 2023 negative indirect result, driven by valuations, no bonuses were awarded. The Committee also found that there were no special circumstances that would necessitate the application of the malus clause. The Supervisory Committee did ratify a correction of the remuneration of the Management Board to adjust for inflation.

In terms of the 2024 targets, the Supervisory Committee focused on ensuring a balanced remuneration for all relevant positions.

The Supervisory Committee ratified the remuneration package of the CEO. Furthermore, following her transition from COO to CEO, Astrid Schlüter was classified as a 'Good Leaver' based on the remuneration policy and her performance during her tenure as COO. Moreover, the Supervisory Committee unanimously resolved, at the recommendation of the Nomination and Remuneration Committee and the endorsement of the CEO, to propose to the Participants to approve the renewal of Mr Vervoort's tenure by two years. The Supervisory Committee also adopted a new remuneration policy for the Management Board. This policy aims to ensure a balanced and fair approach to addressing any future remuneration issues at the Management Board level.

The Supervisory Committee reviewed the results for 2023, which exceeded the forecast and Business Plan targets, driven by higher-than-expected rental income, lower vacancy rates, and lower property expenses. The Committee also took note of the external auditor's report on 2023, which confirmed the accuracy of the financial statements and provided insights into the performance of the portfolio. Furthermore, the Committee took note of a report by the external auditor on investment property.

Management provided the Supervisory Committee with quarterly updates throughout the year, which were closely monitored. In May 2024, S&P affirmed Vesteda's credit rating at A- with a stable outlook. Later, in July 2024, S&P reconfirmed the rating and made a positive adjustment to its view on Vesteda's liquidity position.

The Committee approved the refinancing of the existing Revolving Facility Agreement of EUR 700 million under the conditions outlined in the refinancing proposal. Additionally, the Supervisory Committee endorsed the issuance of Green Bonds, supporting Vesteda's commitment to sustainable investment practices.

In terms of performance metrics, the Committee closely monitored the development of the MSCI benchmark forecast for 2024. Discussions between the Committee and management focused on the breakdown of the results, identifying key factors that contributed to the outperformance, as well as lessons learned from underperforming assets.

The Supervisory Committee approved one investment proposal in 2024, this being the expansion of the Zuiderhof project in Rotterdam. The Supervisory Committee evaluated the investment proposal based on its financial viability, strategic alignment, climate risk assessment and market conditions, concluding that it is a promising investment and fits within the larger project. Furthermore, the Supervisory Committee discussed the possible redevelopment of the Surinameplein complex in Amsterdam and discussed the assessments of various past acquisitions and lessons learned.

The Supervisory Committee was briefed by the Management Board and senior executives on value creation. The key strategies outlined included active management through investments in quality and sustainable projects, internal management focusing on cost benchmarking, development management costs and digitalisation, as well as property sales and divestments.

The Management Board informed the Supervisory Committee about various compliance issues, inter alia, through the quarterly compliance update and measures taken. The Supervisory Committee expressed its appreciation for the transparency on this topic throughout the year.

In addition to its regular meetings, members of the Supervisory Committee held meetings in the absence of management, including meetings with the internal audit manager and the external auditor. On various occasions, individual members of the Supervisory Committee met with senior Vesteda executives to gain information on current matters.

Considering its 'permanent education', the Supervisory Committee members separately attended courses on diverse topics. Jointly, the Supervisory Committee members attended the permanent education day organised by Vesteda, which included lectures on the threat of wars and its international impact, and the influence of macro-economics on real estate. Furthermore, the Supervisory Committee conducted a thorough self-assessment and shared its conclusions with the Management Board.

Audit Committee

The Audit Committee consists of Theo Eysink (Chairman) and Eva Klein Schiphorst, who succeeded Hans Copier in February 2024. The Committee met seven times in the year under review. Generally, the CFO, the CEO, the Internal Auditor and the external auditor (Deloitte) also attended these meetings.

In line with its tasks, the Audit Committee discussed in detail the periodic statements and the 2023 annual financial statements and annual report. The Audit Committee discussed the audit process, preliminary and key audit findings and principal assumptions, judgements and valuations, and the external auditor reported its preliminary and final audit findings. As part of the yearly audit process, the external auditor presented the Audit Committee with its findings regarding ISAE 3402. The Audit Committee was pleased to learn that the external auditor issued an unqualified statement in respect of 2023. The Audit Committee reviewed both the internal and external audit plan.

Each quarter, the Internal Auditor reported to the Audit Committee on their deliberations and findings regarding internal risk management and control. In addition, the Internal Auditor presented various material internal audit investigations that took place in 2024, such as a review of the process used for settling service charges, horizontal tax supervision, and an investigation into the tenant turnover process. The Audit Committee reviewed the conclusions and discussed follow-up actions with the Internal Auditor and management.

The Chairman of the Audit Committee met and spoke with the external auditor on several occasions in the absence of the Management Board, in order to remain directly informed. Further, regarding the company's external auditor, the discussions during the Audit Committee meetings covered matters related to cybersecurity and the implementation of DORA. The Audit Committee devoted specific attention to the topic of value creation. Value creation is viewed in a broader perspective besides economic value, as societal value is assigned a weighting. The Audit Committee was provided with insights into how renovating existing assets adds value to the portfolio.

The Audit Committee also discussed other topics that were within its scope of attention, including risk management; strategic risks and control measures were reviewed during quarterly risk updates.

In the course of the year, the Audit Committee also monitored and discussed Vesteda's debt funding strategy, as set out in more detail in the Funding section of this report. In addition, the Audit Committee discussed and provided the Supervisory Committee with positive recommendations on the following funding subjects:

- Treasury Guidelines 2025
- Issuance of Green Bonds

The Audit Committee reviewed the fund's financial reports on a quarterly basis and took special interest in various topics, including valuations, divestments, and the financing of loans. In doing so, the Audit Committee asked the Management Board to provide comprehensive and detailed insights into the fund's financial performance, underlying assumptions, and any notable variances or risks. The aim of this collaborative approach was to foster accountability and enhance the overall financial governance of the fund.

The Audit Committee conducted a self-assessment to evaluate its performance and effectiveness.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ('NR Committee') consists of Ditri Zandstra (Chair) and Paul Meulenberg. The Committee met four times in the year under review. Generally, the CFO, the CEO and the HR Director also attended these meetings.

Last year saw significant changes at Management Board level. After a decade of leadership, Gertjan van der Baan stepped down as CEO, marking the end of a highly impactful tenure. Astrid Schlüter was subsequently appointed as Vesteda's new CEO, bringing fresh vision and leadership to the organisation. The NR Committee closely monitored the recruitment of a suitable successor for the vacant COO position.

Frits Vervoort was reappointed as CFO for a period of two years. After assessing Frits Vervoort's performance, the CFO profile and the composition of the Management Board as a whole, the Supervisory Committee resolved unanimously to propose the reappointment. This decision was made with the recommendation of the NR Committee and the endorsement of the CEO. The extraordinary meeting of Vesteda participants unanimously approved the reappointment.

The NR Committee subsequently reviewed and discussed adjustments to the remuneration of the Management Board, aligning with peers in the market and the overall company remuneration. Following an extensive benchmark survey comparing reference companies within the financial and real estate sector, the NR committee submitted a proposal to the Supervisory Committee for a balanced and fair remuneration package for the CEO.

As part of its annually recurring tasks, the NR Committee discussed the evaluation of the management performance for 2023 and the targets for the Management Board and Management Team for 2024, in line with the target structure that was set up in 2023.

The NR Committee devoted specific attention to several important topics throughout the year. It prioritised diversity and conducted an investigation into pay equity, which confirmed that the organisation has inclusive and equitable compensation practices in place. The Committee took note of internal audits of the variable remuneration to evaluate the alignment of performance-based pay with company objectives, as well as audits of recruitment and selection processes to maintain fairness and compliance. Additionally, efforts were directed toward a labour market campaign aimed at enhancing Vesteda’s ability to attract and retain talent in a competitive environment. Finally, the NR Committee focused on succession planning and talent reviews, identifying high potentials and potential risks in succession to secure the organisation’s long-term success.

Part of the standing agenda of the NR Committee meetings was a compliance update, focusing on reported integrity incidents and follow-up, and compliance with regulatory requirements. The CEO and HR Director periodically updated the NR Committee on their meetings with the Works Council and the NR Committee also met with the Works Council in person.

In October, the Nomination and Remuneration Committee conducted a self-assessment to evaluate its performance and effectiveness.

Amsterdam, 19 March 2025

Supervisory Committee

Jaap Blokhuis, Chairman
Theo Eysink
Paul Meulenberg
Eva Klein Schiphorst
Ditri Zandstra

Participants

Role

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

Meetings of Participants

Vesteda convened two regular Participants’ Meetings in the year under review. These included the annual meeting in April, in which the financial statements and the annual report 2023 were discussed and adopted and the execution of the Business Plan was evaluated. In the bi-annual meeting in December, the participants discussed and approved the 2025-2029 Business Plan.

Furthermore, Vesteda convened two extraordinary Participants’ Meetings. After consulting with the Supervisory Committee, Vesteda proposed a number of amendments of the Terms & Conditions to the Participants to facilitate certain transactions in participation rights in the fund, which are mainly prompted by restructuring matters. During this extraordinary Participants’ Meeting, the participants gave their approval for the amendment of the Terms & Conditions.

In the second extraordinary Participants’ Meeting, participants approved a proposal to deviate from the Business Plan. This approval allowed for the expansion of the disposal programme in 2024 by up to an additional 130 units, valued at approximately €50 million.

In addition to these meetings, the participants also approved the appointment and remuneration package of the CEO and the reappointment and remuneration package of the CFO.

In September, participants attended the annual informal Participants’ Day. During this event, they were informed about various topics, including the differences between financial and societal returns, as well as liquidity provision mechanisms. Following the informative sessions, participants were given a property tour. The day concluded with an informal closing event, allowing attendees to network and reflect on the day’s activities.

Remuneration report

General

Total remuneration amounted to €17.3 million (99% fixed and 1% variable) in 2024, which was lower than the previous year (€18.7 million). In 2024, we implemented a 2% salary indexation and one-off compensation of €750 in December, pro rata to the employment contract.

The ratio of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excl. the highest-compensated individual) was 6.8 in March 2024 (March 2023: 8.5).

Remuneration of the Management Board and other Identified Staff

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

Vesteda's remuneration policy is clear and transparent and aims to be closely aligned with its strategy, business targets and the overall interests of Vesteda. It is also aligned with and a contributing factor to adequate and effective risk management. It aims to prevent management from taking risks that are not compatible with Vesteda's risk profile. In addition, the remuneration policy is constructed in such a way that it avoids financial incentives that may encourage irresponsible risk taking in Vesteda's operational and financial policies. This is why only the remuneration packages for the Management Board and Management Team members includes a variable component. No other identified staff members have any variable components.

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

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

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

The aforementioned variable remuneration entitles:

- The CEO to 26.6% of base salary for 'on-target' performance, with a maximum of 40%;
- The CFO to 20% of base salary for 'on-target' performance, with a maximum of 30%;
- The COO to 20% of base salary for 'on-target' performance, with a maximum of 30%;
- The HR Director to 8% of base salary for 'on-target' performance, with a maximum of 12%.

The overall remuneration of the other Identified Staff besides the Management Team members is not dependent on achieving certain individual targets via a variable component, which mitigates the risk that unsound business decisions are taken to the detriment of (sustainability) targets in the interest of personal gain.

The variable part of the remuneration depends on whether set targets are met. The following principles are applied:

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

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

The targets that are related to the overall performance of the company should represent 70% of the target setting. The weight of the targets related to ESG is 40%. The targets should be ambitious and promote outperformance. In the event of underperformance on a specific target the variable remuneration component will not be awarded. In the event of a loss (negative result after tax, so including revaluation, excluding any derivative results), no variable remuneration based on financial criteria will be paid.

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

Remuneration of Management Board and other Identified Staff in 2024

The remuneration of the Management Board and Management Team members is divided into the following components: base salary, variable bonus, social security charges & pension contributions. The other identified staff do not receive any variable remuneration.

The increase in base salary for Identified staff compared to last year, is due to reclassifying six senior managers to Identified staff.

Variable remuneration charges
As determined by the Supervisory Committee, the Management Board and the Management Team members achieved a score between 80% and 85% of the 'maximum' targets in 2024 (2023: on average 66%).

Remuneration of the Management Board and other Identified Staff

	2024		2023	
	Management Board	**Other Identified Staff**	Management Board	Other Identified Staff
Base salary	829	1,552	786	721
Variable remuneration charges (for future cash or shares)	164	36	-	-
Social security charges & pension contributions	87	374	75	156
Total	**1,080**	**1,962**	**861**	**877**

Please see Note 29 to the consolidated financial statements for more information about the remuneration of the Management Board and other Identified Staff.

Remuneration of the Supervisory Committee

The total remuneration for the five Supervisory Committee members was €211 thousand in 2024 (2023: €202 thousand). The compensation for the chairman was €44 thousand and for the other members €31 thousand. The additional compensation for the chair of the Audit Committee and Nomination & Remuneration Committee was €7 thousand, while the additional compensation for the members of both Committees was €5 thousand and for one Supervisory Committee member there is a VAT component of €7 thousand. In addition, each member of the Supervisory Committee received an expense allowance of €2.5 thousand.

Risk management

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

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

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

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

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

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

Risk appetite

The INREV core fund risk profile implies that Vesteda has a relatively low-risk profile since it typically invests in income-producing real estate investments. Vesteda employs relatively low levels of leverage and has limited exposure to real estate development. A significant and stable proportion of its returns are generated through rental income. Overall, Vesteda has a relatively low risk appetite. Please see Note 27 to the consolidated financial statements for a description of our financial risk management objectives and policies.

Vesteda's risk management framework

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

Risk Committee

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

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

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

The Risk Committee is chaired by the CFO, who is charged with risk management at Vesteda. Other members of the Risk Committee include the COO, the General Counsel, the Control Manager, the Digital & Innovation Manager and the Compliance Officer. The Internal Audit Manager also joins the meetings of the Risk Committee but is not a member of the Risk Committee. A Risk Charter defines the roles and responsibilities, the tasks, authorities and reporting requirements of the Risk Committee. Vesteda's Risk Management Policy forms the basis for the activities of the Risk Committee. It sets out the goals, frameworks and responsibilities in the field of risk management for Vesteda. It also states how Vesteda has implemented its risk management process at various levels in the organisation. The Risk Management Policy was last updated and approved by the Management Board in 2022.

The scope of risk management

Vesteda distinguishes the following three main risk areas:

1. Risks related to strategic targets as defined in the Business Plan

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

The Management Board and the Management Team primarily focus on:

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

The Management Board reports to the Supervisory Committee on the strategic risks and measures on a quarterly basis.

2. Operational risks related to the failure of systems and processes

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

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

3. Compliance risks related to non-compliance with legislation and (internal) regulations

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

Fraud risks and measures to prevent fraud are evaluated as part of the annual review of the design and effective operation of controls based on the ISAE, Standard 3402, type II, as well as part of the annual Systematic Compliance Risk Analysis (SCRA, see page 60). This SCRA includes relevant fraud risk scenarios based on likelihood, impact, risk appetite and mitigating control measures. In 2024 Vesteda made further improvements of internal controls based on findings from reviews or activities performed by the Internal audit department and the Compliance Officer relating to Vesteda's business operations.

As mentioned in the Compliance and integrity section of this report, the Compliance Officer and Internal Audit Manager conducted several investigations regarding potential fraud by suppliers and (prospective) tenants in 2024. The findings from these investigations are also used to improve internal controls.

Strategic risk analysis

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

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

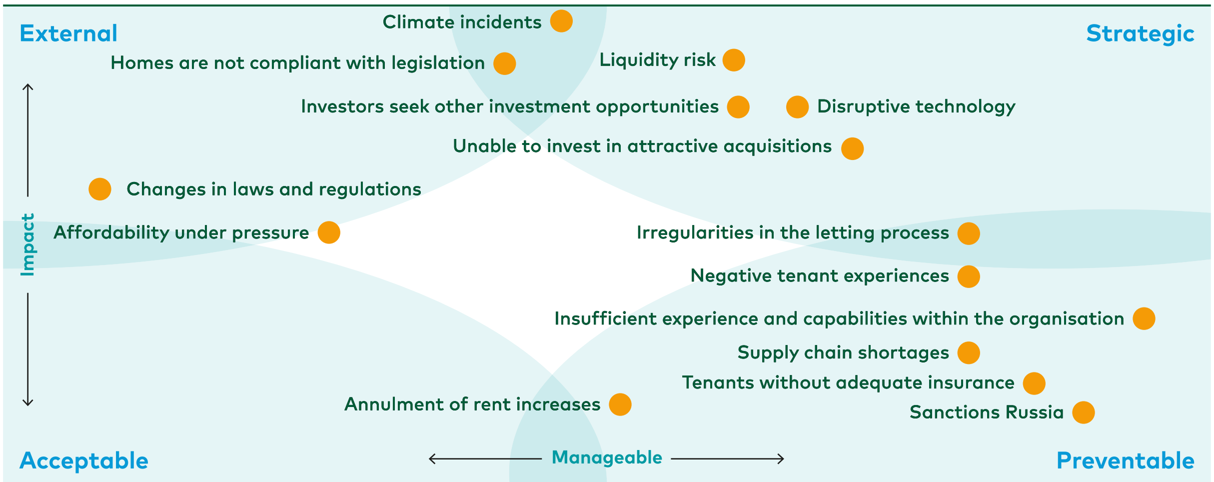
In alignment with the key characteristics of Vesteda as a Core INREV fund, with a conservative funding policy focusing only on residential real estate in the Netherlands, limited risks or a cautious approach is necessary for Vesteda's strategic targets (risk aversion of mostly 2, partly 2-3):

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

The outcome of this review is depicted in the Vesteda Risk Profile figure on the next page.

The monitoring of the following strategic risks and the effectiveness of internal controls, as well as the identification of new strategic risks is the responsibility of the Management Board and the Management Team and will be discussed at least quarterly in 2025.

Vesteda Risk Profile



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

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

Risk: New legislation for the sector on rental processes, fiscal matters, construction & development, climate and sustainability

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

Internal controls

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

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

We execute stress tests to calculate the impact of (potential) new regulatory requirements on Vesteda's portfolio and rental income and we make sure that we have ongoing insight in the entire portfolio to anticipate changes in legislation. In 2024, we started to scan and remeasure the entire portfolio, including determining the WWS-points for each unit, which will be completed in the first half of 2025.

In addition, Vesteda follows the legislative developments on sustainability closely to stay on top of (reporting) requirements. In 2024, we started preparing for the implementation of the CSRD, which we will, in part, apply on a voluntary basis. Please refer to the Sustainability Statement for more information on the scope of the CSRD.

Vesteda also executes a periodic review of its technical standards for new-build homes. We have also recalibrated our complex tactics based on an accelerated ESG strategy which is part of the Business Plan. In addition, Vesteda closely monitored the outcome of court verdicts on rent increase clauses, the verdict of the Dutch Supreme Court on the prejudicial questions submitted to it and the potential impact on Vesteda.

Risk: Homes are not compliant with legislation
Our homes cannot meet all requirements set by (EU) legislation with respect to climate mitigation and sustainability.

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

An investment programme to improve the energy labels of our homes. Please see the Environmental section of this report.

Vesteda has a 'Policy on the integration of sustainability risks and factors into the investment decision-making process', which provides insight into which potential sustainability risks Vesteda has identified and how these risks and principal adverse impacts on sustainability factors are integrated in investment decisions related to new acquisitions or renovation projects.

Sustainability and climate risks form an important part of Vesteda's investment decision process for new acquisitions and renovation projects. Vesteda applies its technical standards to assess whether new (potential) investments comply with Vesteda's sustainability and technical requirements (which focus on climate change mitigation and adaptation) and reviews these technical standards on a periodic basis to ensure they still comply with applicable legislation. Vesteda uses an ESG framework to determine a sustainability impact score for each project to provide a broader view of relevant sustainability risks and factors and to ensure new projects meet the applicable ESG requirements to qualify as sustainable. This score was updated in 2024 to reflect new insights and developments.

Please see the Environmental and the Acquisitions and property sales sections of this report.

Risk: Climate incidents
Incidents related to extreme weather conditions/climate change affecting our portfolio, such as flooding, heat stress, earthquakes, etc.

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

A climate risk scan for the entire portfolio. Based on this scan, we devote specific attention to the risks of heat stress and flooding in our long-term maintenance programme per building complex. Climate risks are also a recurring topic when reviewing our insurance programme. Please see the Physical climate risks section in the Environmental section of this report.

Furthermore, we assess our insurance programme on an annual basis and take this topic into account.

Risk: Affordability under pressure
Affordability of housing is under pressure due to scarcity and energy costs and inflation.

Internal controls
Vesteda is taking several measures to manage and improve the affordability of housing. We invest in the sustainability of our assets and inform tenants about energy-saving possibilities, to lower energy costs. We also focus our new investments in new-build projects on the (regulated) mid-rental segment, to add affordable homes to the housing market. Furthermore, by executing a thorough income check prior to entering into a rental agreement and monitoring our tenants' payment behaviour, we can take action, for example by offering more affordable housing to tenants in difficulty. We also inform our tenants on how to reduce their own energy consumption.

Risk: Annulment of rent increase clauses
During 2023, district courts throughout the Netherlands, started the trend of applying the ex officio review to rent agreements in court cases regarding rent arrears and/or evictions. Various district courts ruled that specific rent increase clauses (CPI plus a maximum top-up percent) were not deemed fair and therefor null and void. The risk is that all rent increases under such agreements are deemed not valid and therefore should be repaid by the lessor. Preliminary questions were asked by the Amsterdam District Court to the Dutch Supreme Court on this matter.

In Q4 2024, the Supreme Court issued its verdict. It followed the advice of the Deputy Advocate General, stating that a standard surcharge on rent (in addition to inflation) does not raise legal objections. According to the Supreme Court, the indexation clause and the surcharge clause must be viewed separately because they have different functions. The indexation clause is intended to compensate for inflation; the surcharge clause is intended to keep the rent in line with cost increases and with the increase in value of the property. By definition, the indexation clause is not unfair. A rent modification clause with an annual surcharge on the rent of up to 3% on top of the consumer price index is generally not an unfair clause, because it is intended to compensate for cost increases that exceed inflation and to keep the rent in line with the increase in value of the property.

Internal controls
This risk is largely beyond Vesteda's direct control. Vesteda did contribute to an "interested party statement" prepared by IVBN that was submitted to the Supreme Court. In addition, Vesteda executed high level scenario analyses, depending on the outcome of the verdict of the Supreme Court.

Please see Note 32 in the Notes to the consolidated financial statements section of this report.

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

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

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

During the Business Plan period, management focuses on stable direct returns and increasing dividend yield, providing an inflation hedge for the existing participants and an interesting proposition for potential new investors with a low-risk profile.

Vesteda has engaged Van Lanschot Kempen to assist in finding new investors in the fund and thus create more liquidity for existing investors.

In 2024, management has started preparations for an update of the Fund's liquidity mechanism. The participants were sounded on possible solutions and various scenarios were drafted. In 2025, the proposal will be submitted for approval to the participants. Furthermore, management has started preparing for the upcoming liquidity review event that takes place once every seven years, scheduled for February 2026.

Vesteda's new Business Plan reflects its current impact and ambitions to make further impact on society.

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

Risk: Redemptions by investors may prevent Vesteda to make new investments or to deleverage or could lead to the sale of assets or an increase in leverage (Liquidity risk)
Once in every seven years, the Fund is subject to the 'liquidity review' by the participants of the Fund. In February 2026, the Fund will be subject to the next liquidity review. The liquidity review triggers the mechanism by which participants are given the opportunity to re-evaluate their respective Participation Rights in the Fund and to indicate if and to what extent they would like to redeem all or a portion of their Participation Rights or increase the number of their Participation Rights. In general, if participants want to be redeemed this may lead to a redemption queue.

Internal controls
If less than 10% of the participants decide that they would like to have all their Participation Rights redeemed, the Fund could use the yearly €50 million Redemption Available Cash amount to redeem Participation Rights and/or attract new financing, attract new participants or sell assets. If more than 10% of the participants decide that they would like to have all Participation Rights redeemed, Vesteda must draw up a liquidity plan.

Vesteda has an active investor relations program to attract new investors enabling participants to redeem their participations well ahead of the liquidity review date.

The manager is working on to update the Fund's liquidity mechanism in 2025. The main aim of this proposal is to provide continuous liquidity access to participants depending on, among others, the financial ratios of the Fund and the amount of the redemption queue. By facilitating liquidity access, the impact of the liquidity review may be mitigated.

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

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

Exploiting the full potential of digital technology requires a deep understanding of the opportunities and risks associated with it and requires a holistic vision on digital technology as a key resource for strategy definition and execution. Vesteda is already applying digital technology in several parts of its business model and processes, and is increasingly working on incorporating digital technology in strategy definition and organisational design. Failure to keep up with these developments may have a negative effect on Vesteda's competitive position in the longer term and access to new investment products. Vesteda mitigates this risk today by recognising both the opportunities and the risks of digital technology and improving its business model and organisation in phases using digital technology, which is reflected in Vesteda's ambition to become a digital powerhouse, as set out in its Business Plan.

Risk: Unable to invest in attractive acquisitions
Vesteda is unable to invest in new acquisition projects to strengthen the portfolio due to lack of success in acquisition processes and/or reduced appetite to invest as a result of fund and/or market circumstances.

Internal controls
Dutch residential investments are seen as a safe haven with an attractive risk/return profile, due to the scarcity in supply and high demand. Vesteda is active throughout the value chain: Vesteda is proactively interacting with developers, contractors and local authorities using our in-depth knowledge of local markets and developments and positioning itself as a solid long-term partner. We are temporary scaling-back in acquisition volumes to reduce our funding needs as part of our preparations for the upcoming liquidity review event in February 2026. However, we aim to stay in the market, since a modest but constant inflow level increases the quality of our portfolio. We will continue long-term business partnerships, to be able to benefit from potential market opportunities in the future. In addition, we will continue to focus on optimising value creation on our standing portfolio.

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

- Monitoring of acquisition leads funnel and conversion of leads;
- Annual evaluation of IRR requirements;
- Optimising value creation for the standing portfolio.

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

Risk: Negative tenant experiences
Vesteda's image and reputation is affected by collective/individual negative tenant experiences, which may result in low(er) tenant satisfaction scores.

Internal controls
Tenant satisfaction is one of Vesteda's major key performance indicators and therefore this is monitored on a continuous basis. Customer satisfaction surveys are sent out after repairs, termination of the rental contract, etc. Tenant satisfaction is included in the annual targets for the Management Team, senior management, departments and employees. Please see the Tenant satisfaction section in the Social section of this report.

In the event of tenant complaints, Vesteda strives to act and communicate quickly and transparently. Vesteda makes sure that cases are evaluated and that lessons learned are shared internally in order to improve future processes. In 2024, Vesteda has taken various concrete measures such as monitoring and improving telephone accessibility and improving its maintenance process.

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

Internal controls
Vesteda has a customer due diligence procedure in place to comply with anti-money laundering legislation related to tenants, among other things. Vesteda provides employees who are in charge of screening tenants with additional training and reference materials in an easy and confidential way.

Vesteda is working on the further digitalisation of the letting process, in order to ensure a more uniform applicability of the set selection criteria.

The Compliance department provides support to the Operations department in the letting process and the assessment of new tenants. In addition, Vesteda organises inhouse workshops on client due diligence. Vesteda has opened up its Speakup line to external parties, including tenants and has investigated fraud cases and, when deemed appropriate reported these to the police. Please see the Compliance and integrity section of this report.

Risk: Retention, engagement and performance of employees
The risk that Vesteda cannot attract and retain the right talent to achieve its ambitions and the risk that Vesteda's employees are less engaged and show a lack of performance.

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

Vesteda aims to become a High Performance Organisation and focuses continuously on actions and milestones to achieve this goal. In order to monitor Vesteda's status, we conduct a bi-annual survey among our employees. The results of the latest HPO and employee engagement surveys show that our employees are increasingly positive on our organisation and feel connected to the company, even though many employees continue to work from home part of the time. In order to stimulate employee development, Vesteda offers development budgets.

Please see the Organisation section of this report.

Risk: Supply chain shortages
Materials and tooling are not available or extremely high priced with possible delay in start/execution of investments and maintenance.

Internal controls
Vesteda continuously assesses projects for which this could be an issue and has looked into possibilities of delaying projects or providing additional budget. In 2024, the procurement/technical department set up long-term contracts with a select group of suppliers in order to improve supplier management.

Risk: Sanctions Russia
The risk that Vesteda would enter into agreements with persons or parties that are on the Dutch or European sanction lists.

Internal controls
Vesteda has a due diligence process in place for when it enters into contracts with new suppliers, tenants, home buyers and other relevant parties. A check against sanction lists is part of that.

Risk: Tenants without adequate insurance
The risk that Vesteda's tenants do not have adequate contents insurance (in Dutch: *inboedelverzekering*) and expect Vesteda to reimburse damages.

Internal controls
The tenant's obligation to take out contents insurance is taken up in the rental contract. In addition, Vesteda points out the importance of having this kind of insurance.

Risk Committee activities in 2024

In the year under review the Risk Committee convened seven times. The Risk Committee frequently discussed Vesteda's digital organisation and the risks related to our IT systems and possible cybercrimes and attacks with the D&I Manager, as well as the implementation process of DORA. The Treasury Manager reported to the Risk Committee on a quarterly basis on the compliance with Vesteda's funding targets, including stress tests on liquidity and financial covenants. The Internal Audit Manager reported to the Risk Committee on ISAE controls. Furthermore, the Compliance Officer reported on Compliance risks, the outcome of the systematical compliance risk assessment, including matters related to privacy and data protection. Regulatory matters, their potential impact on Vesteda's business and reports of AFM were addressed regularly.

'In control' statement

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

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

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

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

Compliance and integrity

The role of compliance in the organisation

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

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

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

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

Focal points in scope of compliance function

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

Vesteda's view on compliance and integrity

Integrity starts with the tone at the top. Vesteda has a Code of Conduct, which employees sign upon entering employment and subsequently on an annual basis. The Code of Conduct includes provisions on topics such as bribery and anti-corruption and conflicts of interests. It also includes the gift policy that applies to all Vesteda employees. The Compliance Officer reminds employees of this Code on an annual basis and employees are asked to confirm that they are aware of and have read the Code and that they have complied and will continue to comply with the Code of Conduct. When communicating about compliance-related matters to the organisation, the Compliance Officer will, to the extent relevant, always refer to the Code of Conduct as the guiding principle within the organisation.

Vesteda has an Internal Reporting Procedure for reporting misconduct and integrity incidents and any suspicions by employees and external parties, either in person or anonymously, via the SpeakUp platform or directly with the Compliance Officer. Under the Internal Reporting Procedure, any reported (suspected) misconduct and incidents are always investigated by two independent functions, the Compliance Officer and Internal Audit Manager.

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

Key performance indicators with respect to integrity are:

- Number of incidents reported to the Compliance Officer: 27. Vesteda explicitly does not strive to have zero incidents reported. Employees are encouraged to speak up to colleagues and management before formally reporting an incident to the Compliance Officer. Vesteda is of the opinion that the reporting of incidents can contribute to risk awareness and is a sign of a company culture in which employees do not fear repercussions for reporting an incident. Incident reporting can help to identify trends or risks.
- In 2024, the number of reported incidents was 27. There were no material incidents. A material incident could be: criminal acts, corruption, a violation of applicable legal and regulatory requirements, a breach of our internal Code of Conduct, a threat to the environment, health or safety, misleading supervisory authorities, intimidation, withholding or manipulation of data or any other act that damages Vesteda directly or indirectly. It is noted that seven of the 27 incidents reported involved forgery and unjustified payments of key money to third parties. Eight incidents were related to subversive criminal activities, including alleged subletting. Other incidents were related to minor data breaches (12). The Compliance Officer addressed incidents and, depending on the severity of the case, discussed these with the Management Board and reported them to the Supervisory Committee.
- Percentage of employees that confirm adherence to Vesteda's Code of Conduct: 97.6%
- In 2024, 97.6% of all employees, including the Management Team, confirmed their compliance with Vesteda's code of conduct. The percentage of non-compliance was mainly due to long term absence.

Vesteda's compliance with applicable legal and regulatory requirements is the foundation of its license to operate. Two of our main objectives are to incur no (monetary) sanctions and to retain our AFM license. Vesteda met both objectives in 2024. No (monetary) sanctions were imposed by regulators in 2024.

Compliance focal points 2024

Management conducted the annual Systematic Compliance Risk Analysis (SCRA) in Q4 2024, under the guidance of the Compliance Officer. The SCRA is an instrument management uses to identify and analyse compliance and integrity risks in a structured manner. The analysis included an assessment of whether existing control measures were (still) sufficient to prevent or mitigate the risks identified or whether new measures were required. The outcome of the SCRA serves as input for the Compliance Annual Plan for 2025.

Integrity:

- The Compliance Officer recorded compliance and integrity incidents and reported on a quarterly basis to the Management Board and a subcommittee of the Supervisory Committee about these incidents and any measures taken. The number of recorded incidents was 27 in 2024;
- The Compliance Officer and Internal Audit Manager conducted five internal investigations regarding potential fraud by employees, service providers and other external parties. Following these investigations, Vesteda took disciplinary measures and amended certain internal procedures. While Vesteda strives for the highest ethical standards, incidents may occur. When they do occur, management strives, to the extent (legally) possible, to use them as examples and discussion topics throughout the company;
- The Compliance Officer provided training on integrity and the Code of Conduct during the onboarding day for new employees. The training includes information about Vesteda as a regulated institution and topics and dilemmas related to the Code of Conduct, including (potential) conflicts of interest, and unethical and inappropriate behaviour;
- The Compliance Officer facilitated an in-house training on Competition Law for the Acquisition & Development department;
- Vesteda implemented a Supplier Code of Conduct for service providers who provide services related to the real estate portfolio;
- Vesteda updated its employment screening policy to include new integrity-sensitive positions, which require a more intensive level of screening. Whether a position is classified as integrity-sensitive depends on the level of risk and sensitivity to bribery and corruption;
- Vesteda sent out the annual confirmation reminder of Vesteda's Code of Conduct in Q4 2024. Vesteda's goal is to have 100% of its employees confirm the Code on an annual basis. By December 2024, 97.6% of employees had confirmed their compliance with the Code of Conduct. The Compliance Officer has looked into the reasons why employees failed to provide this confirmation (a number were related to absence due to long-term illness) and contacted employees who did not confirm their adherence to the Code where required.

Regulatory:

- In December 2022, Vesteda signed a covenant ('Convenant Horizontaal Toezicht') with the Tax Authorities for a period of three years. As part of the covenant requirements, Vesteda performed a tax risk analysis and implemented a process to monitor, audit and review the operating effectiveness of the system of internal controls to cover the tax risks and to ensure correct tax returns. The findings of this process in 2023 and 2024 confirmed that the design and operation of these controls provide a sufficient basis to ensure correct tax returns. In 2024, Vesteda set up a Tax Committee to oversee the compliance with the covenant and to monitor the continuing quality and effectiveness of the tax controls;
- Vesteda notified the Financial Intelligence Unit (FIU) Netherlands of 'suspicious transactions' in relation to rental income and proposed transactions regarding the rental and sale of residential property;
- Vesteda provided input for a market information request by the Dutch Financial Markets Authority;
- The Compliance Officer updated policies that Vesteda is required to have in place to comply with the Alternative Investment Fund Managers Directive;
- The Compliance Officer advised on the amendment of internal policies related to granting priority to certain individuals in the letting process.

Client integrity:

- The Compliance Officer actively advises the business on the review of (high-risk) customer due diligence (CDD) files and acts as a sparring partner for the business regarding client due diligence procedures. Vesteda employs dedicated CDD analysts to advise the business on and/or carry out certain client due diligence investigations. In accordance with the policy on CDD, clients are considered to be prospective tenants of Vesteda's residential and commercial real estate, prospective buyers of individual or collective homes and complexes, suppliers and participants;
- The Compliance Officer provided in-house training on anti-money laundering (AML) principles and indicators, and the recognition of potential fraud to employees responsible for client due diligence assessments;
- The Compliance Officer published several news items on CDD and related topics on Vesteda's Intranet to create awareness about client due diligence.
- The Compliance Officer launched the Vesteda CDD Portal for digitally onboarding prospective residential buyers and conducting CDD investigations on them.

Privacy:

In the past year, Vesteda focused on further enhancing privacy awareness and data protection within the organisation. This included the execution of the following actions:

- Vesteda updated the privacy statements for website visitors, (prospective) tenants, buyers and third parties, employees and job candidates;
- Vesteda revised the model agreements for the processing and exchange of personal data with third parties;
- The Compliance Officer created awareness for the use of processing or data exchange agreements;
- The Compliance Officer administered a Privacy Awareness e-learning course, based on GDPR principles, among Vesteda employees.
- The Compliance Officer analysed and advised on privacy in relation to planned changes in the letting process and on necessary adjustments within both processes and applications; Vesteda identified twelve data breaches (mentioned as incidents). The data breaches were reviewed and were deemed not to have led to risks for clients and/or Vesteda. As a result, Vesteda did not report these to the Dutch Data Protection Agency (Autoriteit Persoonsgegevens).

Regulation and disclosures

Vesteda is required to provide disclosures under Regulation (EU) 2019/2088 (the EU Sustainable Finance Disclosure Regulation, or SFDR). The Vesteda Residential Fund qualifies as an 'article 8' product under the SFDR and, as such, promotes Environmental/Social (E/S) characteristics, and while it does not have sustainable investment as its objective, it had a proportion of 84% sustainable investments (at year-end 2024) with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy or with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy. Please find a more detailed explanation in Annex 3: SFDR disclosure.

Vesteda publishes its progress in its sustainability strategy and performance on its website and in its annual report. The reporting on sustainability in the annual report was in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. In 2021, we became an official supporter of the TCFD. Please see Annex 5 for an overview with references for the alignment with the TCFD recommendations.

Capital structure

Participants

Participant satisfaction

Participant satisfaction (score out of 5)

4.2

Our goal is to provide our participants with an attractive risk-return, transparency and a high level of service. Participant satisfaction is one of our key performance indicators and has been stable at a high level over the past few years. The score is measured externally and anonymously, according to objective criteria, including financial performance, transparency and our strategy. We seek to continuously improve the dialogue with all our participants and maintain our participant satisfaction score by addressing the feedback from our annual satisfaction survey. Due to the ongoing demand for liquidity, our score remained at 4.2, in line with previous year. This is still well above our target of 4.0.

List of participants

Vesteda has a strong and supportive investor base with a long-term horizon, largely consisting of pension funds and insurance companies. At year-end 2024, Vesteda's participant base consisted of the following institutional investors:

- Allianz Benelux
- AZ Jupiter 10
- Deutsche Annington Acquisition Holding GmbH
- Euler Hermes
- Het Nederlandse Pensioenfonds (formerly Stichting Pensioenfonds Xerox)
- Nationale-Nederlanden Levensverzekering Maatschappij
- Non-disclosed Asian institutional investor
- REI Diaphane Fund
- Stichting Algemeen Pensioenfonds STAP Pensioenkring E
- Stichting Bedrijfstakpensioenfonds voor de Media PNO
- Stichting Bedrijfstakpensioenfonds MITT
- Stichting Depositary APG Strategic Real Estate Pool
- Stichting Depositary PGGM Private Real Estate Fund
- Stichting Pensioenfonds ABP
- Stichting Pensioenfonds Delta Lloyd
- Stichting Pensioenfonds ING
- Stichting Pensioenfonds KPN
- Stichting Pensioenfonds PGB
- Stichting Pensioenfonds PostNL
- Stichting Pensioenfonds Rail & Openbaar Vervoer
- Stichting Pensioenfonds voor Fysiotherapeuten
- VCRF Holding

Number of issued participations

The total number of issued participation rights had declined by 266,607 to stand at 35,163,759 at year-end 2024, following an equity redemption of €50 million on 28 March 2024.

Redemption requests

Vesteda has taken several actions to fulfil the redemption requests we received and generate the required liquidity. Participants indicated they would like to redeem part of their investment in Vesteda for a number of reasons, including the rebalancing of their total investment portfolios.

In 2024, Vesteda paid out €140 million in redemptions, consisting of the payout of the Redemption Available Cash of €50 million and one secondary transaction for a total of €90 million.

Together with an advisor, we continue to take the lead in the search for new investors to provide additional liquidity. Furthermore, we are modernising the liquidity mechanism to improve fund liquidity and attractiveness.

Profit distribution to participants

Policy: Vesteda distributes its realised results, excluding results on property sales, to its participants. Of this, 80% of the budgeted distribution is paid out in four quarterly instalments, within two weeks after quarter end. The final distribution payment is made after the adoption of the distribution proposal in April, based on audited results.

In 2024, Vesteda distributed a total amount of €200 million to participants, including €82 million that consisted of the Q4 2023 interim distribution paid out in January 2024 and the 2023 final distribution paid out in April 2024. Vesteda paid out a total of €113 million in three instalments as interim distributions for 2024. In addition, a distribution payment of €4.6 million was paid out from Vesteda Finance B.V. in December 2024.

In 2025, the Q4 2024 interim distribution of €38 million was paid out in January. Vesteda will propose to the General Meeting of Participants on 3 April 2025 a final distribution payment of €36 million for 2024.

Profit distributions (2024-2015)

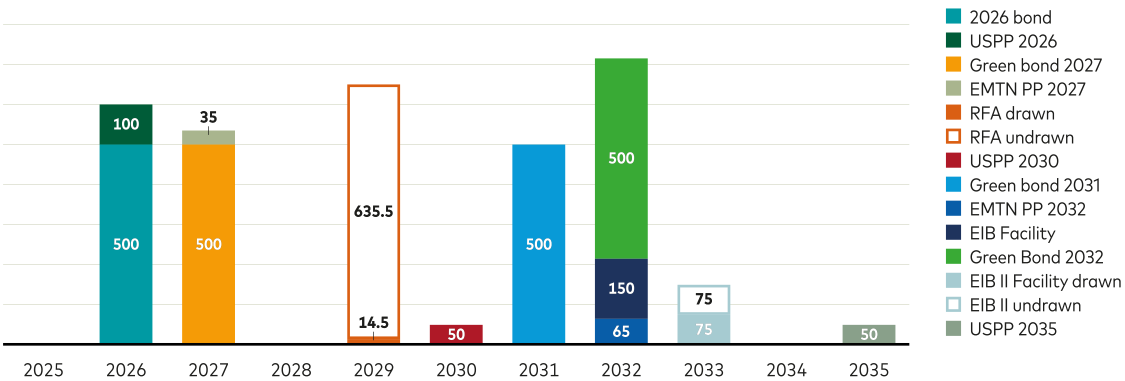
(€ million, unless otherwise stated)	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Income distribution	200	199	195	186	195	182	151	206	121	107
Capital repayment related to portfolio sale	-	-	-	-	-	162	264	-	-	-
Total distribution	200	199	195	186	195	344	415	206	121	107
Income distribution as % of time weighted average equity	3.0	3.0	2.5	2.8	3.2	3.2	3.4	6.1	4.4	4.4
Total distribution as % of time weighted average equity	3.0	3.0	2.5	2.8	3.2	6.0	9.3	6.1	4.4	4.4

Funding

Vesteda has a diversified unsecured funding structure, consisting of a combination of bank debt, Euro Commercial Paper (ECP), private placements, public bonds, and financing from the European Investment Bank (EIB). This unsecured debt profile enables Vesteda to secure debt funding through various debt markets at any point in time. This is supported by a strong investment grade credit rating by Standard & Poor's.

Over the past few years, Vesteda has aligned its funding structure with its sustainable profile. Vesteda issued green bonds in 2019, 2021 and 2024, arranged a green private placement in 2020, and added EIB financing for affordable housing in 2020 and 2022. In 2024, Vesteda refinanced its sustainability-linked Revolving Facility Agreement (RFA). These transactions underpin Vesteda's sustainable and social profile and help to diversify Vesteda's funding structure and to improve its cost of debt.

Debt maturity schedule (€ million)



Vesteda has two financing agreements in place with the European Investment Bank (EIB), each with a size of €150 million. Vesteda uses the proceeds of these financing facilities to fund projects in (regulated) mid-rental housing and to improve the sustainability of its existing portfolio, which accounts for up to 50% of total investments. The agreements have terms of 10 years and allow fixed-rate and floating-rate funding. The first EIB financing facility (2020) is fully drawn at a floating rate. Vesteda has drawn €75 million of the second EIB financing facility at a fixed rate, and we have another €75 million available.

Vesteda and its banks signed a new agreement for the refinancing of its Revolving Credit Facility that matured in 2025. The new facility has a size of €650 million and again is a Sustainability-linked Revolving Credit Facility.

The new facility embeds four KPI's that will measure Vesteda's sustainability performance: minimum GRESB score, installation of solar power capacity, the reduction of actual scope 1, 2, and 3 carbon emissions (through a carbon reduction of 55% in 2030 compared with 1990) by reducing the energy consumption and the outperformance of the IVBN benchmark on tenant satisfaction.

These KPIs match Vesteda's sustainability goals and are embedded in Vesteda's strategy. If Vesteda meets the majority of these KPIs, Vesteda will obtain a reduction in interest margin. On the other hand, the interest margin will increase if Vesteda fails to meet these KPI's. This is an extra incentive for Vesteda to improve its sustainability performance.

In May 2024, Vesteda successfully issued its third green bond. The €500 million bond has a term of eight years and a coupon of 4%. The bond was three times oversubscribed, resulting in a negligible new issue premium. The proceeds of the green bond will be allocated to homes with a minimum EPC A label, homes that have made an improvement of primary energy demand of at least 30% (up to a minimum EPC C label), and new-build homes that have an energy performance at least 10% better than the threshold for Nearly Zero-Energy Buildings ('NZEB').

Our funding strategy is based on the following funding targets:

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

At year-end 2024, we met all our funding targets.

Vesteda's average weighted maturity of debt was 5.0 years, above our long-term minimum target of four years. The average total debt interest rate was 2.5% in 2024, compared with 2.2% in 2023. The loan-to-value ratio was 25.6% at year-end 2024, compared with 27.8% at year-end 2023. The interest cover ratio stood at 4.3 at year-end 2024, compared with 5.3 at year-end 2023.

Vesteda's main financial covenants, as part of its financing agreements, are a maximum loan-to-value ratio of 50% and a minimum interest cover ratio of 2.0. We comfortably met all the financial covenants of our financing arrangements in 2024. Vesteda's funding targets contribute to its robust, well-diversified and flexible funding structure. Within this funding structure, Vesteda is always looking to further optimise its average cost of debt by making use of different funding instruments at different maturities, and through floating or fixed rate debt.

Debt portfolio at year-end 2024

Committed instrument	Interest rate	Size (€ million)	Drawn (€ million)	Weight	Maturity	Tenor
Bond	2.00%	500	500	19.69%	2026	1.5 yr
Green Bond	1.50%	500	500	19.69%	2027	2.4 yr
Green Bond	0.75%	500	500	19.69%	2031	6.8 yr
Green Bond	4.00%	500	500	19.69%	2032	7.4 yr
EMTN PP	1.93%	35	35	1.38%	2027	3.0 yr
EMTN PP	2.50%	65	65	2.56%	2032	8.0 yr
Pricoa USPP	1.80%	100	100	3.94%	2026	2.0 yr
AIG Private Placement	1.03%	50	50	1.97%	2030	6.0 yr
NYL Private Placement	1.38%	50	50	1.97%	2035	11.0 yr
Syndicated RFA (including Ancillary)		650	15	0.57%	2029	4.3 yr
EIB Facility		150	150	5.90%	2032	7.8 yr
EIB 2 Facility		150	75	2.95%	2033	8.5 yr
Total		**3,250**	**2,540**	**100.00%**		

Uncommitted instrument	Size (€ million)	Drawn (€ million)	Weight
SMBC Uncommitted Facility	200	-	0.00%
Euro Commercial Paper programme	1,000	-	0.00%
Total	**1,200**	**-**	**0.00%**

Sustainability statement

General

Basis of preparation

Vesteda's approach to sustainability reporting

For the past few years, Vesteda has been at the forefront of reporting on sustainability topics, our approach and targets, as we believe that transparency and accountability are key drivers for moving our ESG ambitions forward. This aligns well with the transparency required under the Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS) which have now come into effect. While the scope for Vesteda is limited going forward (to be re-assessed upon the (ESG) Omnibus Simplification Package, presented by the European Commission on 26 February 2025, coming into effect later in 2025), we think it is important to comply with CSRD reporting as part of our corporate responsibility and continuous transparency. In this context, there are two important developments to mention.

Vesteda will report under the CSRD on a consolidated basis including all entities comprising Vesteda Residential Fund, please refer to the Governance chapter, which is the same scope as for the financial statements for the financial year ended 31 December 2024. We believe that complying with CSRD reporting at a consolidated level gives investors and other stakeholders comprehensive information regarding the Fund's sustainability performance, considering this is part of our corporate responsibility and continuous transparency. The basis of preparation of these sustainability statements is therefore the same as those for the overall annual report.

Second, ahead of the CSRD requirements for the financial year ending in 2025, there are changes to the preparation and presentation compared with previous periods, as we changed the format of our reporting on ESG topics. These are now included in these Sustainability Statements to align with the upcoming CSRD requirements and are structured in the following order:

- General disclosures, including basis of preparation, governance, strategy and our approach to double materiality;
- Environmental disclosures, including our approach to climate change, waste and water management and our sustainable product portfolio;
- Social disclosures, including those related to the health and well-being of our own people, such as diversity and safety, as well as workers in our value chain;
- Governance disclosures.

The structure is matched to the CSRD standards to allow for a reporting foundation for preparation towards 2025 disclosures, as the first mandatory reporting year. Several metrics have been added versus the previous year to already disclose available metrics and targets required under CSRD.

During the preparation of these Sustainability Statements, Vesteda made no use of the option to omit any applicable specific piece of information corresponding to intellectual property, know-how or the results of innovation (in accordance with ESRS 1, section 7.7).

The limited assurance report of the independent auditor, which includes details on scoping and outcomes, is available on page 108. In light of our preparations for CSRD-related reporting over FY 2025, we have added several disclosures for 2024 versus the previous year, which are not yet in scope of the assurance engagement.

As we are preparing for the implementation of the CSRD, for the reporting year 2025, Vesteda is reporting its sustainability information for the first time taking the requirements of the ESRS into account on a 'best effort' basis. Making use of phase-in possibilities for 2025 and beyond, our main focus in the current Sustainability Statements is on Environmental, Own Workforce and Business Conduct. We recognise that this is a first step towards full compliance with the ESRS and that certain disclosure elements are not yet completely in line with the ESRS.

Disclosures in relation to specific circumstances
There are no specific circumstances to report that have had an effect on the preparation of these Sustainability Statements.

Time horizons
The reporting period for this Sustainability Statement is the same as the reporting period for the financial statements.

When executing our double materiality assessment, we assess material impacts, risks and opportunities over the short, medium and long term. As sustainability-related matters often materialise over time, this justifies more forward-looking reporting, whilst financial information is restricted to the annual reporting period.

For the purpose of the Sustainability Statement we define:

- Short term: 1 year
- Medium term: 1-5 years
- Long term: more than 5 years

Where our horizons deviate from these general principles, this is indicated.

Metrics and estimation uncertainty
In applying reporting requirements, Vesteda needs to make judgements and estimates that may be critical to the data reported. This includes prospective information such as ambitions, objectives, targets and expectations. Inherent to this information is the fact that the actual results may differ in the future and that information is therefore uncertain. Where feasible, the quantitative data in this report is presented alongside comparative data from the previous financial year for context and clarity.

With regard to energy data, the Fund receives anonymised consumption information from energy and network companies. This data does not cover 100% of the Fund's residential units, but only 80-90%. The remainder is estimated based on portfolio averages.

With regard to climate risks, the accuracy and availability of risk maps for climate risks is not guaranteed, as this is a relatively new subject and insights and data are continuously evolving.

Changes in preparation or presentation versus prior periods
For 2024, there are changes to the preparation and presentation compared with previous periods, as we changed the format of our reporting on ESG topics. These are now included in these Sustainability Statements to align with the upcoming CSRD requirements and are structured in the following order:

- General disclosures, including basis of preparation, governance, strategy and our approach to double materiality;
- Environmental disclosures, including our approach to climate change, waste and water management and our sustainable product portfolio;
- Social disclosures, including those related to the health and well-being of our own people, such as diversity and safety, as well as workers in our value chain;
- Governance disclosures.

The content is matched to the CSRD standards to allow for a reporting foundation for preparation towards 2025 disclosures, as the first mandatory reporting year. Several metrics have been added that were not used in the previous year, so we can already disclose available metrics and targets required under CSRD.

Reporting errors previous periods
There are no material omissions from, or misstatements in Vesteda's sustainability reporting for one or more prior periods to be reported.

Reporting based on other legislation
Vesteda discloses mandatory information based on Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation). This information can be found in Annex 3 of this Annual Report.

The sustainability information is prepared in accordance with GRI Standards. The GRI Standards used are listed in the GRI Content index as disclosed in Annex 2 of this annual report.

The reporting on sustainability is in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. See Annex 5 for an overview with references for the alignment with the TCFD recommendations.

Incorporation by reference

Some ESRS disclosure requirements are incorporated by reference. Where information is incorporated by reference, this is clearly indicated.

Governance of sustainability matters

This chapter sets out the governance processes and controls that are in place to manage and monitor sustainability matters.

Applying good governance benefits all stakeholders, helps to mitigate risks and safeguards Vesteda's reputation. Governance encompasses multiple aspects, such as: the protection of participants' rights, board independence and decision-making processes, the regulatory and legal environment, business ethics, executive/equal pay, diversity & inclusion, (personal) data integrity, tax strategy, etc.

Governance has become an ever greater focal point in recent years, as European legislation related to ESG reporting has amped up. For example, the Sustainable Finance Disclosure Regulation requires financial institutions like Vesteda to be transparent about the integration of ESG factors in their business models and to report the extent to which their portfolios are EU Taxonomy-aligned. Certain minimum safeguards, such as compliance with the OECD guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights, which include the principles and rights set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights need to be taken into account. The CSRD requires companies to disclose how governance of ESG matters is set up and how roles and responsibilities are allocated.

Composition and diversity

The composition of the Management Board and the Supervisory Committee, including the members' relevant skills and expertise with regard to Vesteda's overall business and sustainability matters in particular, are included in the 'Members of the Management Board' and 'Our Supervisory Committee' sections respectively. It is noted that employees and other workers are not represented in these boards. However, they are represented in Vesteda's Works Council, which is consulted and asked for approval on specific matters in accordance with the Dutch Works Councils Act, which may include topics that are linked to sustainability matters.

Roles and responsibilities

Management Board

The Management Board is responsible for defining the fund's overall strategy, which is set out in the business plan, as approved by the Participants. In respect of sustainability matters, the Management Board ensures that the strategy is converted into defined policies, targets and KPIs. As such, the Management Board is responsible for the oversight of sustainability related impacts, risks and opportunities. In particular, the CFO is responsible for the implementation of the CSRD, taking into account the scope as referred to in the Basis of preperation.

A more detailed description of the Management Board's duties and responsibilities can be found in the 'Members of the Management Board' section.

The Management Board has not yet performed a formal assessment to evaluate whether appropriate skills and expertise are available to oversee sustainability matters, including sustainability-related expertise that the Management Board directly possesses or can leverage.

Management Team

For the day-to-day execution of the fund's business plan, the Management Board is supported by the Management Team. This includes the implementation of defined policies, targets and KPIs.

ESG Committee

In relation to sustainability matters, the Management Board is also supported by the ESG Committee, which is chaired by the Portfolio Investment Manager ESG. The ESG Committee comprises the CEO, the Portfolio Investment Manager ESG, the COO, the Head of Portfolio Strategy, the Business Control Manager and the General Counsel. The members have been selected based on their knowledge of specific topics related to sustainability matters, such as, but not limited to, climate change, legislation, reporting and the supply chain.

The ESG Committee is charged, among other things, with the monitoring and oversight of Vesteda's sustainability strategy and the related impacts, risks and opportunities. The ESG Committee has a direct reporting line to the Management Board in the event it has significant findings.

Supervisory Committee

The Supervisory Committee supervises the policies and functioning of the Manager in relation to the fund and the general affairs of the fund. Its supervision includes monitoring whether the objectives as set out in the Business Plan, and the related annual targets are progressing throughout the financial year. The Management Board reports on a quarterly basis to the Supervisory Committee. This reporting includes the fund's progress with respect to its sustainability targets.

In the year under review, the Management Board reported on a range of subjects, including the CSRD implementation process and the use of the sustainability budget. In addition, the Supervisory Committee was updated on actions taken and the status of various sustainability targets, such as asset improvements to achieve the 99% green label goal, the installation of solar panels, BREEAM certifications and climate risk adaptation measures.

The Supervisory Committee conducted a self assessment, as set out in the Report of the Supervisory Committee, in which it also discussed whether it had or had access to the appropriate skills and expertise to conduct its supervisory duties. However, the Supervisory Committee has not yet performed this assessment specifically in relation to the supervision of sustainability-related matters.

Integration of ESG performance in incentive schemes

Vesteda's policy regarding incentive schemes for members of the Management Board and Management Team is partly linked to ESG matters. Certain ESG targets are part of the incentive scheme and the performance evaluation, these being: tenant satisfaction, energy use in kWh/m^2, installation of solar panels, BREEAM certificates, energy labels and GRESB score.

The proportion of variable remuneration tied to sustainability-related targets and/or impacts constitutes 40% of the overall variable remuneration.

Decisions on the Management Board's incentive scheme are made by the Supervisory Committee, when it comes to target setting, metrics and weight. The overall remuneration package of members of the Management Board (including the percentage of variable remuneration) is determined by the shareholders of Vesteda Investment Management B.V.

Vesteda's policy regarding remuneration for members of the Supervisory Committee does not link to sustainability matters. The members of the Supervisory Committee receive a pre-determined fee and do not receive any further incentive.

Members of the ESG Committee fall under Vesteda's regular remuneration policy, which does not include specific incentives outside of their fixed salary.

Please see the Remuneration report for further information on remuneration.

Risk management and internal controls over sustainability reporting

General information on Vesteda's risk management and internal control system can be found in the Risk Management chapter. With respect to sustainability reporting, the Risk Committee focuses on strategic risks, compliance and reporting.

The ESG Committee focuses on monitoring and oversight of Vesteda's sustainability strategy and the related impacts, risks and opportunities.

A dedicated CSRD Committee has been established to oversee the implementation of the CSRD reporting requirements.

As for sustainability reporting, internal controls depend on the area of reporting, as various departments are responsible for providing input for our sustainability reporting. The majority of our sustainability KPIs are prepared by the Portfolio Strategy department. In 2025, Vesteda will appoint a sustainability reporting officer to ensure that internal controls on sustainability reporting are further aligned.

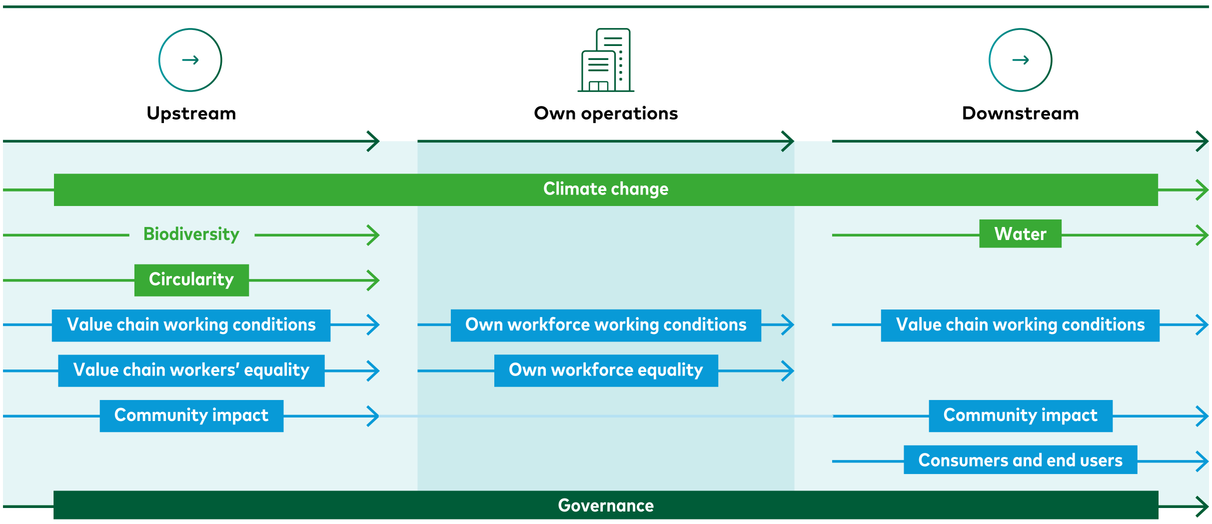
The double materiality assessment process

Description of the processes to identify and assess material impacts, risks and opportunities

Vesteda employs a comprehensive seven-step methodology for its Double Materiality Assessment (DMA), including internal and external stakeholder engagement throughout the process. A list of potentially relevant sustainability matters is created based on stakeholder insights, prior assessments, and sector analyses. The next step involves defining the impacts, risks, and opportunities (IROs) associated with these sustainability matters, identifying if they present material issues that need disclosure. These IROs are scored and assessed with attention to financial implications and the severity of potential impacts. Vesteda employs a structured ranking system to categorize these impacts, risks, and opportunities by applying specific thresholds to distinguish between material and non-material issues. This process is further refined through internal and external expert consultations and validated with external stakeholders, ensuring a comprehensive understanding of the most material issues. Lastly, the results are captured in a materiality overview and undergo external validation, where surveys are sent to stakeholders such as tenants, employees, and investors to ensure alignment and responsiveness to their key concerns, which ultimately influences the company's policy-setting for sustainability topics.

The result of our double materiality assessment

The outcomes of our double materiality assessment, which were developed as part of our CSRD implementation, are considered preliminary and represent our current understanding of material topics based on existing data and stakeholder engagement. As our business environment, stakeholder expectations, and regulatory landscapes continue to evolve, it is important to note that these results may be subject to change. We remain committed to revisiting our assessments regularly, incorporating new insights and feedback to ensure that our focus remains aligned with the most pertinent sustainability issues. This iterative approach helps us adapt to emerging challenges and opportunities, thus maintaining the relevance and effectiveness of our sustainability strategies.



Material sustainability-related impact, risks and opportunities

In this sustainability statement we provide the materiality results of our ESG (sub-)topics, as set out in the ESRS. Topic materiality is driven by impact materiality and/or financial materiality. Under the impact materiality direction, impacts can be classified as either negative or positive. For financial materiality, a (sub-)topic can be considered material either as a risk or an opportunity.

Our performed DMA forms the basis of our sustainability reporting. The following tables list our ESG related impacts, risks and opportunities we have identified and assessed as material based on our performed DMA. In these tables, each material ESRS topic is outlined, specifying the sub-topics related to our material impacts and risks, such as climate change mitigation or climate change adaptation.

Additionally, the tables indicate whether the impacts and risks occur within our own operations or across the value chain. We also specify whether an impact is positive or negative (for impact materiality) or, for financial materiality, whether it is a risk or opportunity. Unless noted otherwise, all impacts are actual impacts, rather than potential. Brief descriptions are provided for the impacts, risks or opportunities.

Risk Opportunity Positive impact Negative impact Value chain Own operations

■□□ Level of impact materiality compared to maximum score (two or higher is material for Vesteda)

■□□ Level of financial materiality compared to maximum score (two or higher is material for Vesteda)

Environment

Climate change

Vesteda's operations have the potential to negatively impact both people and the environment through direct greenhouse gas (GHG) emissions (scope 1 and 2) and indirect emissions (scope 3). This includes direct emissions from Vesteda's own operations (scope 1), indirect emissions from the real estate portfolio (scope 2), and emissions associated with Vesteda's upstream and downstream value chain (scope 3), such as business travel, employee commuting, and the procurement of goods and services. Additionally, Vesteda faces transitional and physical risks affecting its operations and supply chain, including its real estate portfolio.

Impact	Description	Score
Climate change mitigation		
	Negative impact on the climate due to CO2 emissions during the construction and/or renovation of construction companies.	■■□
	Opportunity for Vesteda to differentiate itself from competitors by becoming a leader in the field of good sustainability policy, through its GHG accounting and climate risk analyses.	■■■
	Opportunity for Vesteda to reduce living costs for tenants by renovating the current homes in its real estate portfolio.	■■■
Climate change adaptation		
	Risk of substantial damage to buildings in the portfolio due to extreme weather conditions, such as heat stress, waterlogging, drought, and flooding.	■■□
	Risk that suppliers will have higher capital expenditures (capex) and operating expenses (opex) due to the greening of their supply chain and the introduction of new climate-related laws and regulations, such as CO2 taxes.	■■□
Energy		
	Negative impact on global warming through Vesteda's own operations, direct greenhouse gas emissions (scope 1 and 2), and indirect greenhouse gas emissions such as transport (scope 3 emissions).	■■□
	Negative impact on the climate due to CO2 emissions during the construction and/or renovation of construction companies.	■■□
	Negative impact on global warming through Vesteda's real estate portfolio, the greenhouse gas emissions of tenants (scope 3).	■■□

Resource use and circular economy

The circular economy can be seen as an extension of the linear economy. The circular economy assumes that the products we use now are raw materials for future products or are returned to nature. It is an economy where waste no longer exists. As a commercial real estate investor focused on renovating or constructing buildings, we are aware of our role in resources use and our circular economy duty. For these real estate constructions, resources are exploited and processed. The usage of these resources could have (negative) impacts on the environment, depending on the materials used and the processing method in place. Furthermore, there are potential financial risks on the topic of resource use and circular economy, such as increased scarcity of construction resources and stricter regulation.

Impact	Description	Score
Resource inflow, including resrouce use		
	Negative impact of the extraction and processing of building materials that consume finite natural resources, such as minerals, metals, wood, and water, which can lead to resource scarcity, loss of biodiversity, land degradation, and water pollution.	
	Positive impact on the reuse of materials during the renovation and sustainability of buildings to extend the lifespan of the buildings.	
	Risk of a decreasing availability of resources due to climate change and resource depletion.	
	Risk of higher costs due to increased taxes on materials.	
	Risk that sustainability/certification laws and regulations do not align well with each other.	
Resource outflow		
	Negative impact of the production, transport, and disposal of building materials that (substantially) contribute to global warming through the emission of carbon dioxide and other greenhouse gases.	
	Risk that real estate construction projects (i.e., new construction, renovation work, sustainability projects) substantially contribute to greenhouse gas emissions (embodied carbon).	
Waste generation		
	Opportunity to design and construct buildings with materials that have the potential to store carbon for a long time if they are designed and built with carbon-storing materials.	

Social

Own workforce

The ESRS defines the own workforce as all employees and non-employees who are either people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities". As an employer we can impact our own workforce, both negatively and positively. And from the financial impact perspective, our own workforce goes hand in hand with risks and opportunities for our company.

Impact	Description	Score
Working conditions		
	Negative impact on employee development due to not offering a personal training budget and/or training programs.	■■□
	Negative impact on employee well-being due to potential loss of personal information from increasing digital interaction.	■■□
	Positive impact on the well-being of own employees by ensuring employment, reasonable working hours, and a proper work-life balance.	■■■
	Positive impact by providing flexibility to employees, such as the possibility of working from home, purchasing a home office, etc., as outlined in a telecommuting agreement.	■■■
	Positive impact on employees by having a strong internal speak-up process, where investigations are conducted into undesirable behavior within the own workforce.	■■■
	Reputational risk for Vesteda if there are many employees with burnout. Risk that employees will drop out due to burnout and work-life balance related complaints. This can also lead to higher work pressure for the remaining employees.	■■□
	Risk that Vesteda's employees do not take advantage of training opportunities and courses, and therefore are not able to develop themselves as well as possible.	■■□
	Risk that information flows, systems, or tools are insufficiently secured, leading to the loss or theft of private data of own employees.	■■□
	Opportunity for an improved image due to the good work-life balance of employees. Opportunity for increased productivity/effectiveness of employees because they are satisfied.	■■□
Equal treatment and opportunities for all		
	Risk that employees feel undervalued due to the lack of data on the ethnicity of employees and employees with disabilities.	■■□
	Opportunity for improved productivity of employees as a result of appreciation and equal treatment within Vesteda.	■■□

Workers in the value chain

Workers in the value chain are those who are not directly employed by the company but are part of the broader supply chain. These workers might be employed by suppliers, contractors, or other third parties that provide goods or services to the company. The focus of this disclosure includes ensuring fair labor practices, safe working conditions, and adherence to human rights standards across the value chain. Vesteda impacts these workers, both positively and negatively.

Impact	Description	Score
Working conditions		
	Negative impact on the health of production workers, construction workers, and/or involved communities due to the choice of building materials.	
	Negative impact on the safety and health of subcontractor employees due to price demands, resulting in the use of self-employed workers, foreign workers, and/or poorly trained workers, which can lead to accidents and injuries.	
	Opportunity for Vesteda to attract subcontractors more easily and maintain relationships due to the positive experience of subcontractor employees.	
Other work-related rights		
	Negative impact on workers at both construction sites of buildings delivered to Vesteda and subcontractors due to, among other things, price demands, which could result in workers being insufficiently paid.	
	Positive impact on the well-being of employees of (sub)contractors as a result of a clear SpeakUp policy. Through Vesteda's SpeakUp policy, employees of (sub)contractors can safely and transparently file complaints about incidents, events, or grievances at (or about) the workplace.	

Affected communities

Affected communities are those living near Vesteda's operations, impacted by the company's activities. This includes addressing environmental, social and economic concerns. Vesteda impacts these communities and, the other way around, is impacted by these communities.

Impact	Description	Score
Communities' economic, social and cultural rights		
	Negative impact on the displacement of local populations for the extraction of necessary raw materials (cobalt, copper, etc.) for use in climate mitigation measures, such as solar panels and lease cars.	
	Negative impact on social inclusion as a result of renovated homes that no longer fall into the social housing categories as part of Vesteda's policy.	
	Positive impact on the environment and residents by guiding the type of business that settles in the respective neighborhood, taking into account standards that could promote the neighborhood.	
	Risk for Vesteda of vacancy in commercial spaces due to the selection procedure of enterprises.	
	Opportunity for improved relationships with neighbors & enhanced reputation of Vesteda.	
	Opportunity for improved reputation among residents through the selection procedure of enterprises for renting commercial spaces.	

Consumers and end-users

Consumers and end-users are individuals who purchase or use Vesteda's products and services. Vesteda impacts these consumers through product safety, quality and customer satisfaction. Conversely, consumer feedback and behavior impact Vesteda's operations and reputation.

Impact	Description	Score
Access to products and services		
	Negative impact on end users due to focusing on a specific type of housing in a higher socioeconomic class, resulting in not all population or minority groups having access to a home.	■■□
	Positive impact by making homes available for middle-income earners who are currently struggling to find housing.	■■□
	Positive impact by indirectly contributing to a livable income for (future) pensioners.	■■■
	Reputation risk when it becomes known that Vesteda (indirectly) discriminates in access to a house built within Vesteda. All population groups should have access to the products that Vesteda rents/sells.	■■□
	Risk of non-payment due to higher rental prices or other related risks by increasing rent in favor of pensioners.	■■□
	Reputational opportunity by making homes available for middle-income earners.	■■□
Product or service conditions		
	Negative impact on customer well-being following potential loss of personal information due to increasing digital interaction.	■■□
	Risk that information flows, systems, or tools are insufficiently secured, leading to the loss or theft of private data of customers or other involved parties.	■■□
	Risk related to product/material quality control. Reputation risk: Incomplete analysis and quality control of Vesteda building materials can jeopardize the company's reputation. If issues come to light, this can lead to a loss of trust between customers and partners. This, in turn, can affect market position, customer retention, and future business opportunities.	■■□
	Risk of tenant non-payment and lawsuits in case of disputes.	■■□
	Opportunity related to product/material quality control. Reputation opportunity: When it is known that Vesteda's homes are of good quality, this can influence market position, customer retention, and future business opportunities	■■□

Governance

Business conduct

Vesteda impacts business conduct through its policies, practices, and corporate culture. This topic refers to the ethical and responsible behavior of Vesteda in its operations. Ethical business conduct could enhance Vesteda's reputation and stakeholder trust.

Impact	Description	Score
Corporate culture		
	Positive impact on reduced stress levels of employees and workplace well-being due to active communication and codes of conduct. This establishes desired behavior and makes it clear to every employee what kind of behavior is tolerated.	
	Opportunity for reduced employee turnover due to a clear desired company culture resulting from a pleasant environment, reduced stress, and improved employee well-being.	
	Opportunity to improve Vesteda's reputation by preventing issues related to corruption/bribery, thereby avoiding reputation risks due to incidents of corruption and/or bribery that cause negative media coverage, employee withdrawal, and loss of customers.	
Protection of the whistleblower		
	Positive impact on employees' sense of safety and the ability to easily report misconduct due to a good whistleblower policy. The whistleblower policy protects employees who report dangers related to people and the environment from adverse treatment and consequences from the employer.	
Political engagement		
	Positive impact on promoting/maintaining the business climate of real estate sectors due to advocacy. The impact of advocacy contributes to achieving a level playing field, an accessible and transparent decision-making process, and prevents conflicts of interest.	
Corruption and bribery		
	Risk of minor cases of non-compliance with rules and regulations due to an inadequate system of rules, frameworks, and oversight of the actions of employees and suppliers.	

Bors van Waveren
Amstelveen

Renovation of 95 characteristic 1930s homes, located in Amstelveen. Each home received a quality upgrade, significantly improving living comfort for the tenants

Environmental

Vesteda constantly aims to improve it's sustainability performance, which helps us safeguard the attractiveness of the fund and optimise our long-term risk/return ratio. Our objective is to reduce the consumption of energy and water, and cut CO_2 emissions. We also aim to stimulate a circular approach in the use of materials, increase biodiversity around our complexes and improve the climate adaptivity of our portfolio. Finally, we encourage our business partners to have the same high sustainability standards.

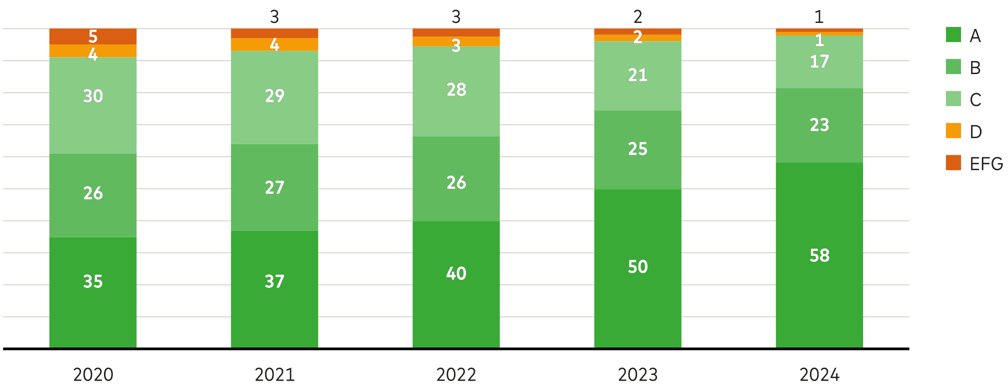
Portfolio sustainability improvements

Vesteda's participants approved a plan in 2015 to improve the energy performance of the portfolio.

In 2024, we invested €34 million and improved the energy performance of 2,018 residential units. The measures included the installation of high-efficiency boilers, DC ventilators, LED lightning in common areas, insulated glass, the insulation of roofs, cavity walls and under floors, and the installation of solar panels. Vesteda installed a total of 13,935 solar panels last year. At year-end 2024, Vesteda had a total of 47,613 solar panels in its portfolio, generating approximately 12.5 million kWh annually.

The percentage of homes in our portfolio with a green energy label (A, B, or C) increased to 98% in 2024, from 96% the previous year. The percentage of A labels increased to 58% in 2024 from 50% in 2023, due to the renewal of energy labels of existing homes and new acquisitions. The main deviation from the 99% target is the delay of one renovation asset. Going forward, Vesteda will report on actual energy performance.

Energy labels (%, weight in units)



Healthy and safe homes

We want to provide our tenants with healthy and safe homes. This means that central heating boilers are checked regularly, lifts are checked frequently and combined heat and power installations are provided with new filters whenever necessary. We also strive to have homes without high-risk asbestos. The quality of drinking water in our complexes is also essential. Although these measures are of a more technical nature, they can have a positive impact on the lives and well-being of our tenants. To ensure the health and safety of our homes as effectively as possible, we took the following precautionary measures that were monitored or executed by our Operations department:

- **Legionella:** Up until 2024, approximately 80% of our multi-family complexes were inspected for legionella risks in the central part of these buildings. If Vesteda is not the sole owner of a building, we ask the owners' association to initiate the inspection.
- **Asbestos:** An external partner inspects our homes if the presence of asbestos is suspected, for example based on the year of construction or other information. If asbestos is found, Vesteda takes appropriate action, including clean-ups and providing information for tenants and third parties.
- **Central heating installations:** Over the course of two years, nearly 80% of all our central heating systems were inspected.
- **Combined heat and power installations:** In 2024, we inspected more than 60% of the combined heat and power installations in our complexes. The remaining installations will be inspected before the end of 2025.
- **Lifts:** Nearly all lifts were inspected in 2024, and 92% were approved. We will inspect the remaining lifts in 2025. In addition, we conducted separate inspection and tests on the emergency audio connections of all lifts.
- **Fire safety:** We inspected almost all our multi-family complexes in accordance with the Dutch building decree. In addition, in 2024 we inspected the fire extinguishing equipment, water pipes and emergency lighting at a total of 179 complexes.

Sustainable supply chain

Since 2016, we have asked our largest suppliers to sign the IVBN sustainability declaration. Although signing is voluntary, it does give Vesteda the opportunity to start a constructive dialogue and it enables us to promote our core values and influence our suppliers. The next step will be to improve our impact by rolling out a sustainability scan with questions on policies, targets and results.

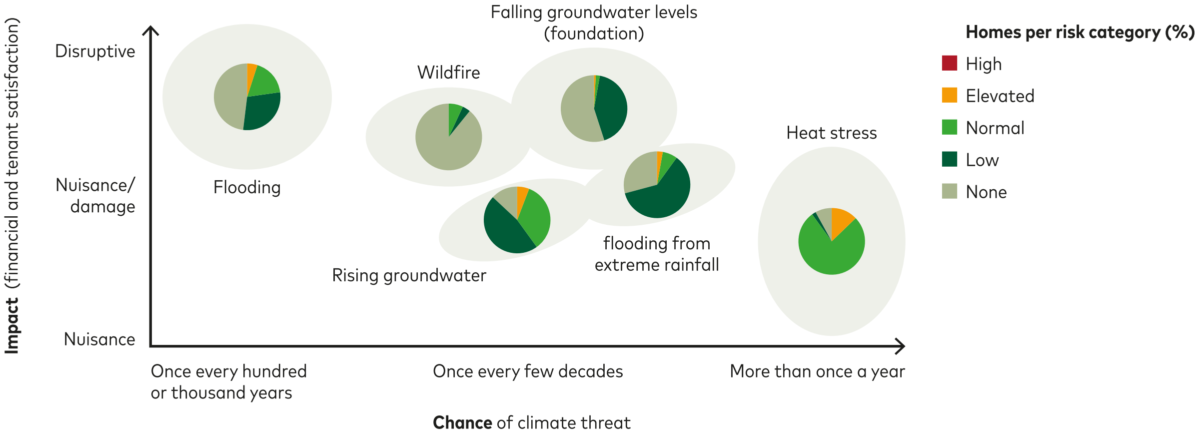
Circular portfolio investments

We encourage and apply the use of circular materials in our new-build construction projects, as well as in renovation and maintenance projects. By conducting research into circularity, we aim to measurably increase our impact, as well as that of other stakeholders.

Physical climate risks

Due to the changing climate, the real estate sector and its residents are faced with physical climate risks such as heat stress and flooding. In 2021, in collaboration with Climate Adaptation Services and Sweco, Vesteda created an internal risk monitoring tool to gain insight into the physical climate risks within our portfolio. The uniqueness of the tool lies in the integration of both environmental risks and building-specific characteristics. We use this tool to monitor the physical climate risks for Vesteda's residential portfolio, and this provides valuable information and potential measures to reduce the risks.

Climate risks and impact on Vesteda's portfolio 2024



The previous graph shows that the risks to our total portfolio are low. We continue to address all elevated climate risks in our portfolio for assets that align with our long-term strategic objectives. In 2024, we addressed almost all high climate risks, ensuring mitigation to normal levels. For one complex we did not meet the policy requirements regarding flooding caused by heavy rainfall. We are currently awaiting an external expert opinion to take appropriate mitigation measures. By 2025, we will have planned measures to mitigate heat stress and flooding due to heavy rainfall at asset level. We address all other elevated climate risks in a mitigation plan per asset.

Climate risk: heat stress

Risk	Number of units	Policy
Unknown	2,050	To be determined
Low	512	Acceptable risk, take action if issues occur
Mid	21,963	Acceptable risk, take action if issues occur
High	3,544	Prepare plan by 2025
Very high	-	Mitigate risk by 2024

Climate risk: flooding due to heavy rainfall

Risk	Number of units	Policy
Unknown	2,050	To be determined
None/not applicable	6,233	Acceptable risk, take action if issues occur
Very low	11,965	Acceptable risk, take action if issues occur
Low	4,788	Acceptable risk, take action if issues occur
Mid	2,090	Acceptable risk, take action if issues occur
High	876	Prepare plan by 2025
Very high	67	Mitigation in process

Measuring and managing resource consumption

Our goal is to manage and reduce the usage of resources (energy, water) to minimise the production of greenhouse gases in our portfolio. We measure the energy consumption of our common areas as well as from our tenants, in collaboration with energy suppliers and grid operators. Please refer to Annex 4 for all energy consumption data according to INREV guidelines. For 2024, the heating consumption has not been received; therefore, the coverage is 0%.

The reporting on managing and reducing resource consumption is according to the INREV GRI reporting standard. The overview showcases an overall increase of 1.2% (measured in kWh). The overall increase is due to the increased gas consumption in tenant spaces.

Common areas

In 2024, with regards to the common areas, our electricity consumption decreased by 3.6%, and gas consumption by 13.3%. The reduction results from our efforts and investments in improving the sustainability of the portfolio. Since not all utility providers have finalised their annual statements yet, the coverage in 2024 is lower than in 2023.

In a like-for-like comparison, consumption is evaluated for areas where data is available for twelve months in both 2023 and 2024. The square meters of common areas are calculated based on a representative sample, indicating that the actual common area square meters, on average, represent approximately 14% of a building.

Tenants

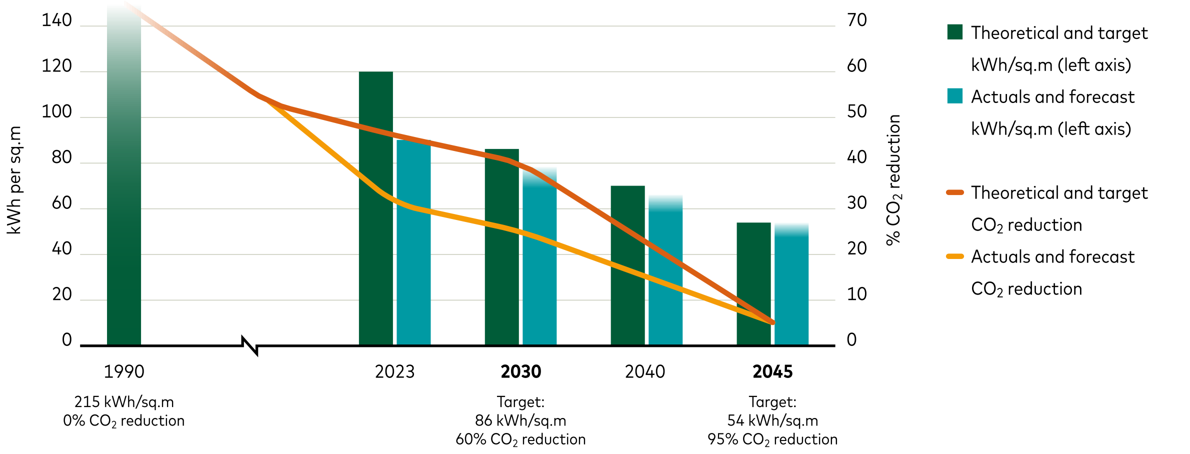
In 2024, tenant electricity consumption decreased by 3.6%, while gas consumption increased by 4.4%. The like-for-like comparison is conducted for areas where data is available for twelve months in both 2023 and 2024. Despite our continued sustainability efforts, gas consumption for tenants increased.

Besides the decrease in electricity consumption, there is also an increase in the generation of solar energy. This helps in lowering greenhouse gas emissions and decreasing expenses for our tenants, which improves affordability.

Paris Agreement

As part of our focus on climate change mitigation, we have a CO_2 roadmap, in which we commit to the Paris Agreement by reducing our carbon footprint. In the CO_2 roadmap, we focus on two main KPIs, which are the kWh/sqm consumption and CO_2/sqm emissions of our portfolio. Using the 'Trias Energetica principle', we will first focus on reducing the energy demand of our homes.

CO_2 Roadmap



Our target is to reduce our energy consumption by 60% in 2030, compared with 1990. To achieve this goal, we accelerated our sustainability investments, including investments in climate adaptivity. The roadmap is dynamic, since policies and targets are subject to change. We are well on our way to achieving our 2030 target, having reduced our CO_2 emissions by over 50% compared with 1990.

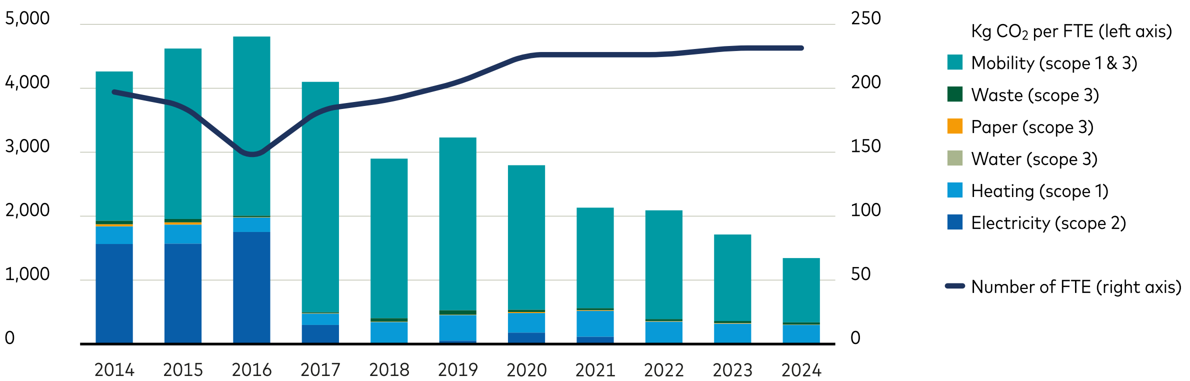
After 2030, we will continue to focus on further reducing energy consumption and on switching to sustainable 'green' energy sources to realise a 95% reduction in CO_2 emissions by 2045. Our goal is to ensure that the remaining energy consumption consists of CO_2 emission-free energy.

CO_2 footprint of our organisation

Vesteda aims to continuously reduce the CO_2 emissions of our organisation. In 2024, the total CO_2 footprint of our organisation was 297 tonnes of CO_2, or 1,338 kg per FTE. This includes ten regional offices. Our 2024 carbon footprint decreased by 21.7% per FTE compared with the previous year.

Based on the GHG protocol, scope 1 continues to account for the majority (67%) of our total emissions, compared with 1% for scope 2 and 32% for scope 3.

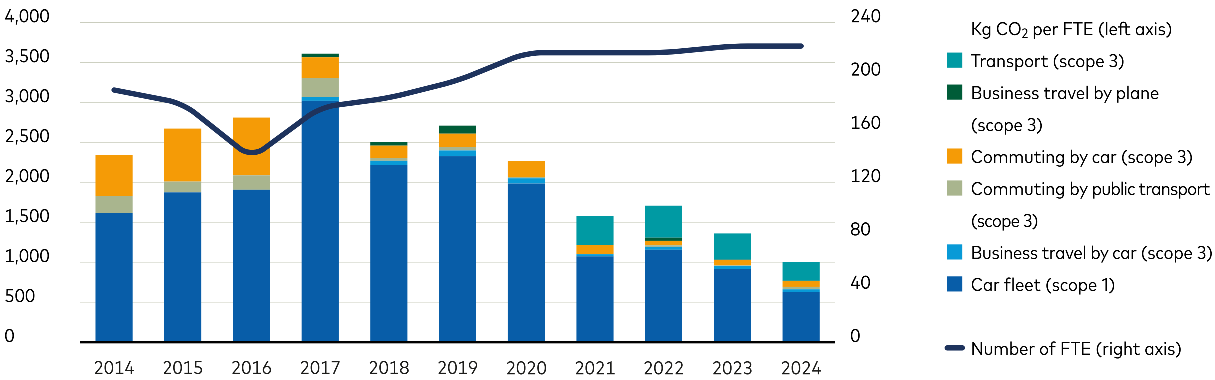
CO_2 emission per FTE



The reduction in our CO_2 footprint is largely due to the further electrification of our vehicle fleet and additionally, the relatively mild winter in 2024 likely contributed to lower heating-related emissions.

Mobility remains the largest contributor to our CO_2 footprint. However, Vesteda continued to reduce these emissions by increasing the share of fully electric vehicles in our fleet. By the end of 2024, 80% of our fleet was fully electric, compared to 66% at the end of 2023. The total CO_2 emissions from mobility decreased by 25.6% compared to 2023, demonstrating our commitment to sustainable travel and operations.

Transport-related CO_2 emissions per FTE



Circularity within our organisation

In 2024, several steps were taken to advance circularity and sustainability within the organisation. The procurement policy was reviewed, leading to initiatives that will take place in 2025, aimed at enhancing circular procurement practices.

Efforts were also made to improve waste management by exploring alternative collection services for better data and transparency.

Vesteda remains committed to circularity and sustainability, continuously looking for ways to improve resource efficiency and reduce environmental impact across all aspects of our organisation.

EU Taxonomy

The Taxonomy Regulation establishes the framework for the EU Taxonomy by setting out four conditions that an economic activity must meet in order to qualify as environmentally sustainable.

A qualifying activity must:

- Contribute substantially to one or more of six environmental objectives, being:
  - Climate change mitigation
  - Climate change adaptation
  - Sustainable use and protection of water and marine resources
  - Transition to a circular economy
  - Pollution prevention and control
  - Protection and restoration of biodiversity and ecosystems
- Do no significant harm to any of the other environmental objectives.
- Be carried out in compliance with minimum (social) safeguards.
- Comply with technical screening criteria.

The technical screening criteria specify the performance requirements for any economic activity that determine under what conditions that activity makes a substantial contribution to a given environmental objective and does not significantly harm the other objectives. For the financial year 2024, all six objectives listed above have been laid out in more detail and are applicable for reporting.

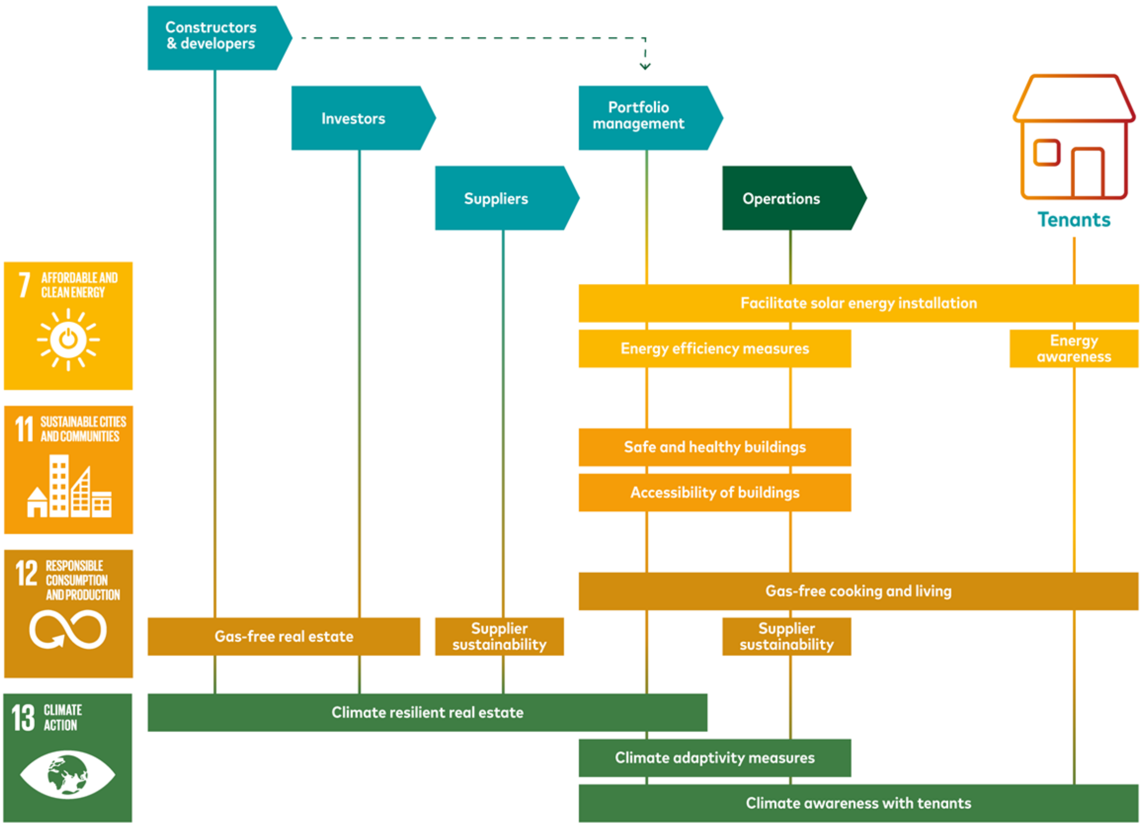
The fund's eligible activities contribute to climate change mitigation and fall under category 7.7 'Acquisition and ownership of buildings', as set out in Annex I to the Delegated Regulation (EU) 2021/2139[2] .

The fund's Taxonomy alignment is set out in the SFDR Disclosure document (Annex 3) and is reported in terms of the market value of the fund's real estate assets.

Sustainable Development Goals (SDGs)

Vesteda embraces the UN's Sustainable Development Goals, which define global sustainable development priorities and aspirations for 2030. This common set of 17 goals and 169 sub-targets calls for worldwide action from governments, business and civil society to end poverty, ensure prosperity for all, and protect the planet. We consider the following SDGs the most relevant to our activities, based on what we do and our ambitions: Affordable and clean energy (7), Sustainable cities and communities (11), Responsible consumption and production (12) and Climate action (13). The following figure shows our SDG actions mapped along our value chain.

Our value chain and SDG actions



2 Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (Text with EEA relevance)

Global Reporting Initiative (GRI)

Vesteda reports on the basis of GRI Universal Standards. For more information, please see the About this report section and Annex 2 of this report.

GRESB

The Global Real Estate Sustainability Benchmark (GRESB) provides a tool to compare the sustainability of real estate investment funds. The GRESB survey is designed to identify the sustainability performance of the real estate sector and is now a widely recognised and well-respected initiative. The environmental benchmark rates environmental management practices and their implementation, making it possible to compare different real estate investments on a national and international level. Vesteda believes that GRESB is helping to increase transparency with respect to the sustainability of real estate funds. To contribute to the continued evolution of the benchmark, Vesteda joined GRESB as a member in 2013.

In 2024, Vesteda was again awarded five out of five stars and climbed to the top position in the reference group in the Netherlands and the world, which resulted in Vesteda being named the GRESB Global Sector Leader Residential. The five-star rating is the highest attainable rating in the annual GRESB benchmark survey, representing the 20% best scoring participating funds worldwide. Vesteda is committed to remaining a top player in the field of sustainability at a national and international level.

GRESB REAL ESTATE sector leader 2024

1st

ESG breakdown GRESB 2024

	Vesteda	Peer group	GRESB average	Max score
Environment	57	51	42	62
Social	18	18	16	18
Governance	19	19	18	20
Total	**94**	**88**	**76**	**100**

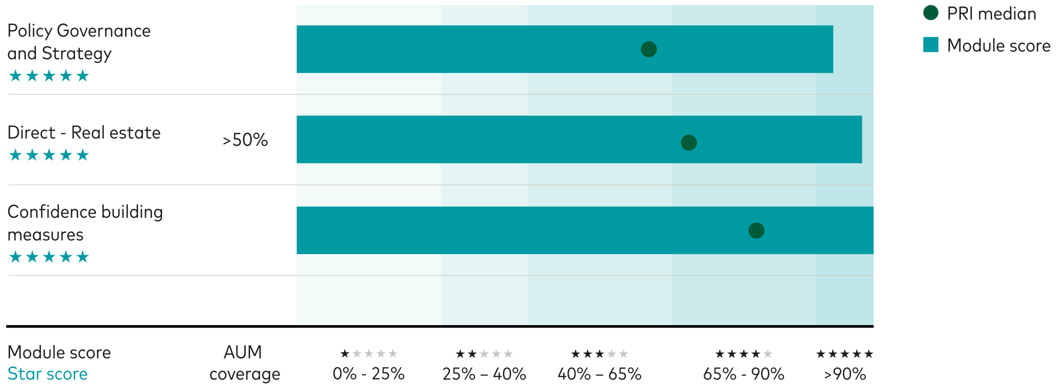
GRESB score 2024

UN PRI

The Principles for Responsible Investment (UNPRI or PRI) is a United Nations-supported international network of financial institutions. Its goal is to understand the implications of sustainability for investors and support signatories to facilitate the incorporation of these issues in their investment decision-making and ownership practices.

Vesteda achieved five-star ratings across all three applicable modules: 93% in Policy Governance and Strategy, 98% in Direct – Real Estate, and a perfect 100% in Confidence Building Measures. We are committed to maintaining these high standards and continuously improving where possible.

UN PRI summary score card



Accelerating our path to sustainability

We will continue to implement our CO_2 Roadmap and strive to realise our ambitions to become Paris Proof by 2045 instead of 2050. Our goal for 2030 is to realise a 60% energy reduction in kWh/sqm compared with 1990. We will continue with the large-scale renovations of our residential complexes to reduce energy demand of our homes and total cost of living for our tenants. Furthermore, we are actively increasing awareness and motivation among our tenants to reduce energy use. We are investing in new climate-proof buildings and we are taking measures to lower the physical climate risks of (very) high-risk assets. Finally, we are implementing the sustainability impact score of our new acquisitions and standing assets.

Social

Tenant satisfaction

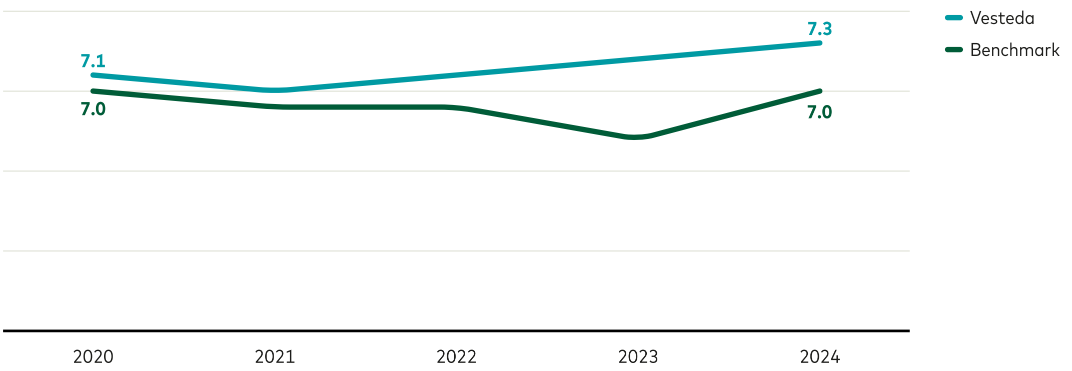
Ensuring sustainable and affordable housing is at the heart of our social responsibility, with tenant satisfaction playing a central role in fostering thriving communities. By actively involving tenants, we strengthen social cohesion, enhance the living environment, and ultimately drive greater satisfaction among residents. A pleasant home, a smooth customer journey and clear and transparent communications all contribute to this.

Digitalisation enhances our ability to provide a seamless customer experience while ensuring personal contact remains available when needed. By optimising internal workflows and streamlining the customer journey, we make it easier for tenants to connect with us and ensure that questions and repair requests are resolved efficiently the first time.

Measuring tenant satisfaction is a valuable indicator for us, as it lets us know whether we are on the right track and how we can improve our homes and services.

We measure tenant satisfaction once a year through a benchmark survey conducted by Customeyes. In 2024, in total 13 residential investors in the Netherlands participated in this survey. The Customeyes data consists of a representative sample drawn from all Vesteda's tenants. The survey provides us with detailed information on how our tenants experience our homes, the living environment and the level of our services. We share the results of this survey with our tenants and employees and evaluate the results to identify potential improvements.

Tenant satisfaction (Customeyes benchmark)



Vesteda is proud to have outperformed the benchmark in last year's annual Customeyes survey, achieving a score of 7.3 (benchmark: 7.0). Once again, this was an all-time high for Vesteda. We believe that the seventh consecutive outperformance of the benchmark reflects the importance of our in-house property management and the value of gathering direct feedback from our tenants. We are especially proud to be recognised as 'Best in class' across all service-related categories. We have identified our strengths, which are crucial to maintaining our top-tier performance. At the same time, we continue to focus on areas where we can improve our services, ensuring we further solidify our leadership position in the industry.

Affordability

Annual rent increase

In 2024, the government passed legislation to set the maximum annual rent increase for liberalised housing for the next five years at the lower of CBA wage growth plus 1% or inflation plus 1%. In 2024, the average CBA wage growth was 5.8% and average inflation was 4.5%. This means that the maximum permitted rent increase for 2024 was 5.5%. Vesteda opted for a voluntary rent increase cap of a maximum of 4%.

Providing affordable housing is a priority for us, and we are committed to ensuring that our properties remain accessible in the long term. By maintaining a consistent rent policy, we provide tenants with clarity and predictability about what they can expect from us. For this reason, we have opted for a rent increase of inflation (CPI) + 1%, with a maximum of 4%, for our liberalised homes. The same maximum percentage applies to our regulated (social rental) properties, for which the government set a maximum increase of 5.8%.

Reduction of energy use: Renovations and tenant engagement

The sustainability of a home plays a crucial role in its affordability, particularly when it comes to energy usage. To address this, we invest in large-scale renovations, which includes providing free solar panels to help reduce energy consumption and lower costs for tenants. Our goal is to inspire our tenants to adopt a more sustainable lifestyle, while also reducing their total cost of living. We send newsletters to our tenants several times a year, to inform them about relevant issues such as sustainability and energy saving, and provide them with useful tips. Furthermore, we inform all our tenants about essential insurance requirements and practical maintenance tips.

Supporting community through home sharing and housing for key workers

Home sharing policy: We maintained our existing home sharing policy in several complexes in 2024. We reintroduced our collaboration with Onder de Pannen, an initiative that allows our tenants to sublet a room to a fellow citizen who is temporarily without housing, to our tenants through a marketing campaign.

Key workers: Vesteda believes it is important for people in key social professions, such as nurses, teachers, police officers and firefighters to be able to live in the same city that they work. Key workers were given priority in completed new-build complexes The Ox and Typisch Tuinstad in Amsterdam and De Kuil and Zuiderhof in Rotterdam.

Engaged stakeholders and a socially engaged organisation

We are committed to building strong, sustainable relationships with our tenants, participants, and other stakeholders. By prioritising transparent communication and open dialogue about our activities and plans, we foster mutual trust. In 2024, we actively supported various initiatives:

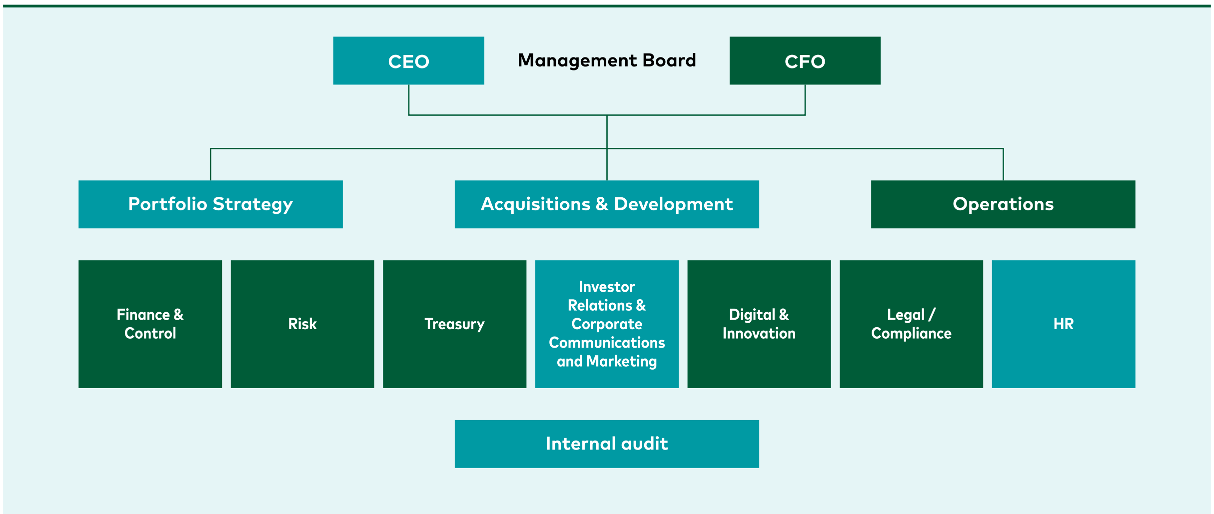
- **JINC:** Help young adults to prepare for and start their working life by giving job application training;
- **BeterBuren:** Partnership with the BeterBuren (better neighbours) organisation, a neutral party and mediator for neighbours involved in disputes;
- **Actieplan Woonveiligheid:** action plan to improve the safety of residential homes.

In addition, we want to contribute to society and to the neighbourhoods where our properties are located:

- **Nationaal Comité 4 en 5 mei:** Vesteda is proud to serve as a social partner to the National 4 and 5 May Committee, collaborating with other companies and funds to strengthen societal support for National Remembrance Day on 4 May and Liberation Day on 5 May. As we mark 80 years of freedom in 2024 and 2025, Vesteda remains committed to actively contributing to the events and values commemorated during this period. Through a three-year partnership, we support initiatives such as hosting Freedom Meals at various Vesteda locations. These meals celebrate freedom and also bring people together, fostering social cohesion within our communities.
- **Havendiner:** This year, Vesteda organised a Havendiner, a meaningful event bringing people together over a shared meal. We were honoured to welcome 20 of our tenants alongside 80 Ukrainian refugees, creating an opportunity for connection and understanding. The dinner reflects our commitment to fostering inclusivity and social cohesion within our communities. By encouraging people to share their stories and experiences, we aim to build bridges and strengthen bonds across diverse groups.
- **Vogelbescherming:** Together with the Dutch Society for the Protection of Birds, Vesteda is researching how we can improve the biodiversity in our portfolio by installing bird and insect houses. New tenants receive a welcome package that includes a voucher for a garden centre, provided by Vogelbescherming;
- **Struikroven partnership:** In 2023 Vesteda extended its partnership with the Struikroven Foundation through a new cooperation agreement that now includes construction firms and developers such as Heijmans, BAM Wonen, ERA Contour, and Dura Vermeer, alongside the sustainability organisation Urgenda. This strategic alliance aims to make the conservation and recycling of existing greenery a standard practice at construction sites and renovation and redevelopment projects.

Organisation

Reporting line



Vesteda is an internally managed fund with in-house property management. Vesteda's Management Board consists of Astrid Schlüter (CEO) and Frits Vervoort (CFO). The organisational structure consists of the Portfolio Strategy, Acquisitions & Development and Operations departments, as well as several staff departments and functions. The Operations department is led by Michiel de Bruine (COO) and the Human Resources department is led by Renée Verhulst. The aforementioned form the Management Team.

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

Own workforce

Our own employees are among the most important stakeholders within Vesteda. Without them, we cannot deliver the desired level of services; how they act and what they do determines the quality of our services, with our tenants and participants reaping the benefits. It is only with their help and dedication that we can successfully realise our goal to make 'Housing as a force for good'.

As a company that strives to be a good employer, we therefore find it of the utmost importance that our employees can work in an environment in which they have the room to express their talents and achieve their full potential, a place where they can spend their working hours with pleasure and satisfaction, and in which they can rely on a healthy, safe and respectful working environment.

Policy

We endorse the importance of fundamental human rights; a safe working environment is a given for us. We respect each other's backgrounds in the broadest sense of the word. The space and freedom to do your work well and not to feel discriminated against or excluded in any way, are crucial for good cooperation, personal growth and equal opportunities.

Complaints & Code of Conduct

When unsafe or discriminatory situations do occur at work, we openly offer various reporting channels, including via managers, the HR department and the Compliance officer. We also provide the option to report any unwelcome situation anonymously via SpeakUp. As an employer, we train managers to encourage their own team members to speak out based on connection and openness.

At Vesteda, we have various policies that contribute to good employment and entrepreneurship. These policies include our 'Code of Conduct' for employees and the 'Internal Reporting Procedure'. This policy has been ratified by the Management Board and has also been discussed with the Works Council. In 2025, our 'Policy on Human Rights' and a 'Diversity, Equality & Inclusion Policy (DE&I)' will be implemented. Our policy guidelines are guided by the UN Guiding Principles (UNGP) on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, as well as the OECD Guidelines for Multinational Enterprises.

Consultation and involvement

We involve the Works Council in important decisions that play a role within the company. The Works council represents Vesteda's employees. The members are elected by our employees. Neither the Management Board nor the Supervisory Committee has employee representatives as members of this council. The Management Board and the HR director have several meetings with the council each year. The Works Council is included in developments in the company, and the members are asked to give their advice or approval on a range of topics. Vesteda has discussed a broad set of HR policies with the Works Council. All employees have access to these policies via our intranet.

In addition, the Works Council regularly uses its own sounding board group to keep in touch with their constituents. Of course, all Vesteda employees are also free to join a trade union. As an employer, we do not keep records of trade union memberships and it is therefore not known to us as an employer.

Vesteda believes it is important that employees are involved in the company, not only in their daily work, but also in their social connections with each other. A delegation of employees participates in the sports committee and the party committee. They organise several activities a year that further strengthen the bonds between colleagues. The basic premise is that everyone can participate in these activities, as they are accessible to all our employees. We also involve employees in projects that we initiate across departments, so that we can also take their interests into account.

Themes

Working conditions

Working time

Employees spend a lot of time at work, as working hours take up a considerable portion of each day. We believe it is important that there is also a good balance between the hours spent at work and the time that you can spend at home, on hobbies, volunteer work and relaxation.

In our employment conditions scheme, we offer our employees the opportunity to organise their own time between 7.00 en 19.00 hours, taking into account the work they do in cooperation with their colleagues.

Our employees are truly engaged within Vesteda, something that is evident from the biannual High Performance Organisation survey. This entails a possible risk that employees will work too many hours. Our managers keep a close eye on the hours our employees work, including regular conversations to discuss our employees' well-being.

We continue to ensure that our employees have good and healthy workspaces at home. Employees have the freedom and the responsibility to choose their workplace, either at the office or elsewhere. We have a policy in place with regard to working at the office or elsewhere. However, we do stimulate bonding within and between teams.

As part of our working from home policy, we offer employees a personal budget they can use to purchase suitable office suitable equipment to create a safe working environment in their homes. Working from home gives employees the opportunity to save travel time and use this for their own personal purposes. Our employees have repeatedly expressed their satisfaction and appreciation for being able to work from home.

Work-life balance

We believe that the health of our employees is essential, so we strive to provide a healthy work-life balance. We offer a wide range of body, mind & physical exercise workshops and masterclasses.

Actions
To help our employees to achieve and maintain a healthy work-life balance, we initiated the following actions over the past year:

- We joined forces with well-being organisation De Atleetfabriek. Together with the sports committee and ambassadors, we have been working on mental, physical and nutritional themes. The programme included masterclasses, sports challenges and supporting communications.
- We also work with OpenUp, a platform that allows employees to work on their mental well-being. Via OpenUp we offer employees unlimited one-on-one coaching, consultations with psychologists and other mental resources. This initiative aims to tackle mental health issues in their early stages.
- When curative psychological interventions are needed, we work with Vitalmindz and HSK, who provide the required care. Our occupational health service 2Grip helps us to guide absenteeism and prevention.

Health and Safety
Good employment practices within Vesteda also translate into a healthy and safe working environment. On the one hand, our offices are the places where employees feel at home. On the other hand, our employees' well-being is crucial for their continued, sustainable employability. The HR Director is responsible for health and safety at Vesteda.

To maintain and evaluate the health & safety of our employees' working environment, an external safety expert performs regular risk inventory & evaluations. The resulting plan of action is discussed and monitored with the Works Council.

At Vesteda, we have a company emergency response policy, to ensure the safety of employees in the event of accidents and issues at any of our company premises.

At the moment, all employees working at Vesteda are self reliant. Nevertheless, we have facilities in the building, such as lifts and disabled toilets for visitors with a physical disability. The head of BHV (company emergency responder) is also responsible for properly recording any incidents (e.g. falls, entrapments) at work.

Vesteda has 27 company emergency responders spread across its various locations. We conduct an annual emergency response evacuation exercise at the head office to evaluate the current policy and train employees.

We also have a policy that supports safe working when it comes to a well-designed workplace, including a personal budget for the purchase of workplace equipment for the home workplace that complies with good occupational health and safety practices.

Actions
In order to maintain and further enhance the health and safety at Vesteda, we took the following actions in 2024:

- We organised a refresher training for all company emergency responders.
- In collaboration with the Works Council, we conducted a survey among the sounding board group regarding working from home and working at the office.
- In Q4 of 2024, the Risk Inventory & Evaluation for the De Boel Office was carried out. The resulting plan of action will be worked out in more detail elaborated in Q1 2025.

Measures against violence and harassment in the workplace
We have an anti-discrimination policy in place for tenants and potential tenants. This policy is published on Vesteda's website.

It is, of course, possible that there will be situations in which an employee does not feel completely safe when it comes to integrity or undesirable behaviour (including discrimination, (sexually) transgressive behaviour or bullying, etc.) on the part of (potential) tenants, suppliers or their own colleagues.

If an employee finds it difficult to discuss this with a colleague or manager, Vesteda offers a range of options to discuss these situations elsewhere and to find a solution (as published in our Internal Reporting rules). A HR advisor can help open the issue up for discussion, while an internal or external confidential counsellor provide the employee with guidance and support. If that does not lead to a solution or if the complaint is of such a nature that it needs to be escalated the employee can then contact the Compliance officer, or submit an anonymous report via SpeakUp.

Actions
To maintain and enhance the measures against violence and harassment in the workplace, Vesteda took the following actions in 2024:

- Every year, all employees sign the Code of Conduct, including in 2024. This policy document clearly describes how we want people to treat each other within Vesteda. For more information please see the compliance chapter in this report.
- We provided an intensive conversation skills training course for a large group of employees with direct tenant contact, focusing on dealing with unwanted customer behaviour. This can involve telephone customer contact or physical customer contact. This training course has helped build self-confidence when dealing with aggressive behaviour.
- In November 2024, we conducted another Risk Inventory & Evaluation (RI&E) for our own office locations and drew up action plans in consultation with the Works Council, this will continue into 2025. In the coming period, we will continue to devote attention to risks in the areas of integrity and safety in the workplace.

Diversity, Equality and Inclusion
Feeling at home at Vesteda is an important value. And we want all our employees, future employees, regardless of their nature or background, to feel at home with us. Our starting point is an open organisational culture in which differences between people are valued and used to optimal effect. The HR Director is responsible for DE&I at Management Team level.

Actions
In the context of a diverse, inclusive and equal workplace, Vesteda took the following actions in 2024:

- To increase awareness among employees of the impact of a diverse and inclusive organisation, we once again organised a diversity lunch in 2024.
- All managers also participated in the Unconsciousness bias workshop.
- We organised a masterclass on neurodiversity in collaboration with well-being organisation the Atleetfabriek. The aim of this was to enhance the recognition and understanding of diverse ways of thinking and acting.
- We let teams work with the RealDrives method, so they could gain a better understanding of each other's behavioural preferences and make effective use of these differences. More than 50% of all teams have now gained experience with this way of working.

People with disabilities
People with a disability are an important target group in the diversity, inclusion and equality policy. The aim is to create a working environment in which everyone, regardless of physical or mental limitations, has equal opportunities and feels valued.

As an employer, we are not allowed to record any disabilities that can be traced back to individuals, in accordance with Dutch law. Vesteda currently does not have a voluntary anonymous registration of employees with a disability.

Actions
With regards to persons with disabilities, Vesteda took the following actions in 2024:

- In 2024, we entered into an agreement with Emma at Work. Emma at Work helps young talent with chronic physical conditions to carve out an independent future. Together with Emma at Work, we help to bridge the gap between these young people and society. We believe in a society in which everyone can participate.
- In the autumn, Emma at Work hosted an inspiration session for all staff about the goals they are pursuing as an organisation. Our recruiter also held discussions with all our managers on the possibilities of placing candidates via Emma at Work. We will continue this commitment and work in 2025.

Gender equality

We have an equal distribution of men and women within Vesteda, including within the management team. This is something we are proud of and naturally want to maintain.

On the other hand, if we look at our managers, 38% are women and 62% are men. We want to work on this in the coming years to further improve this balance.

Equal pay for equal value

Equal pay for equal and equivalent work is important within Vesteda. In order to achieve this, we apply a number of principles:

- Transparent remuneration policy.
- A balanced employment conditions package that is in line with the median in the market and that has as few subjective remuneration assessments as possible.
- Equal pay between men and women for equal work.

The primary remuneration policy within Vesteda consists of a basic salary with holiday pay and a fixed end-of-year bonus. Except for members of the management team (see the Remuneration chapter), Vesteda does not have variable remuneration. Advancement in the salary scales takes place on the basis of growth in professionalism. The positions within Vesteda are all weighted based on the internationally recognised KornFerryHay method. This method has been widely validated and is the basis for our benchmark, as well as for our pay-gap analyses.

Our vacancies are provided with a salary range.

For our pay-gap analyses, we refer you to the Pay Gap and total remuneration section of this report.

Actions

With regards to Equal pay, Vesteda took the following actions in 2024:

- In 2024, we benchmarked the salaries for all employees under the employment conditions scheme to ensure that we continue to reward in line with the market, and the outcome confirms that our pay is aligned with market standards.
- In the same study, we also had the pay gap analysis carried out to gain additional insight into the gender pay gap at Vesteda.

Privacy

Vesteda processes the personal data of its employees and applicants carefully and transparently, in accordance with applicable legal and regulatory requirements. We only process personal data for applicants and employees on a lawful basis. Vesteda's privacy statement specifies which personal data Vesteda processes for employees and applicants, respectively, as well as how this personal data is protected and stored.

Actions

With regards to Privacy, Vesteda took several actions in 2024. Please refer to the compliance chapter in this report.

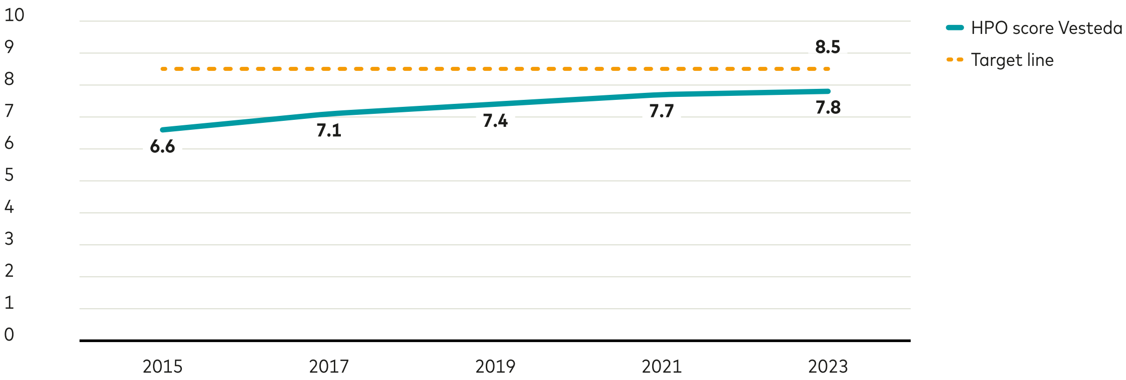
Workforce engagement

High Performance Organisation

In line with our commitment to being a good employer, every two years we measure the satisfaction of all employees and the extent to which Vesteda is making progress towards becoming a High Performance Organisation.

The following chart shows the scores from our bi-annual surveys and the target of 8.5.

HPO survey scores



Vesteda conducted the most recent High Performance Organisation (HPO) survey in December 2023. The total score improved to 7.8 in 2023, from 7.7 in 2021. Over the years, we have seen a consistent improvement in our score. It is important to note that achieving progress becomes increasingly challenging as we approach higher levels of performance. This result shows that Vesteda achieved a structural improvement as a HPO on nearly all success factors. Employees are increasingly awarding high scores, irrespective of their length of service. Within the Vesteda organisation, there is a strong emphasis on quality, continuous improvement, sustainability, transparency, and a positive work culture.

The survey in 2023 identified a number of attention points at the start of 2024. In 2024, we continued working on these topics, together with working groups consisting of our employees. In 2024 and 2025 we are focusing on four topics:

1. Improve data analysis and IT skills: we helped operational teams to build and interpret data and dashboards.
2. Improve discussion and feedback culture: we organised inspiring sessions on the topic of connecting communications, and have deployed 360-degree feedback surveys for managers.
3. Approach to career and development paths: We have made learning paths available to colleagues on our intranet.
4. Improve collaboration in processes and projects: We have developed a project-based work training and further professionalised the project board.

Organisational development

Vesteda encourages employees to take control of their own development, whether this is in terms of breadth or depth. Their manager supports them in their career development.

We learn with each other, and also from each other. Learning is a continuous process. It is not limited to education and training. Learning is also about inspiring, sharing and asking questions.

Vesteda believes in a growth-oriented mindset; you can learn the important skills in life through dedication, study and perseverance. That is exactly what we build on at Vesteda: Vesteda as a foundation for lifelong learning.

Continuing to develop yourself in the position you hold and for your further career ('future job') is indispensable these days. Vesteda encourages all employees to get the best out of themselves and to develop themselves professionally and personally. Each department has a training budget reserved for this (2% of the payroll), and employees make ready use of this every year.

At Vesteda, we use an annual dialogue cycle, in which employees make agreements with their managers about Vesteda's and their own goals, as well as their own development. These dialogues are conducted with all employees employed by Vesteda. The cycle consists of at least three dialogues, with a focus on the development of professional skills, and the resulting contribution to Vesteda. This can also include suitable learning trajectories, for instance in the form of working with other departments, gaining experience in projects or following a training course.

There is no performance bonus linked to this, but the annual development of professional skills translates into an additional step in salary each year. In doing so, we emphasise that growth in terms of personal and professional development is the core of success as an employee at Vesteda.

Vesteda devotes a great deal of attention to its own organisational development, which is also a form of learning. Last year, we continued the roll-out of RealDrives and several teams conducted team sessions to enhance mutual understanding and streamline collaboration within their teams.

LEAN management forms a key component of our ongoing effort towards learning and continuous improvement. Equipped with this LEAN expertise, managers are now able to systematically develop and implement improvement strategies within their own departments and across broader areas.

Metrics

Characteristics of the undertaking's employees

At year-end 2024, Vesteda employed 235 people, all of whom live and work in the Netherlands. Vesteda has no foreign offices.

Workforce by gender

In 2024, the male/female ratio changed slightly compared with year-end 2023. At year-end 2024, 50% of the workforce were male and 50% were female.

Gender	Number of employees (headcount), year-end
Male	118
Female	117
Other	n/a
Not reported	n/a
Total employees	**235**

At Vesteda, there are currently no employees that do not identify within the gender binary of male and female.

Workforce, by fixed/temporary contract & by gender

At year-end 2024, the ratio of indefinite versus fixed-term contracts changed to 89%-11%. At this time, 109 men and 100 women had indefinite contracts, while nine men and 17 women had fixed-term contracts.

(headcount)	31-Dec-24			31-Dec-23		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Male employees	109	9	118	102	16	118
Female employees	100	17	117	103	18	121
Not reported employees	n/a	n/a	n/a	n/a	n/a	n/a
Other	n/a	n/a	n/a	n/a	n/a	n/a
Total number of employees	**209**	**26**	**235**	**205**	**34**	**239**

At year-end 2024, 35% of Vesteda's employees worked part-time (67 women versus 15 men). Most full-time Vesteda employees are male (103 men versus 50 women). The average FTE is 0.93. The average FTE for men is 0.98 and 0.88 for women. At Vesteda, there are currently no employees that do not identify within the gender binary of male and female.

Workforce, by fulltime/parttime contracts & by gender

(headcount)	31-Dec-24			31-Dec-23		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Male employees	103	15	118	104	14	118
Femaile employees	50	67	117	51	70	121
Not reported employees	n/a	n/a	n/a	n/a	n/a	n/a
Other	n/a	n/a	n/a	n/a	n/a	n/a
Total number of employees	**153**	**82**	**235**	**155**	**84**	**239**

As all employees live and work within the Netherlands, a geographical breakdown is not included.

Employee turnover rate

In 2024, 21 new employees joined Vesteda (57% female, 43% male) and 25 employees left the company (64% female, 36% male). In 2024, the employee turnover rate was 11% (2023: 10%).

Employee turnover rate	2024	2023
	11%	10%

Characteristics of non-employees in the undertaking's own workforce

Vesteda hired various people during the year to absorb peaks in work, so it could offer work on projects, to take over work in the event of illness or for specifically required expertise. People who carry out assignments for Vesteda and are not paid by Vesteda but for whom we pay a hiring fee, are considered non-employees. We do not include outsourced work such as cleaning staff and security personnel (workers in the value chain) in this category.

Collective bargaining coverage and social dialogue

A total of 93% of Vesteda's workforce is covered by collective bargaining agreements. Employees are represented by the Works Council. Sixteen employees, including the Management Board and Management Team, have individual employment contracts.

Diversity metrics

The male/female ratio changed slightly compared with year-end 2023. At year-end 2024, 50% of the workforce were male and 50% were female. The percentage of male managers was 62%, and 38% were women.

The male/female ratio was 50/50 within the Management Board and 50/50 within the Management Team, including the Management Board. The ratio for the Supervisory Committee was 60/40.

Vesteda recognises the importance of an equal distribution of male and female members in its Management Board, Supervisory Committee and leadership team, taking into account that the candidate's qualifications and suitability for the function are always the leading principle.

Breakdown of employees by age

The average age of Vesteda employees increased to 43.5 years in 2024, from 42.9 years in the previous year. The workforce composition remains stable, with 68% of employees under 50 and 32% aged 50 and above.

	31-Dec-24		31-Dec-23	
	Number	%	Number	%
Under 30 years old	23	10	27	11
30 – 50 years old	136	58	136	57
Over 50 years old	76	32	76	32
	235	**100**	**239**	**100**

Adequate wages

Vesteda rewards its employees in line with the market, with a remuneration consisting of a fixed monthly salary and holiday pay. Employees who fall within the collective bargaining agreements also receive a fixed end-of-year bonus. These and other primary and secondary employment conditions are included in the collectively agreed employment conditions scheme.

The level of the remuneration of all salary scales, which is assessed on the basis of the KornFerryHay methodology, is around the median of the benchmark. This benchmark survey is carried out at least every two years.

All employees employed by Vesteda are resident in the Netherlands and are paid in accordance with Dutch legislation. Vesteda's minimum gross hourly wage was €16.29.

Social protection

We believe it is important that our employees are protected against loss of income due to major events in employees' lives. Examples include illness, unemployment, parental leave or retirement.

On the one hand, the Dutch legislator already offers good basic provisions, such as paid parental leave in accordance with the Work and Care Act, as well as unemployment benefits and the state pension (AOW) benefit at retirement age. On the other hand, as an employer, we provide additional arrangements for all our employees.

In the event of incapacity for work, we continue to pay our employees' wages for as long as the employment contract lasts. In the first year of illness, we pay 100% of their salary, and in the second year of illness we pay 85%. In addition, employees can voluntarily take out additional occupational disability benefits with an insurer selected by Vesteda, which mainly covers loss of income due to illness after the second year.

Vesteda employees participate in a collective pension scheme with ABP, which provides for the accrual of an old-age pension and, if applicable, a partner's pension. Pension accrual also continues in the event of disability. Additionally, if employment is terminated by Vesteda and the employee subsequently receives unemployment benefits, Vesteda will continue to pay the employer's pension contributions for the entire duration of the unemployment benefits period.

If an employee dies while employed at Vesteda, Vesteda will pay a death benefit to the next of kin.

Training and skills development metrics

In 2024, Vesteda invested €368 thousand (or 2.1% of the gross payroll) in the education and development of individual employees and the teams. This was a slight increase in euros compared with 2023 (2.3% of the gross payroll). In 2024, the average amount of trainings budget per employee was €1,550.

In the context of the ongoing improvement of the education and development of our employees, we took the following actions:

- In 2024, we made training courses available to our employees via the intranet transparent in terms of type of learning area, covering technical, skills, leadership and financial training courses, including personal recommendations from our own employees.
- We are building a culture of continuous improvement within Vesteda. Every year, more and more employees follow LEAN training courses. In 2024, 31 colleagues took a Green Belt training course, and 15 colleagues took a White Belt training course. After a number of years, 50% of Vesteda's employees across all departments now have a LEAN working background.
- 28 employees with direct customer contact have taken part in a skills training course to deal with unwanted customer behaviour. This contributes both to higher tenant satisfaction and the feeling of a safe working environment for our employees.

Health and safety metrics

We feel responsible for the health and safety of all our employees and we implement a policy aimed at creating the best possible working conditions, within the possibilities and with the resources available.

The working conditions at Vesteda are described in our occupational health and safety plan, which complies with the occupational health and safety regulation, the decree and government regulations. This plan was drawn up in collaboration with the Works Council and is the responsibility of the HR Director. All Vesteda employees are covered by the occupational health and safety plan. Employees can consult this via the intranet.

Health metrics

- Absenteeism rose slightly to 3.9% (2023: 3.7%).
- We are not allowed to record the causes of absenteeism, which means we cannot report them.
- In 2024, there were no work-related accidents involving injuries.

Actions
In the context of health and safety, we took the following actions in 2024:

- We have noticed that there can increasingly be a psychological component to absenteeism. We have had a contract with mental well-being organisation OpenUp for some time now, offering our employees the opportunity to receive advice and guidance for psychological support in an accessible manner without the intervention of their manager. We actively offer this intervention option to our employees. We do not receive feedback from OpenUp on traceable individual case studies. We very much see this service as an opportunity to prevent absenteeism, and strengthen the resilience of our employees.
- In addition, in 2024 we contracted VitalMindz and HSK (preventive and curative interventions), and we refer our employees to these organisation in the event of possible risks of absence or in the event of actual absence. We do this in close consultation with our occupational health and safety service.
- In 2024, all our managers followed a 'Dealing with psychological absence' training course via HSK, which focused on recognising and guiding employees with psychological complaints.
- At the end of 2024, a safety expert carried out an up-to-date Risk Inventory and Evaluation in the building on De Boelelaan in Amsterdam. We will develop the resulting adjusted action plan in more detail in 2025.

Work-life balance metrics
In the first quarter of 2024, we received the results of our employer brand survey. All Vesteda employees value working at Vesteda and awarded the company an employee Net Promoter Score of 67. This is a wonderful recommendation for us as an employer.

The survey also asked what makes Vesteda so attractive. This showed that we are doing well in the area of sustainable employment, among other things. Colleagues gave high scores for the healthy work-life balance at Vesteda. We are happy to hear that this is currently in good balance for our employees, and is therefore an important positive opportunity.

At the same time, we also realise that this could also be a possible risk for employer and employees in the future, if employees working experience changes. This is also recognised as a potential risk in the materiality analysis.

Employees may be confronted with changing private situations. This could be family expansion, informal care or other forms of care. Our basic premise is that we apply the human dimension at Vesteda. Where necessary, we accommodate employees by sharing ideas on flexible working hours or options for working from home, or other practical solutions. Our employment conditions scheme forms an important basis on this front.

In 2024, 29 employees took paid or unpaid parental leave (2023: 19). Of these 29 of employees, 38% were male and 62% were female.

In 2024, 76 employees made use of some form of extraordinary leave. This can be leave in the event of death, childbirth of a partner, marriage or relocation.

Special leave

Additional maternity leave / partner's delivery	7
Other emergency leave	3
Marriage own/other/anniversary	13
Care leave short/long/continued	5
Sabbatical (other unpaid leave)	1
Death	30
Study leave	1
Relocation	16
Total special leave excl. Parental leave	**76**

Our Employment Conditions Scheme also includes a senior scheme. From the age of 60, employees can apply for this form of leave, whereby, for example, they can work 10% less in return for a 5% reduction in salary. In 2024, 13 employees made use of this scheme.

Pay gap and total remuneration

We believe transparency in remuneration is important, so remuneration is also seen to be fair. Equal work should be paid equally, regardless of gender.

Our job classification system is therefore also equipped with an associated salary scale based on the KornFerryHay method. We also state the salary scale and associated salary bandwidth in our recruitment profiles.

We defined gender pay gap as the difference in average pay levels between female and male employees, expressed as a percentage of the average pay level of male employees.

In 2024, we asked KornFerry to conduct a remuneration benchmark, which we will conduct on a regular basis once every two years. We also asked them to determine a gender pay gap for the entire workforce (excluding the Management Board and the Management Team). The total fixed annual salary was taken as the starting point.

If we look at the average salaries per gender overall, men receive 10% more than women (headline pay gap). This difference is due to the fact that there are more men than women employed in the higher scales. However, if we look at each salary scale (equivalent work), we see that within the salary scales women receive 4% more than men (pay gap). Vesteda compares positively to its peers in the market on this front.

Total remuneration amounted to €17.3 million (99% fixed and 1% variable) in 2024, which was lower than the previous year (€18.7 million). In 2024, we implemented a 2% salary indexation, and in December one-off compensation of €750 pro rata to the employment contract, preceding the wage indexation of 2025.

The ratio of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excl. the highest-compensated individual) was 6.8 in March 2024 (March 2023: 8.5).

Please see the Remuneration report for information on the remuneration of the Management Board, other Identified Staff and the Supervisory Committee.

Complaints (discrimination and harassment)

In 2024, we received one complaint from an applicant (discrimination). This was picked up and handled by the HR team. We have not received any complaints or reports regarding our own staff or applicants via compliance or SpeakUp.

Woudhoek
Schiedam

Free solar panels were placed on 184 single-family homes for the tenants

Governance

Business conduct

References made to chapter Compliance & Integrity.

About this report

Content of report

This report is published on an annual basis and covers information from 1 January 2024 through 31 December 2024. Our previous Annual Report (2023) was published on 3 April 2024. The aim of this report is to inform Vesteda's most important stakeholders. By identifying the parties that Vesteda influences and the parties that exert influence on Vesteda, the company has defined the following key stakeholders: tenants, participants, employees, lenders/debt investors, partners/business partners, advisors/real estate experts and local authorities.

Financial and non-financial information

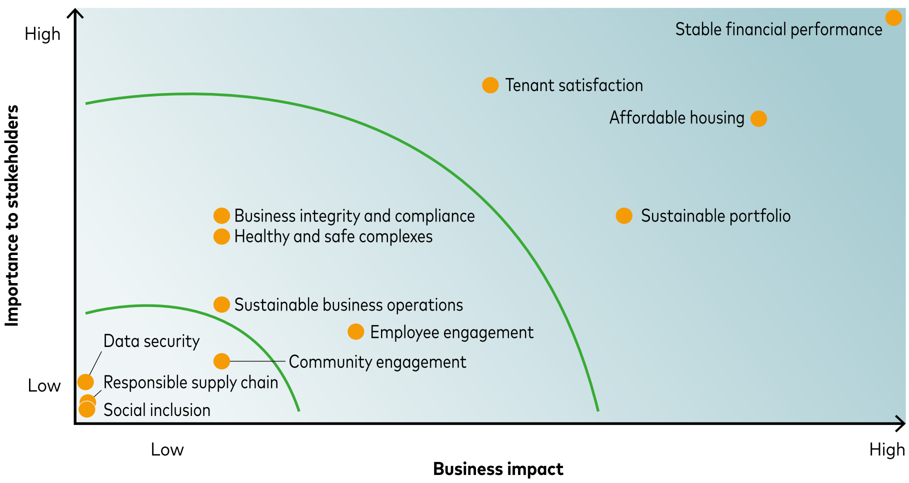
The financial information included in this report is derived from or in line with the financial statements. The Vesteda annual report is drawn up in accordance with IFRS accounting policies, unless otherwise stated. However, for transparency purposes, Vesteda deems it important to provide investors with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

Material topics

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

All Vesteda's entities are within scope for all material topics and their indicators. Vesteda reports quantitatively on the eight most material topics. Whenever possible, these topics have been combined with and linked to (GRI) aspects included in the previous year's reporting. The results of the materiality analysis are shown in the following matrix. The GRI table in Annex 2 of this report shows the link between the material topics and the GRI aspects and indicators.

Materiality matrix



Dialogue with stakeholders

Dialogue with stakeholders

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

Stakeholders	Dialogue	Content dialogue	Impact dialogue on policy Vesteda
Employees	• Feedback forms • Events for employees • Intranet • Works Council	• Vesteda Improves project, HPO • Onboarding day, Inspiration sessions, Business Plan presentation, Financial and business results, Celebrations (new year, breakfast sessions, Friday drinks etc) • Source of information • Discuss relevant developments and regulations concerning business strategy and employee impact, such as M&A, organisational changes and employee benefits • Working from home/hybrid working	• Identification of integral improvement programmes • Social connectivity and creation of Vesteda culture • Clear quarterly information about business progress and plans
Participants	• General Meeting of Participants (at least twice a year) • Regular investor meetings/ quarterly conference calls • Annual informal Participants' Day • Annual independent Participant satisfaction survey • Property tours • Investorweb (for participants)	• Business Plan 2025-2029 • Transition to zero-natural gas • Rent increase policy • Acquisitions and sales policy • Required returns • Sustainability • ISAE • Liquidity/redemptions	• Continued attention for affordability of housing and total cost of living • Continued attention for sustainability, e.g. the increase in reporting of ESG activities and performance • Feedback to improve reporting and other financial and ESG disclosures
Lenders/debt investors	• Annual credit review meetings • Regular debt investor/ lender meetings • Information for debt investors on website • Financial covenant reporting • Roadshow for bond investors	• Strategy • Credit rating • Leverage • Reporting • Governance • Cash management • Sustainability	• Transparent reporting standards; improved reporting • Funding strategy; leverage • Development risk • Liquidity risk

Partners/business partners and local authorities	• Through membership and meetings of IVBN, INREV, ULI, NEPROM, DGBC and GBC-Z. • Local and national government(s) • Attending/giving lectures at business events/ conferences • Attending conferences such as Expo Real, Provada and INREV • Joining expert meetings and working groups	• Increasing homes that are attainable for middle income households in the urban environment / affordable housing • Discuss local regulations, policies and market developments • Discuss relevant developments, such as sustainability, urban development, densification, ground lease, mobility, disruptive technologies, technical innovations and smart buildings • Discuss propositions for acquisitions, property sales and re-developments	• Sector effort to realise more affordable housing in urban environments • Translated market developments in our Business Plan • Adopting and improving best practices
Advisors/real estate experts	• Workshop on sustainability • Attending/giving lectures at business events	• Sustainability, re-development of existing properties • Energy transition • KPIs • Healthy living • Social cohesion • Market developments	• Research into sustainability and continued embedding in policy

INREV Guidelines Compliance Statement

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

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

The overall INREV Guidelines Compliance Rate of the Vesteda Residential Fund is 97%, based on eight out of nine assessments. The table below shows the compliance rate for each completed module of this self-assessment.

Compliance with the INREV Guidelines Assessment Results

INREV module	Level of adoption or compliance
Reporting	95%
Property Valuation	94%
INREV NAV	100%
Liquidity	100%
Governance	100%
Sustainability	100%
Fee and Expense Metrics	100%
Code of Tax Conduct	100%
Performance Measurement	80%

Assurance

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

Assurance report of the independent auditor

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

Limited assurance report of the independent auditor on the sustainability information included in Integrated Annual Report 2024 of Vesteda Residential Fund FGR

Our conclusion

We have performed a limited assurance engagement on the non-financial information on sustainability (hereafter: sustainability information) reported in the integrated Annual Report 2024 of Vesteda Residential Fund FGR (hereafter: Vesteda) based in 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 sustainability matters; and
- The business operations, events and achievements in that area in 2024.

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

The sustainability information is included in the following chapters of the Annual Report:

- Management report, paragraph Vesteda at a glance (pages 6-8)
- Sustainability statement, paragraphs Environmental (pages 81-88), Social (pages 89-101), Governance (page 103)
- Compliance & integrity (pages 59-62)
- About this report (pages 104-107)
- Annex 2: GRI content index (pages 183-185)
- Annex 4: Energy consumption (pages 194-196)

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability information in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reports). 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 Vesteda in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). 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 GRI Sustainability Reporting Standards (GRI Standards) and the reporting criteria supplementally applied (Vesteda reporting manual).

The sustainability information is prepared in accordance with the GRI Standards. The GRI Standards used are listed in the GRI content index as disclosed on page 183-185 of the 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 Vesteda.

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 and the Supervisory Committee 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 "About this report" 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.

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

Our responsibilities for the review of 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 applicable quality management requirements pursuant to the ‘Nadere voorschriften kwaliteitsmanagement’ (NV KM, regulations for quality management) 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 Vesteda.
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the Vesteda’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 obtaining assurance information about the implementation or 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/or 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 Vesteda;
    - 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.
- 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.

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

Amsterdam, 19 March 2025

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Financial statements 2024

Consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income[1]

For the year ended 31 December 2024; amounts in € million

	Notes	2024	2023
Gross rental income	5	399	378
Service charges income	6	14	12
Other income		2	2
Revenues		**415**	**392**
Property operating expenses (excluding service charges)	7	(105)	(89)
Service charges	6	(21)	(19)
Net rental income		**289**	**284**
Result on property sales	8	46	10
Management expenses	9	(30)	(30)
Financial results	10	(68)	(56)
Result before valuation gains (losses) on investment property		237	208
Unrealised result	11	891	(863)
Result before tax		**1,128**	**(655)**
Tax	12	(1)	(1)
Result after tax (attributable to equity holders of the parent/participants)		**1,127**	**(656)**
Other comprehensive income that will be reclassified subsequently to profit or loss			
- Settlement pre-hedge contracts		1	1
Other comprehensive income that will not be reclassified subsequently to profit or loss			
- Revaluation of PPE		1	(2)
Other comprehensive income, net of tax	**13**	**2**	**(1)**
Total comprehensive income (attributable to equity holders of the parent)		**1,129**	**(657)**
Earnings per participation right[2] in €			
Basic and diluted earnings, on result after tax	21	32.01	(18.45)
Comprehensive income per participation right[3] in €			
Basic and diluted earnings, on total comprehensive income		32.07	(18.48)

1 This table contains a reconciliation between IFRS reported and certain non-GAAP measures.

2 The earnings per participation right (EPR) are non-GAAP measures. The EPR are calculated by the result after tax divided by the weighted average number of participation rights.

3 The comprehensive income per participation right (CIPR) is a non-GAAP measure. The CIPR is calculated by the total comprehensive income divided by the weighted average of participation rights.

Consolidated statement of financial position[1]

For the year ended 31 December 2024; amounts in € million

	Notes	31-12-2024	31-12-2023
ASSETS			
Non-current assets			
Intangible fixed assets	14	3	5
Investment property	15	9,808	8,674
Investment property under construction	16	174	381
Property, plant and equipment	17	19	18
Financial assets	18	1	1
Total non-current assets		**10,005**	**9,079**
Current assets			
Trade and other receivables	19	4	3
Cash and cash equivalents	20	1	4
Total current assets		**5**	**7**
Total assets		**10,010**	**9,086**
EQUITY AND LIABILITIES			
Equity			
Group equity	21	**7,271**	**6,392**
Non-current liabilities			
Financial liabilities	22	2,526	2,133
Lease liabilities	23	87	129
Total non-current liabilities		**2,613**	**2,262**
Current liabilities			
Financial liabilities	22	-	338
Provisions	24	9	8
Trade and other payables	25	96	85
Lease liabilities	23	21	1
Total current liabilities		**126**	**432**
Total liabilities		**2,739**	**2,694**
Total equity and liabilities		**10,010**	**9,086**
Net Asset Value (NAV) per participation right[2] in €			
Basic IFRS NAV	21	206.51	179.77

1 This table contains a reconciliation between IFRS reported and certain non-GAAP measures.

2 Net Asset Value (NAV) per participation right is a non-GAAP measure. The NAV per participation right is calculated by the NAV divided by the weighted average number of participation rights.

Consolidated statement of changes in equity

For the year ended 31 December 2024; amounts in € million

			Reserve				
	Fund equity	General paid-in surplus	Property reserve	Derivatives	Legal	Other reserve	Total equity
Balance at 1 January 2023	35	1,414	3,578	(3)	6	2,268	7,298
Profit for the year	-	-	(827)	-	-	171	(656)
Other comprehensive income	-	-	-	1	(2)	-	(1)
Total comprehensive income	**-**	**-**	**(827)**	**1**	**(2)**	**171**	**(657)**
Realised from property sales	-	-	(16)	-	-	16	-
Capital paid in	-	-	-	-	-	-	-
Equity issued	1	116	-	-	-	-	117
Equity redemption	(1)	(166)	-	-	-	-	(167)
Distribution paid	-	(199)	-	-	-	-	(199)
Balance at 31 December 2023	**35**	**1,166**	**2,735**	**(2)**	**4**	**2,455**	**6,392**
Profit for the year	-	-	866	-	-	261	1,127
Other comprehensive income	-	-	-	1	1	-	2
Total comprehensive income	**-**	**-**	**866**	**1**	**1**	**261**	**1,129**
Realised from property sales	-	-	(58)	-	-	58	-
Capital paid in	-	-	-	-	-	-	-
Equity issued	1	90	-	-	-	-	91
Equity redemption	(1)	(140)	-	-	-	-	(141)
Distribution paid	-	(200)	-	-	-	-	(200)
Rounding adjustment	-	-	-	(1)	-	1	-
Balance at 31 December 2024	**35**	**916**	**3,543**	**(2)**	**5**	**2,774**	**7,271**

In 2024, Vesteda paid out €140 million in redemptions, consisting of the payout of the Redemption Available Cash of €50 million and one secondary transaction for a total of €90 million.

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

Consolidated cash flow statement

For the year ended 31 December 2024; amounts in € million

	Notes	2024	2023
Operating activities			
Result for the year after tax		1,127	(656)
Adjustments to reconcile result after tax to net cash flow from operating activities			
Unrealised result	11	(891)	863
Depreciation of property, plant and equipment	14, 17	2	2
Amortisation of financing costs	10	4	4
Provisions	24	-	-
Income tax paid		(1)	(1)
Interest expense	10	64	52
Amortisation of income derivatives	13	-	(1)
Result on property sales	8	(46)	(10)
		(868)	**909**
Working capital adjustments		6	8
Net cash flow from operating activities		265	261
Investing activities			
Capital expenditure in investment property	15	(78)	(63)
Proceeds from sale of investment property	15	225	49
Capital expenditure on intangible fixed assets		-	-
Capital expenditure on property, plant and equipment	17	-	-
Capital expenditure on financial fixed assets	18	-	-
Capital expenditure on participations	18	-	-
Capital expenditure on investment property under construction	16	(151)	(239)
Net cash flow from investing activities		**(4)**	**(253)**
Financing activities			
Loans drawn	22	1,860	3,827
Financing costs	22	-	-
Loan repayment	22	(1,803)	(3,525)
Equity issued	21	91	117
Equity redemption	21	(141)	(167)
Distribution paid	21	(200)	(199)
Interest paid		(46)	(48)
Settlement pre-hedge contracts	14	-	-
Buy-off landlease	23	(21)	(20)
Lease liabilities	23	-	-
Net cash flow from financing activities		**(260)**	**(15)**
Total net cash flow		**1**	**(7)**
Net increase/decrease in cash and cash equivalents		(3)	(7)
Cash and cash equivalents at the beginning of the period	21	4	11
Cash and cash equivalents at 31 December	21	**1**	**4**

Notes to the consolidated financial statements

1. Corporate information

The consolidated financial statements of Vesteda Residential Fund FGR (the Fund) and the affiliated entities (the Vesteda Companies) for the year ended 31 December 2024 were authorized for issue in accordance with a resolution of the Management Board on 19 March 2025. Vesteda Residential Fund FGR (the Fund) is a mutual Fund. Vesteda Investment Management B.V. is the Fund manager, and its registered office is located at De Boelelaan 759, Amsterdam, the Netherlands.

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

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

2. Basis of preparation

Vesteda Residential Fund FGR (the Fund) is not a legal entity. These financial statements present the consolidated financial information of the Fund and its affiliated companies (together referred to as the Vesteda Companies). Compared with the Annual Report 2023, there have been no financial restatements.

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

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

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

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

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

The principal accounting policies adopted are set out below.

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

As a result of the licence obtained from the Dutch Financial Markets Authority AFM (Autoriteit Financiële Markten), Vesteda needs to comply with the Alternative Investment Fund Managers Directive (AIFMD). As a consequence, Vesteda needs to adhere to the requirements of Part 9 of Book 2 of the Dutch Civil Code. Based on these requirements, Vesteda needs to apply IFRS as adopted by the European Union as a basis of preparation for the 2024 consolidated financial statements.

In addition, pursuant to the requirements of Part 9 of Book 2 of the Dutch Civil Code, Vesteda prepared the 2024 company financial statements for Vesteda Residential Fund FGR. These financial statements will be reported to the AFM and are included in this report.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Fund and its affiliated companies as at 31 December 2024. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Vesteda Companies obtain control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

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

The following entities are included in the consolidated financial statements:

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

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

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

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

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

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

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

The Fund re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Fund obtains control over the subsidiary and ceases when the Fund loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Fund gains control until the date the Fund ceases to control the subsidiary.

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

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

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

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

Any investment retained is recognised at fair value.

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

Going concern
The financial statements are prepared on a going concern basis. Please see Note 27 Financial risk management objectives and policies and the Outlook for 2025 section of this report for further disclosures.

3. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

Considerations

Revenue recognition

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

Classification of property

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

- Investment property comprising land and buildings (principally residential properties) are held primarily to earn rental income and capital appreciation with the exception of properties which are not occupied substantially for use by, or in the operations of, the Vesteda Companies, or for sale in the ordinary course of business. Please see Note 15 Investment property.
- Investment property under construction comprises land and buildings (principally residential properties) under construction with the aim of adding said property to the investment property portfolio upon completion.

Operating lease contracts – the Vesteda Companies as lessor IFRS 16

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

Lease contracts – the Vesteda Companies as lessee

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

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

Tax status

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

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

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

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

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

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

Key sources of estimation uncertainty

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

Investment property

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

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

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

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

Investment property under construction

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

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

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

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

Provisions for contractual obligations

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

Right-of-use

To measure the right-of-use asset on a lease-by-lease basis, the right-of-use assets are measured on transition as if the new rules had always been applied, but discounted using the lessee's incremental borrowing rate at the date of initial application.

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

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

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

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

The effect of inflation for the IFRS 16 position is calculated with 3% per year.

From a tenant perspective the land-leases that Vesteda holds are subject to changes in policy from the municipalities. In the municipality of Amsterdam, Vesteda has exercised the option to transfer Canon land lease to a perpetual land lease. The first transfer took place in December 2021 and the final transfer is expected in 2027.

4. Summary of significant accounting policies

Legal and tax structure for the financial statements

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

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

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

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

Vesteda Investment Management B.V. (the manager)

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

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

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

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

Custodian Vesteda Fund I B.V.

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

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

Stichting DRF I

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

Accounting policies

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Service charges

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

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

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

Property operating expenses

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

Other income

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

Net rental income

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

Result on property sales

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

Vesteda values its investment property per complex rather than per individual unit. As indicated in Note 15, potential proceeds from the sale of individual units are taken into account in the valuation.

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

Management expenses

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

Financial results

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Land leases

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

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

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

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

Investment property under construction

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

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

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

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

Property, plant and equipment

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

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

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

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

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

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

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

Financial instruments

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

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

Financial assets

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

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

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

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

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

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

In determining the expected credit losses the Fund takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making payment on the due date) based on individual customer credit ratings, actual or expected insolvency filings or company voluntary arrangements. These assessments are made on a customer by customer basis.

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

Financial liabilities

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

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

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

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

Receivables

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

Cash and cash equivalents

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

Share-based payment transactions of Vesteda

Cash-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of cash-settled share-based transactions are set out in Note 29.

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

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

Lease liability

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

Derivatives

The Vesteda Companies can use derivatives such as interest rate swaps to hedge changes in interest rates. The derivatives are used to hedge the risk of uncertain future cash flows. As per end December 2024 Vesteda had no derivative financial instruments outstanding.

Provisions

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

Onerous contracts

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

Pensions

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

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

Current liabilities

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

5. Gross rental income

Gross rental income can be broken down as follows:

	2024	2023
Theoretical rent[1]	408	385
Loss of rent[1]	9	7
Gross rental income	**399**	**378**

1 Theoretical rent and Loss of rent are both non-GAAP measures. For the definitions of these terms, please refer to Annex 7: Definitions in this annual report. These measures are presented to illustrate the amount of rental income that has not been realised as gross rental income due to financial vacancy and incentives.

The theoretical rent increased by €23 million to €408 million in 2024, mainly due to the annual rent increase, the net impact of the inflow of new acquired property and outflow of property and rent optimalisation . The total number of units at the end of 2024 increased with 394 units, from 27.675 (2023) to 28,069 (2024). This is a result from inflow (ten residential buildings), outflow (five residential buildings) and individual unit sales. The average monthly rent increased to €1,189 at year-end 2024, from €1,133 at year-end 2023.

The like-for-like rent increased 5.0% in 2024 (2023: 4.7%), while the loss of rent increased to 2.1% in 2024 (2023: 1.7%).

The contract termination rate increased from 12.0% (2023) to 12.3% in 2024. Ultimo 2024 the vacancy has increased due to renovation projects and recent inflow which was not fully rented by year end. The occupancy rate (in units) decreased to 98.0% (2023: 99.0%). The vacancy is mainly temporary due to renovation projects and new inflow.

6. Service charges income

Service charges income can be specified as follows:

	2024	2023
Total service charges	21	19
Non-recoverable service charges	(7)	(7)
Service charges income	**14**	**12**

The non-recoverable service charges were caused by partly non-recoverable settlements with associations of owners and general residential costs which cannot be charged to tenants, €7 million in 2024 (2023: €7 million).

7. Property operating expenses

Property operating expenses can be specified as follows:

	2024	2023
Property (and related) taxes	17	15
Landlord levy	-	-
Property management costs	9	9
Maintenance costs	55	45
Fitting out costs	4	5
Letting and marketing fees	5	4
Miscellaneous operational costs	15	11
Total	**105**	**89**

Operating expenses, including non-recoverable service charges, amounted to 28.0% of the total amount of gross rental income and other income in 2024 (2023: 25.2%).

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

8. Result on property sales

The result on property sales can be specified as follows:

	2024	2023
Result on property sales of investment property	46	10
Total	**46**	**10**

In 2024, Vesteda sold a total of 701 homes from its investment portfolio, consisting of 444 individual unit sales and 5 complex sales. The net result on property sales amounted to €46 million (2023: €10 million).

As indicated in the accounting policies, results from the sale of individual units are based on the book value, which is derived from a specific allocation of the last determined property value before the sale.

9. Management expenses

The management expenses comprise:

	2024	2023
Salaries	18	17
Social security charges	2	3
Pension charges	3	2
Depreciation expenses	2	4
Other operating expenses	21	20
Gross property management costs	**46**	**46**
Presented within net rental income	(16)	(16)
Total	**30**	**30**

The gross property management costs were €46 million in 2024 (2023: €46 million), of which €16 million (2023: €16 million) was allocated to the result on property sales, net rental income and charged to acquisition projects. The other operating expenses mainly consists of temporary employee expenses, lease expenses, IT-expenses and advisory fees. The gross property management costs and the allocated expenses include the IFRS 16 related costs of €1.2 million.

In the year under review, the company employed an average of 237 people (2023: 238), which amounts to an average of 221 FTEs (2023: 220). All employees are employed in the Netherlands.

10. Financial results

The financial results can be specified as follows:

	2024	2023
Interest expenses	62	48
Interest income	(1)	-
Interest IFRS 16	3	4
Amortisation of financing costs	4	4
Total	**68**	**56**

Interest expenses were higher compared to 2023 (€48 million) due to a higher level of debt and higher interest rates.

11. Unrealised results

The unrealised results can be specified as follows:

	2024	2023
Revaluation investment property	858	(853)
Revaluation investment property under construction	31	(14)
Movements in provisions for contractual obligations	-	-
Results from participating interests	(1)	-
Revaluation right of use landlease	3	4
Total	**891**	**(863)**

For the full year, the unrealised result amounted to a positive €891 million in 2024, compared with a negative result of € 863 million in 2023. Our portfolio had a positive revaluation each quarter of 2024.

12. Tax

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

	2024	2023
Result before tax	1,128	(655)
Income tax expense calculated at 25.8%	291	(169)
Effect of income that is exempt from taxation	288	(170)
Tax loss carry forward	(2)	-
Income tax expense recognised in profit or loss	1	1
The effective tax rate is	0%	0%

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

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

2018	1
2019	-
2020	-
2021	-
2022	-
2023	-
2024	**-**
Total	**1**

The tax losses from 2018 can be carried forward without any limitation in the feature up to a maximum of €1 million per year. As per 31-12-2024 the deferred tax asset has not been capitalised.

13. Other comprehensive income

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

	2024	2023
Settlement pre-hedge contracts	1	1
Revaluation Property, Plant and Equipment	1	(2)
Total	**2**	**(1)**

14. Intangible fixed assets

The intangible fixed assets can be specified as follows:

	Prepayment Software	Software	Total
Carrying amount as at 31 December 2023	4	1	**5**
Cumulative amortisation as at 31 December 2024	(2)	-	**(2)**
Carrying amount as at 31 December 2024	**2**	**1**	**3**

15. Investment property

The investment property can be specified as follows:

	2024	2023
Investment property as at 1 January	8,674	9,448
Capital expenditure on property	97	80
Transfer from property under construction	380	57
Property sales	(179)	(39)
Right of use assets (land leases)	(22)	(19)
Revaluation	858	(853)
Investment property as at 31 December	**9,808**	**8,674**

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

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

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

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

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

		2024		2023
Average	**Sell**	**Hold**	Sell	Hold
Discount rate (%)	6.8	5.3	6.3	5.6
Exit yield (%)	5.4	4.6	5.3	5.1
Rental growth (%)	2.6	2.5	2.6	2.6
Vacant value growth (%)	2.5	2.6	2.1	2.4

Sell			2024			2023
Region	**primary**	**secondary**	**other**	primary	secondary	other
Discount rate (%)	6.8	7.1	7.5	6.2	6.5	7.0
Exit yield (%)	5.4	5.9	5.9	5.3	5.7	5.9
Rental growth (%)	2.6	2.5	2.4	2.6	2.5	2.4
Vacant value growth (%)	2.5	2.3	2.2	2.2	2.0	1.9

Hold			2024			2023
Region	**primary**	**secondary**	**other**	primary	secondary	other
Discount rate (%)	5.2	7.1	-	5.5	6.5	6.4
Exit yield (%)	4.6	5.9	-	5.1	6.2	6.3
Rental growth (%)	2.6	2.5	-	2.7	2.4	2.6
Vacant value growth (%)	2.5	2.3	-	2.5	1.8	1.8

Sell			2024			2023
Rental segment	**<880**	**880 - 1500**	**> 1500**	<808	808 - 1200	> 1200
Discount rate (%)	6.6	6.9	6.6	6.0	6.4	6.2
Exit yield (%)	5.9	5.4	5.3	5.5	5.5	5.2
Rental growth (%)	2.5	2.6	2.6	2.4	2.5	2.7
Vacant value growth (%)	2.3	2.5	2.6	1.6	2.1	2.2

Hold			2024			2023
Rental segment	**<880**	**880 - 1500**	**> 1500**	<808	808 - 1200	> 1200
Discount rate (%)	-	5.3	5.0	6.4	5.7	5.4
Exit yield (%)	-	4.7	4.2	6.3	5.2	5.0
Rental growth (%)	-	2.6	2.6	2.7	2.6	2.7
Vacant value growth (%)	-	2.5	2.6	1.9	2.4	2.5

During 2024 the market values increased with 10.5% driven by higher vacant possession values, higher index rates and lower initial and exit yields.

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

Sensitivity analysis

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

	-100 bps	Fair value	+100 bps
As at 31 December 2023			
Discount rate	9,006	8,547	8,076
Exit yield	9,028	8,547	8,185
Rental growth	8,305	8,547	8,792
Vacant value growth	8,347	8,547	8,748
As at 31 December 2024			
Discount rate	10,162	9,703	9,237
Exit yield	10,077	9,703	9,432
Rental growth	9,518	9,703	9,895
Vacant value growth	9,445	9,703	9,961

Right of use assets

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

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

	2024	2023
Investment property value	9,808	8,674
less Right of use	(105)	(127)
Valuation as per valuation report	**9,703**	**8,547**

16. Investment property under construction

	2024	2023
As at 1 January	381	225
Capital expenditure on property under construction	142	230
Transfer to investment property	(380)	(57)
Revaluation	31	(14)
Transfer from provisions	-	(3)
As at 31 December	**174**	**381**

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

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

The sensitivity of the valuation to changes in significant parameters is assumed to be in line with investment property (see note 15).

The future costs until completion amount to €47 million (2023: €195 million). This amount is included in construction contracts in Note 32.

17. Property, plant and equipment

	Buildings	Others PP&E	Total
As at 1 January 2023	16	5	21
Investments	-	-	-
Transfer within PP&E	-	-	-
Depreciations	-	(1)	(1)
Revaluation	(2)	-	(2)
Right of use	-	-	-
As at 31 December 2023	**14**	**4**	**18**
Investments	-	-	-
Transfer within PP&E	-	-	-
Depreciations	-	-	-
Revaluation	1	-	1
Right of use	-	-	-
As at 31 December 2024	**15**	**4**	**19**

The economic life of the head office of Vesteda in Amsterdam 'De Boel' is set at twenty-five years and the residual value amounts to €5 million. An independent valuation expert valued the building at fair value for an amount of €14.6 million. For the determination of the fair value, please see Note 4.

De Boel cost specification

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

The value of the other property, plant and equipment amounts to €4 million (2023: €4 million). Under the application of IFRS 16 Leases, the right of use of car lease contracts and office lease contracts is valued at €3 million.

Other property, plant and equipment specification

1. Acquisition costs: €9 million
2. Cumulative depreciation: €8 million
3. Right of use lease contracts: €3 million
4. Carrying amount: €4 million

18. Financial assets

The financial assets movements can be specified as follows:

	LRC	Other Participations	Total
Financial assets as at 31 December 2023	-	1	1
Result	(1)	-	(1)
Provision	1	-	1
Financial assets as at 31 December 2024	**-**	**1**	**1**

	2024	2023
Total invested	22	21
Provision	(21)	(20)
Financial assets as at 31 December	**1**	**1**

In circumstances in which provisions for onerous contracts arise at the same time that financial assets are presented at the balance sheet date for the related contract, these balances are netted at said balance sheet date. In the event of a positive balance, the net position is presented as a financial asset. In the event of a negative balance, the net position is presented as a provision (see Note 24).

19. Trade and other receivables

The trade and other receivables can be specified as follows:

	31-12-2024	31-12-2023
Loans receivable	15	15
Provision for loans receivable	(13)	(13)
Trade receivables	1	-
Provision for trade receivables	(1)	(1)
Other receivables	2	2
Total	**4**	**3**

Loans receivable relate to amounts overdue for an amount of €15 million (2023: €15 million), for which a provision for doubtful debts was recognised in the amount of €13 million (2023: €13 million). Trade receivables include a provision for doubtful debts of €1 million (2023: €1 million) for overdue amounts.

20. Cash and cash equivalents

The cash and cash equivalents can be specified as follows:

	31-12-2024	31-12-2023
Cash at bank and on hand	1	4
Total	**1**	**4**

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

21. Group equity

The total equity amounts to:

	2024	2023
As at 31 December	**7,271**	6,392

The participation rights issued can be specified as follows:

	2024	2023
As at 1 January	35,430,366	35,681,248
Issued in the year	586,090	770,110
Redeemed in the year	(852,697)	(1,020,992)
As at 31 December	**35,163,759**	**35,430,366**

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

The distributions can be specified as follows:

	2024	2023
January	39	39
March (equity redemption)	50	50
April	82	83
July	38	39
October	38	39
December	4	-
	250	**249**

The interim distributions amount to 60% of budgeted distribution for 2024, and was paid out in three instalments (3 x €37.6 million) in the course of the financial year, each within two weeks after the end of the quarter. The distribution paid in April 2024 also included the €44.0 million distribution (€1.24 per participation right) related to the financial results for 2023.

The remaining part of the distribution for the financial year 2024 will be paid out in two instalments after the closing of the financial year 2024, one in January, shortly after the fourth quarter, and one after the adoption of the distribution proposal in April 2025. The total distribution proposed for the financial year 2024 will be €195.2 million.

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

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

The total number of issued participation rights had declined by 266,607 to stand at 35,163,759 at year-end 2024, following an equity redemption of €50 million on 28 March 2024.

Redemptions by investors may prevent Vesteda to make new investments, to deleverage, to the sale of assets and/or could lead to an increase in leverage. For the risk and internal controls reference is made to page 55 of this annual report.

Earnings per participation right

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

	2024	2023
Result after tax attributable to equity holders	1,127	(656)
Weighted average number of participation rights	35,208,194	35,555,808
Earnings per participation right in €		
Basic and diluted earnings, on result after tax	32.01	(18.45)

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

Net asset value (NAV) per participation right

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

	2024	2023
NAV attributable to equity holders of the parent	7,271	6,392
Participations at year-end	35,163,759	35,430,366
Net Asset Value (NAV) per participation right in €		
Basic and diluted IFRS NAV	206.51	179.77

There is no difference between basic and diluted IFRS NAV.

22. Financial liabilities

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

	Bank facilities	**Bonds**	**Private placements**	**Term loans**	**Total**
As at 1 January 2023	-	1,487	299	150	1,936
Drawn	120	-	-	75	195
Amortisation	-	2	-	-	2
As at 31 December 2023	**120**	**1,489**	**299**	**225**	**2,133**
Drawn	15	500	-	-	515
Repayments	(120)	-	-	-	(120)
Financing costs	(4)	-	-	-	(4)
Amortisation	2	-	-	-	2
As at 31 December 2024	**13**	**1,989**	**299**	**225**	**2,526**

Debt funding

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

The Vesteda Companies obtain their debt funding through various sources:

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

Corporate unsecured funding

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

The current financial liabilities can be specified as follows:

	Bank facilities	ECP	Private placements	Bonds	Loans from participations	Total
As at 1 January 2023	-	231	-	-	10	241
Drawn	974	2,653	5	-	-	3,632
Repayments	(927)	(2,598)	-	-	-	(3,525)
Reclass to provisions	-	-	-	-	(10)	(10)
As at 31 December 2023	**47**	**286**	**5**	**-**	**-**	**338**
Drawn	**167**	**1,178**	**-**	**-**	**-**	**1,345**
Repayments	**(214)**	**(1,464)**	**(5)**	**-**	**-**	**(1,683)**
As at 31 December 2024	**-**	**-**	**-**	**-**	**-**	**-**

1) Bank facilities

Vesteda and its banks signed a new agreement for the refinancing of its Revolving Credit Facility that matured in 2025. This facility matures in 2029, and we have the opportunity to extend it by one year. It has a size of € 650 million and again is a Sustainability-linked Revolving Credit Facility.

The new facility embeds four KPI's that will measure Vesteda's sustainability performance: minimum GRESB score, installation of solar power capacity, the reduction of actual scope 1, 2, and 3 carbon emissions (through a carbon reduction of 55% in 2030 compared to 1990) by reducing the energy consumption and the outperformance of the IVBN benchmark on tenant satisfaction.

These KPI's match the sustainability goals of Vesteda and are embedded in Vesteda's strategy. If Vesteda meets the majority of these KPI's, Vesteda obtains a reduction in interest margin. On the other hand, the interest margin will increase if Vesteda fails to meet these KPI's. This is an extra incentive for Vesteda to improve its sustainability performance. Full year 2024 Vesteda has achieved all the proposed KPI's.

At year-end 2024 the bank facility was drawn for € 14.5 million, by means of a drawdown under an ancillary facility, while 120 million outstanding from the previous year (2023) has been repaid. The remaining part of € 635 million was undrawn. The outstanding loans under the committed RFA are classified as non-current liabilities as Vesteda has the sole discretion to defer the settlement of these loans until the maturity date of this facility (9 April 2029).

Pricing of the revolving credit facility is subject to a rating grid, whereby a an 'A'-rating by Standard & Poor's equates to a margin of 0.70%. Utilised commitment less than 33.3% equates to an utilisation fee of 0.10% and utilised commitments exceeding 33.3% but less or equal to 66.7% equate to an utilisation fee of 0.20%. Utilised commitments exceeding 66.7% equate to an utilisation fee of 0.40%.

Term Loans

Vesteda has two facilities in place with the European Investment Bank (EIB), each worth € 150 million and original tenors of 10 years. As per year end 2024, one facility was fully drawn in two tranches, both with a floating rate that mature in 2032. The second facility of the EIB was drawn for € 75 million at fixed of 3.67%. The undrawn part of € 75 million remains available for Vesteda until December 2025 to make a drawdown. Both financings are being used to Fund projects in (regulated) mid-rental housing and to improve the sustainability of Vesteda's existing portfolio, up to 50% of the total investments.

As per year-end 2024, Vesteda had € 164.5 million of floating rate debt outstanding, consisting of €150 million EIB debt and €14.5 million RFA-drawings. The debt facilities provided by the EIB I and SMBC allow floating rate debt, but these floating rates are based on the base rates provided by these institutions, no IBOR-rates. Euro Commercial paper is not based on IBOR rates, but these are based on the capital markets rates.

Vesteda has an uncommitted short term facility with bank SMBC for €200 million. Being an uncommitted facility it can be terminated at any time, with a Review Date of 31 July 2025. The facility is funded on SMBC's cost of funds plus a margin of 0.60%. At year-end 2024 the facility of €200 million was undrawn.

In May 2024 Vesteda cancelled the committed standby facility of €250 million. The standby facility provided extra liquidity headroom and was cancelled after the third green bond issue.

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

3) Bonds
In 2023, Vesteda Finance B.V. continued its borrowing of senior unsecured notes that were issued under its program for the issuance of Euro Medium Term Notes (EMTN). Standard & Poor's provides a credit rating for this program and this was upgraded to A- in 2021 (from BBB+), in line with Standard & Poor's credit rating upgrade of Vesteda Residential Fund:

- In July 2018 Vesteda issued a bond of €500 million in senior unsecured notes. The notes pay an annual fixed coupon of 2.00% (effective interest rate of 2.01%) and are due on 10 July 2026. The remaining term to maturity of the notes is 1.5 years.
- In May 2019 Vesteda issued its first Green Bond for an amount of €500 million in senior unsecured notes. The notes pay an annual fixed coupon of 1.50% and are due on 24 May 2027 (effective interest rate of 1.60%). The remaining term to maturity of the notes is 2.4 years.
- In October 2021 Vesteda issued its second green bond for an amount of €500 million in senior unsecured notes. The notes pay an annual fixed coupon of 0.75% and are due on 18 October 2031 (effective interest rate of 0.90%). The remaining term to maturity of the notes is 6.8 years.
- In May 2024 Vesteda issued its third green bond for an amount of €500 million in senior unsecured notes. The notes pay an annual fixed coupon of 4.00% and are due on 7 May 2032 (effective interest rate of 4.01%). The remaining term to maturity of the notes is 7.4 years.

4) Private Placements
Vesteda has a private placement of €100 million, with funds provided by PRICOA Capital Group under a note purchase agreement. The senior notes have a fixed annual coupon of 1.80% (effective interest rate of 1.83%), payable on a semi-annual basis and are due on 16 December 2026. The remaining term to maturity of the notes is 2.0 years.

The second private placement is a green private placement and consists of two note purchase agreements. There is a 10 year tranche of €50 million with NYL at a fixed semi-annual coupon of 1.38% (effective interest rate of 1.41%) and a fifteen year tranche of €50 million with AIG at a fixed semi-annual coupon of 1.03% (effective interest rate of 1.07%). The remaining term to maturity of the notes are 6.0 and 11.0 years respectively.

A third tranche of 100 million private placement borrowing in senior unsecured notes under the program for the issuance of Euro Medium Term Notes (EMTN) was arranged in 2017. Standard & Poor's rated notes BBB+ at the time of issuance:

- A tranche of €35 million senior unsecured notes pay an annual fixed coupon of 1.899% (effective interest rate of 1.93%) and are due on 15 December 2027. The remaining term to maturity of the notes is 3.0 years;
- A tranche of €65 million senior unsecured notes pay an annual fixed coupon of 2.478% (effective interest rate of 2.50%) and are due on 15 December 2032. The intended remaining term to maturity of the notes is 8.0 years.

In September 2023 Vesteda issued it's first Green Tokenized Debt for €5 million. The proceeds of this tokenized debt are used to (re)finance sustainable middle rental housing. This agreement had a tenor of one year. The €5 million Tokenized debt is Euribor-based, but has replacement wording as well, and was repaid in September 2024.

23. Lease liabilities

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

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

The lease liabilities, based on the discounted cashflows, can be specified as follows:

	31-12-2024	31-12-2023
Land leases	105	127
Car leases	3	3
Office rental contracts	-	-
Total	**108**	**130**

	Lease liabilities
Balance on 1 January 2023	149
New lease contracts	1
Buy-off landlease	(20)
Other	-
Balance as per 31 December 2023	**130**
New lease contracts	-
Buy-off landlease	(21)
Other	(1)
Balance as per 31 December 2024	**108**

The total amount of lease liabilities in 2024 is €108 million. This includes land leases (€105 million), car leases and rent of offices (€3 million). In 2024 the lease liabilities decreased with €22 million mainly due to the buy-off of landlease.

The maturity analysis of the lease liabilities, based on the undiscounted cashflows, can be specified as follows:

	31-12-2024	31-12-2023
Maturity		
Year 1	21	1
Year 2	24	1
Year 3	10	1
Year 4	-	-
Year 5	-	-
Onwards	100	127
Total	**155**	**130**

	31-12-2024	31-12-2023
Current	21	1
Non-current	134	129

Land lease liabilities

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

The assumptions are based on the value of the contracts, or in case of the land leases based on value of the ground (WOZ) x increase factor (market increase). The weighted average discount rate used in 2024 by Vesteda for discounting the lease payments is 3.1%.

24. Provisions

The current provisions movements can be specified as follows:

	2024	2023
As at 1 January	8	3
Additions	1	1
Reclass from financial assets	-	10
Decrease	-	(2)
Used	-	(1)
Transfer to IPUC	-	(3)
As at 31 December	**9**	**8**

In circumstances in which provisions for onerous contracts arise at the same time that financial assets are presented at the balance sheet date for the related contract, these balances are netted at said balance sheet date. In the event of a positive balance, the net position is presented as a financial asset. In the event of a negative balance, the net position is presented as a provision. The current provision of €9 million relates for €9 million to negative net asset value for the financial asset and €0 million for other.

25. Trade and other payables

The trade and other payables can be specified as follows:

	31-12-2024	31-12-2023
Trade payables	9	5
Rental deposits	29	28
Interest	26	12
Holiday days and holiday pay	2	2
Tax and social security contributions	5	5
Other payables	25	33
Total	**96**	**85**

The other payables relate to accruals for investment property under contruction, accruals for management expenses and accruals for property related expenses.

26. Transactions with related parties

Vesteda has a pension plan with ABP. In 2024, Vesteda paid premiums in the amount of €2.8 million (2023: €2.5 million). This counterparty is also a participant in the Fund. All transactions are at arm's length.

The Management Board and the Supervisory Committee are identified as key management personnel in accordance with IAS 24. The remuneration of the Management Board and the Supervisory Committee is explained in Note 29 and Note 30 respectively.

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

27. Financial risk management objectives and policies

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

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

Vesteda Residential Fund FGR is exposed to market risk, interest rate risk, credit risk and liquidity risk.

Vesteda has a well diversified fully unsecured funding structure as explained in the Funding section of this report. At year-end 2023 there was ample headroom in the LTV and ICR covenants (LTV at 25.6% with a covenant of maximum 50% and an ICR of 4.3 versus a covenant minimum of 2.0). The weighted average maturity of our debt is 5.0 years with the next drawn debt redemption scheduled in 2026 (€500 million). We have a strong liquidity position: At year end 2023 our drawn debt amounted to €2.5 billion whereas our existing liquidity sources amounted to €3.25 billion of committed facilities and €1.2 billion of uncommitted facilities. We expect to have sufficient liquidity sources and headroom in our financial covenants to cover our funding needs in at least the next twelve months.

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

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

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

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

The IBOR reform has a negligible effect on Vesteda's debt. IBOR rates are mainly relevant for floating rate debt or floating rate debt instruments. As per year-end 2023, Vesteda had € 165 million of floating rate debt outstanding, consisting of €150 million EIB debt, €15 million RFA-drawings. The debt facilities provided by the EIB and SMBC allow floating rate debt, but these floating rates are based on the base rates provided by these institutions, no IBOR-rates. Euro Commercial paper is not based on IBOR rates, but these are based on the capital markets rates. The €650 million sustainability-linked revolving facility agreement (RFA), currently in use for €15 million, is based on Euribor. However, since we refinanced this facility in 2024, we have made changes to the wording of the replacement of Euribor.

As we have amended the Euribor-replacement wording in our EMTN-program at the updates in the last few years, we are also comfortable to issue floating rate notes by means of our EMTN-program (currently none outstanding).

1) Market risk

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

The financial instruments held by Vesteda Residential Fund FGR that are affected by market risk are principally the derivative financial instruments used to hedge interest risk on its loan portfolio. As per end-December 2024, Vesteda Residential Fund FGR had no derivative financial instruments outstanding.

2) Interest rate risk

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

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

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

To manage its interest rate risk, Vesteda Residential Fund FGR can enter into interest rate swaps or fixed rate debt. As per 31 December 2024, Vesteda Residential Fund FGR has no derivative financial instruments outstanding. At 31 December 2024, 94% of Vesteda's borrowings were subject to a fixed interest rate (2023: 76%).

Sensitivity analyses of market and interest rate risk

Vesteda performed an interest rate risk sensitivity scenario using an immediate increase of one percentage point in the interest rate curve as at 31 December 2024. The analysis was prepared on the basis that the amount of net debt and the ratio of fixed-to-floating interest rates of the debt are constant. As Vesteda Residential Fund FGR had no derivative financial instruments outstanding at the reporting date, interest rate risk sensitivity has no impact on equity or the fair value of derivative financial instruments.

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

An interest rise of 1% has effect on Vesteda's floating debt and fixed debt that matures in one year. Per year end 2024 Vesteda had €165 million floating rate debt. An interest rise of 1% would cause an increase of interest expenses of around €2 million.

3) Credit risk

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

Tenant receivables

Credit risk is managed by requiring tenants to pay rent in advance. Vesteda assesses the credit quality of tenants using an extensive credit rating scorecard at the time they enter into a lease agreement. Vesteda regularly monitors outstanding receivables from tenants. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial asset. At this moment (March 2025), there is not a significant increase in the loss of rent.

Credit risk related to financial instruments and cash deposits

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

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

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

4) Liquidity risk

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

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

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

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

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

Liquidity risk

	On demand	< 3 months	3-12 months	1-5 years	> 5 years	Total
Year ended 31 December 2023						
Interest-bearing loans and borrowings	-	333	5	1,255	890	2,483
Interest	-	2	31	81	24	138
Deposits from tenants	28	-	-	-	-	28
Trade and other payables	-	45	-	-	-	45
	28	**380**	**36**	**1,336**	**914**	**2,694**
Year ended 31 December 2024						
Interest-bearing loans and borrowings	-	-	-	1,150	1,390	2,540
Interest	-	1	49	139	77	265
Deposits from tenants	29	-	-	-	-	29
Trade and other payables	-	41	-	-	-	41
	29	**42**	**49**	**1,288**	**1,467**	**2,875**

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

Fair value of financial Instruments

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

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

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

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

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

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

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

Financial instruments

Type	Notional amount	Estimated fair value amount	Level valuation
Senior public notes	2,000	1,911	1
Senior private notes	300	274	2
Senior bank debt	75	76	2
	2,375	**2,261**	

The €2,000 million in senior public notes represented an equivalent fair value estimate of €1,911 million at year-end 2024.The €200 million in senior private notes and the € 100 million in senior notes privately placed under the EMTN program represented an equivalent fair value estimate of €274 million at year-end 2023. The € 75 million fixed-rate loan of the EIB has a fair value of €76 million. The estimated fair value amounts are excluding accrued interest.

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

28. Capital management

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

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

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

Capital management

	31-12-2024	31-12-2023
Carrying amount of interest-bearing loans and borrowings	2,526	2,471
Capitalised financing costs	14	12
Principal amount of interest-bearing loans and borrowings	**2,540**	**2,483**
Cash and cash equivalents	1	4
Net debt principal amount of interest-bearing loans and borrowings	**2,539**	**2,479**
External valuation of completed investment property (excl. IFRS16)	9,703	8,547
External valuation of investment property under construction	174	381
Total valuation of investment property	**9,877**	**8,928**
Loan-to-value ratio	25.7%	27.8%

Vesteda has performed a sensitivity stress test with regard to changes in required gross yield in relation to the loan-to-value ratio. An increase of the required gross yield of 4.0 percentage points (from 4.3% to 8.3%) would lower the value of the investment property to such extent that an LTV of 50% would be reached.

29. Management Board and other identified staff remuneration

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

The remuneration fees for other identified staff in 2024 have increased compared to 2023 due to the addition of six senior managers to Other identified staff category in 2024.

The table below provides an overview of the total remuneration of the Management Board and other Identified Staff in 2024 and 2023. The remuneration is divided into three components: base salary, variable bonus, and social security charges & pension contributions.

The Compliance Officer, General Counsel, the Internal Audit Manager and the six additional senior managers do not receive a variable remuneration.

	2024		2023	
	Management Board*	**Other Identified Staff***	Management Board	Other Identified Staff
Charged to the company in 2023 (accrual basis)				
Base salary charges	829,000	1,552,000	786,000	721,000
Variable remuneration charges 2024 (for future cash or shares)	164,000	36,000	-	-
Social security charges & pension contributions	87,000	374,000	75,000	156,000
Total charged to the company in 2024	**1,080,000**	**1,962,000**	**861,000**	**877,000**
* The figures represent the active Management Board members and Other identified staff during financial year 2024				
#phantom shares granted before 2023	8,215	-		
#phantom shares granted in 2023	-	-		
#phantom shares cashed in 2023	6,027	-		
#phantom shares granted end of 2023	**2,188**	-		
#phantom shares granted in 2024	-	-		
#phantom shares cashed in 2024	80	-		
#phantom shares granted end of 2024	**2,108**	-		
#Phantom shares not locked up until the end of 2024	1,452	-		
#Phantom shares locked up until May 2025	270	-		
#Phantom shares locked up until May 2026	386	-		
#Phantom shares locked up until May 2027	-	-		
#Phantom shares locked up until May 2028	-	-		
Phantom share value as per 31.12.2024	**208.94**			

In 2024, the company was charged €1,080,000 (2023: €861,000) for the remuneration of the Management Board, consisting of €829,000 base salary (2023: €786,000) and €164,000 variable renumeration (2023: €0). In addition, social security charges and pension contributions amounted to €87,000 in 2024 (2023: €75,000) for the Management Board.

Variable remuneration charges

As determined by the Supervisory Committee, the Management Board and the Management Team members achieved a score between 80% and 85% of the 'maximum' targets in 2024 (2023: 66%).

As the result after tax of the Fund in 2024 is positive (€1,127 million) the Management Board and the Management Team members will receive a variable remuneration over 2024. In 2023, there was no variable remuneration received by the Management Board and the Management Team members due to negative result of the year 2023.

As per year end 2024, one phantom share represents a value of €208.94 (based on INREV NAV, excluding distribution to be paid for 2024).

Only the Management Board and Management team members receive a variable remunerations. Other personel, included other identified staff members do not receive a variable remuneration.

The aforementioned variable remuneration entitles:

- The CEO to 26.6% of base salary for 'on-target' performance, with a maximum of 40%;
- The CFO to 20% of base salary for 'on-target' performance, with a maximum of 30%;
- The COO to 20% of base salary for 'on-target' performance, with a maximum of 30%;
- The HR Director to 8% of base salary for 'on-target' performance, with a maximum of 12%.

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

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

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

The variable remuneration policy for the Management Board members and Management team members also includes clawback provisions. Up and until 2024 these provisions have not been applicable.

30. Supervisory Committee remuneration

The remuneration for the five Supervisory Committee members in 2024 was €211,000 (2023: €202,000). The compensation for the chairman was €44 thousand and for the other members €31 thousand. The additional compensation for the chairmen of the Audit Committee and Nomination & Remuneration Committee was €7 thousand, while the additional compensation for the members of both Committees was €5 thousand and for one Supervisory Committee member there is a VAT component of €7 thousand. In addition, each member of the Supervisory Committee received an expense allowance of €2.5 thousand.

31. Service fees to external auditors

The management expenses include the following amounts charged by Deloitte for audit services €548,000 (2023: €498,000), for audit related services €142,000 (2023: €134,000) and for other services €106,000 (2023: €92,000).

The audit committee approved the other services charged by Deloitte.

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

32. Contingencies and commitments

The total liabilities for obligations entered into for construction contracts, rental and lease instalments stood at €47 million at year-end (2023: €195 million). Rental and lease instalment liabilities are accounted for under Lease liabilities. Vesteda has not provided security for these liabilities. The liabilities can be specified as follows:

	Construction contracts
Due within 1 year	47
Due between 1 and 5 years	-
Total	**47**

Dutch court practices may impact the Fund's ability to increase rent by ex officio review of contract clauses

in 2023, various district courts ruled that specific rent increase clauses (CPI plus a maximum top-up percentage) were not deemed fair and therefore null and void. Vesteda took note of a study commissioned by IVBN estimating that the potential damages for institutional real estate investors could reach €6.4 billion, with another €87.5 billion in lost revenue projected through 2040. In Q4 2024, the Supreme Court provided clarity in its verdict, limiting the risk for Vesteda significantly. Vesteda views it as a fair and positive outcome, enabling Vesteda to compensate for cost increases that are above inflation and to keep its rents in line with the value development of the property. The clarity provided by the ruling of the Supreme Court has reduced legal uncertainty in the Dutch residential housing market. This will help create a healthy investment climate, which supports long-term growth and stability. Vesteda closely monitored the outcome of court verdicts on rent increase clauses, the verdict of the Dutch Supreme Court on the prejudicial questions submitted to it and the potential impact on Vesteda.

33. New and amended standards and interpretations

New and amended IFRS standards that are effective for the current year

In the current year, Vesteda has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) – and endorsed by the European Union – that are effective for an annual period that begins on or after 1 January 2023. Vesteda did not adopt any new or amended standards issued but not yet effective.

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback [effective as per 01-01-2024];
- Amendments to IAS 1 Presentation of Financial Statements [effective as per 01-01-2024]:
  Classification of Liabilities as Current or Non-current.
  Classification of Liabilities as Current or Non-current - Deferral of Effective Date.
  Non-current Liabilities with Covenants.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements [effective as per 01-01-2024].

The impact of this standard had not material impact on the amounts reported.

New and revised IFRS Standards in issue but not yet effective

At the date of authorization of these financial statements, Vesteda has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and (in some cases) had not yet been adopted by the EU.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability [effective as per 01-01-2025];
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) [not yet adopted by EU];
- Annual Improvements Volume 11 [not yet adopted by EU];
- Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7[not yet adopted by EU];
- IFRS 19 Subsidiaries without Public Accountability: Disclosures [not yet adopted by EU];
- IFRS 18 Presentation and Disclosure in Financial Statements [not yet adopted by EU].

Vesteda does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

34. Events after balance sheet date

There were no significant events after the reporting date.

Company financial statements

These company financial statements are part of the (complete) 2024 financial statements of Vesteda Residential Fund FGR (Vesteda) and therefore, they should be read in conjunction with the consolidated financial statements of Vesteda, and the 2024 annual report (including the Management report) of Vesteda. Amounts are in € million.

Balance sheet (after proposed appropriation of result)

For the year ended 31 December 2024; amounts in € million

	Note	31-12-2024	31-12-2023
ASSETS			
Non-current assets			
Intangible fixed assets	3	3	5
Investment property	4	9,808	8,674
Investment property under construction	5	145	311
Property, plant and equipment	6	18	17
Financial assets	7	104	103
		10,078	**9,110**
Current assets			
Trade and other receivables	8	2	1
Cash and cash equivalents	9	1	3
		3	**4**
Total assets		**10,081**	**9,114**
EQUITY AND LIABILITIES			
Equity			
Fund equity	10	35	35
General paid in surplus	10	916	1,166
Property reserve	10	3,535	2,726
Derivatives reserve	10	(2)	(3)
Legal reserve	10	5	4
Other reserve	10	2,783	2,464
		7,271	**6,392**
Provisions	11	-	-
Non-current liabilities			
Payables to associated companies	12	2,526	2,133
Lease liabilities		108	130
		2,634	**2,263**
Current liabilities			
Payables to associated companies	13	84	378
Trade and other payables	14	92	81
		176	**459**
Total liabilities		**2,810**	**2,722**
Total equity and liabilities		**10,081**	**9,114**

Profit and loss account

For the year ended 31 December 2024; amounts in € million

	Note	2024	2023
Share in result of associated companies	7	6	(2)
Other income and expense after taxation		1,121	(654)
Result after taxation		**1,127**	**(656)**

Notes to the company financial statements

1. Corporate information

The company financial statements and the consolidated financial statements of Vesteda Residential Fund FGR and the affiliated entities (the Vesteda Companies) for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Management Board on 19 March 2025. Vesteda Residential Fund FGR (the Fund) is a mutual Fund. Vesteda Investment Management B.V. is the Fund manager, with its registered office and its actual place of business located at De Boelelaan 759, Amsterdam, the Netherlands and filed with the Trade Register at the Chamber of Commerce under number 14071789.

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

The Fund and its manager are subject to the Financial Supervision Act (Wet financieel toezicht 'Wft').

2. Basis of preparation

Vesteda Residential Fund FGR (the Fund) is not a legal entity. These financial statements present the company financial information of the Fund. The company financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. Use has been made of the option extended under Book 2, Article 362, Section 8, Dutch Civil Code to apply the accounting policies used in the consolidated financial statements to the company financial statements.

- For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.
- As a result of the license obtained from the AFM, Vesteda needs to comply with the Alternative Investment Fund Managers Directive (AIFMD). As a consequence, Vesteda needs to adhere to the requirements of Part 9 of Book 2 of the Dutch Civil Code.

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

Participations in group companies

Participations in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. This net asset value is based on the same accounting principles as applied by Vesteda FGR. If the net asset value is negative, the participating interest is valued at nil. This likewise takes into account other long-term interests that should effectively be considered part of the net investment in the participating interest. If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated company are taken into account.

Legal reserve

The legal reserve for associated companies is formed in the amount of the share of Vesteda FGR in the results and direct increases of the associated companies since the initial valuation of these associated companies at net asset value, insofar as Vesteda FGR cannot realise a distribution without limitations. The statutory reserve for associated companies is determined individually.

A legal reserve has been established for the cumulative revaluation of the office building that is in own use, recorded under property, plant, and equipment. This reserve is recorded within equity and ensures that the increase in value resulting from the revaluation is retained within the company.

3. Intangible fixed assets

The intangible fixed assets is made up as follows:

	Software
As at 1 January 2024	5
Investment	-
Depreciations	(2)
As at 31 December 2024	**3**

4. Investment property

The investment property is made up as follows:

	2024	2023
Investment property as at 1 January	8,674	9,449
Capital expenditure on owned property	154	79
Transfer from property under construction	325	57
Property sales	(179)	(39)
Right of use assets (land leases)	(22)	(19)
Revaluation	856	(853)
Investment property as at 31 December	**9,808**	**8,674**

5. Investment property under construction

	2024	2023
As at 1 January	311	180
Capital expenditure on property under construction	131	202
Transfer from Provisions	-	-
Transfer to Investment Property	(325)	(57)
Revaluation	28	(14)
As at 31 December	**145**	**311**

As set out in Note 4, in arriving at their estimates of market values, the valuation experts used their market knowledge and professional judgment, rather than relying exclusively on comparable historical transaction data.

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

6. Property, plant and equipment

	Buildings
As at 1 January 2023	19
Investment	-
Depreciations	-
Revaluation	(2)
Right of use	-
As at 31 December 2023	**17**
Investment	**-**
Depreciations	**-**
Revaluation	**1**
Right of use	**-**
As at 31 December 2024	**18**

7. Financial assets

The financial assets are made up as follows:

	Participations			
	Vesteda Investment Management BV	Vesteda Project Development BV	Vesteda Finance BV	Total
As at 1 January 2023	13	90	4	107
Results 2023	1	(4)	1	(2)
Dividend distribution	(2)	-	-	(2)
As at 31 December 2023	**12**	**86**	**5**	**103**
Results 2024	2	5	-	7
Dividend distribution	(1)	-	(5)	(6)
As at 31 December 2024	**13**	**91**	**-**	**104**

Besides participations in Vesteda Investment Management BV, Vesteda Finance BV and Vesteda Project Development BV, the Fund also has 100% of the participations in Stichting DRF I and Custodian Vesteda Fund I B.V.

8. Trade and other receivables

The trade and other receivables are made up as follows:

	31-12-2024	31-12-2023
Trade receivables	-	-
Other receivables	2	1
Total	**2**	**1**

The trade receivables include a provision for doubtfulness of €1 million (2023: €0 million) for overdue amounts.

9. Cash and cash equivalents

The cash and cash equivalents are made up as follows:

	31-12-2024	31-12-2023
Cash at bank and on hand	1	3
Total	**1**	**3**

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

10. Equity

The participation rights issued can be specified as follows:

	Fund equity	General paid in surplus	Reserve				Total equity
			Property	Derivatives	Legal	Other	
As at 1 January 2023	35	1,414	3,569	(3)	1	2,282	7,298
Result for the year	-	-	(827)	-	-	171	(656)
Other comprehensive income	-	-	-	1	(2)	-	(1)
Total comprehensive income	**-**	**-**	**(827)**	**1**	**(2)**	**171**	**(657)**
Realised from property sales	-	-	(16)	-	-	16	-
Reclasses	-	1	-	(1)	5	(5)	-
Equity issued	1	116	-	-	-	-	117
Equity redemption	(1)	(166)	-	-	-	-	(167)
Distribution paid	-	(199)	-	-	-	-	(199)
As at 31 December 2023	**35**	**1,166**	**2,726**	**(3)**	**4**	**2,464**	**6,392**
Result for the year	-	-	866	-	-	261	1,127
Other comprehensive income	-	-	-	1	1	-	2
Total comprehensive income	**-**	**-**	**866**	**1**	**1**	**261**	**1,129**
Realised from property sales	-	-	(58)	-	-	58	-
Capital paid in	-	-	-	-	-	-	-
Equity issued	1	90	-	-	-	-	91
Equity redemption	(1)	(140)	-	-	-	-	(141)
Distribution paid	-	(200)	-	-	-	-	(200)
As at 31 December 2024	**35**	**916**	**3,535**	**(2)**	**5**	**2,783**	**7,271**

In 2024, Vesteda paid out €140 million in redemptions, consisting of the payout of the Redemption Available Cash of €50 million and one secondary transaction for a total of €90 million.

Appropriation of result for 2023

The result for the year 2023, amounting to €-656, has been appropriated to equity. This appropriation has been approved by the General Meeting of Participants held on 3 April 2024.

Proposals to investors

Proposed appropriation of result for 2024

The Management Board proposes that the profit for the year of €1,127 million be taken to equity. This proposal has been incorporated in the annual report.

Proposed distribution to participants

The Management Board proposes a distribution to participants of €195.2 million for the year 2024, of which €112.8 million was paid in the financial year 2024 and €37.6 million was paid in January 2025. The financial statements will be presented for adoption at the General Meeting of Participants on 3 April 2025. Following the adoption, the remaining €35.7 million will be paid as a final distribution for 2024.

11. Provisions

The current provisions are made up as follows:

	2024	2023
As at 1 January	-	3
Additions	-	1
Decrease	-	-
Used	-	(1)
Transfer to IPUC	-	(3)
As at 31 December	**-**	**-**

12. Payables to associated companies

The financial liabilities are made up as follows:

Loan Vesteda Finance BV	**2024**	2023
As at 1 January	2,133	1,937
Drawn	515	195
Repayments	(120)	-
Financing costs	(4)	-
Amortisation	2	1
As at 31 December	**2,526**	**2,133**

13. Payables to associated companies

	Vesteda Investment Management BV	**Vesteda Finance BV**	**Vesteda Project Development BV**	**Total**
As at 1 January 2023	16	234	52	302
Drawn	25	3,634	1	3,660
Repaid	(28)	(3,525)	(31)	(3,584)
As at 31 December 2023	**13**	**343**	**22**	**378**
As at 1 January 2024	13	343	22	378
Drawn	17	1,345	60	1,422
Repaid	(15)	(1,687)	(14)	(1,716)
As at 31 december 2024	**15**	**1**	**68**	**84**

14. Trade and other payables

The trade and other payables are made up as follows:

	31-12-2024	31-12-2023
Trade payables	7	8
Rental deposits	29	28
Interest	26	12
Tax and social security contributions	5	4
Other	25	29
Total	**92**	**81**

15. Other comprehensive income

The other comprehensive income arising during the year are made up as follows:

	2024	2023
Settlement pre-hedge contracts	1	1
Revaluation Property, Plant and Equipment	1	(2)
Total	**2**	**(1)**

16. Transactions with associated companies

In 2024 transactions have been made between Vesteda FGR, Vesteda Finance BV, Vesteda Investment Management BV and Vesteda Project Development BV for loans provided and interest accrued.

At year-end the balances relating to these loans amount to:

Vesteda Finance BV: €2.5 billion
Vesteda Investment Management BV: €14.8 million
Vesteda Project Development BV: €68.0 million

In 2024 also transactions have been made between Vesteda FGR and Vesteda Investment Management BV for management expenses charged from Vesteda Investment Management BV to the Fund for an amount of €29.3 million.

The Management Board and the Supervisory Committee remuneration complies with article 2:383 of the Dutch Civil Code. Please see Note 29 and Note 30 of the consolidated financial statements.

The Fund has a pension plan with ABP. In 2024, the Fund paid premiums in the amount of €2.8 million (2023: €2.5 million). This counterparty is also a participant in the Fund. All transactions are at arm's length.

Please see Note 34 of the consolidated financial statements for a description of the events after balance sheet date.

Signing of the financial statements

Amsterdam, 19 March 2025

Signed by:

A.V.M. Schlüter
CEO

F. Vervoort
CFO

17. Other information

Appropriation of result according to the Fund's Terms and Conditions

In Article 22 of the Fund's Terms and Conditions regulations the following has been presented concerning the appropriation of result: Subject to the retention of reserves as reasonably deemed necessary by the Manager, all Distributable Income allocated for distribution shall be distributed to the Participants pro rata their respective Participation Rights. Distributable Income means the realised result less the result on property sales, provided that if the amount calculated pursuant to the above formula is less than zero, it shall be deemed to be zero.

Independent auditor's report

Please see the Independent auditor's report as included hereinafter.

Independent auditor's report

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

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the financial statements 2024 (as set out on page 111 up to and including page 158) of Vesteda Residential Fund FGR, based in Amsterdam. The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Vesteda Residential Fund FGR as at 31 December 2024, and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Vesteda Residential Fund FGR as at 31 December 2024, and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at 31 December 2024.
2. The following statements for 2024: the consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows.
3. The notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at 31 December 2024.
2. The company profit and loss account for 2024.
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. If applicable, supplement with other applicable laws and regulations, such as an audit protocol. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Vesteda Residential Fund FGR in accordance with The reference to the Wta to be deleted in the case of an audit which is not legally required. 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 for Professional Accountants).

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 judgment we determined the materiality for the financial statements as a whole at € 72 million. The materiality is based on 1% of Group Equity. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Committee that misstatements in excess of € 3,600,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Vesteda Residential Fund FGR is at the head of a group of components. The financial information of this group is included in the consolidated financial statements of Vesteda Residential Fund FGR.

Because we are ultimately responsible for the opinion, we are 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 on the entities. We have included all entities which are part of the group in our audit scope.

We have performed the audit procedures ourselves; we did not make use of component auditors.

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 Committee exercises oversight, as well as the outcomes. A fraud risk assessment is a visible component of the internal control environment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, 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 the gross rental income based on test of details and substantive 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
Management override of controls	
We presume a risk of material misstatement due to fraud related to management override of controls. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	Our audit procedures included, among others, the following: We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance. We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. We considered available information and made inquiries of relevant persons during the year and at year end (including management, general counsel, internal auditor, compliance officer and the Supervisory Committee). 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 report over 2024 of Vesteda Investment Management B.V. having made appropriate links to our risk assessment and relevant controls. We evaluated whether the selection and application of accounting policies by the Company, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting. For significant transactions we have evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets. As part of our audit procedures, we verified whether the significant transactions should be considered related-party transactions. 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 3 of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Reference is made "Valuation of investment property" below as well.
Valuation of investment property	
In relation to valuation of investment properties a potential fraud risk is identified to revaluations and other deviations from the normal valuation process, management's adjustment of external valuations, optimistic estimation of gross initial yield, market rent, vacant values and/or other assumptions including combinations of estimates that result in a relatively high value. Valuation of investment property is a significant area to our audit as the valuation is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balance.	Management insights, estimates and assumptions related to valuation of investment property have a major impact on the financial statements and are disclosed in note 3, 15 and 16 of the financial statements. Further reference is made to the section "Our key audit matter" for audit procedures performed.

Risk of incorrect recognition of disposals of investment property	
The accurate and complete recognition of these transactions is an important area of emphasis in our audit. We pay special attention to fraud risks associated with selling properties, such as ABC transactions.	In 2024, the Fund sold multiple properties. We have tested the design and controls related to investment property sales, which includes ensuring proper authorization and conducting background checks of buyers and sellers. We carried out procedures on the sales transactions of property investments. We have reconciled the recognized transactions with the relevant supporting documentation and confirmed the accurate and complete recognition of transactions results in the financial year. We verified that the property sold was not immediately sold to a third party at a significantly higher transaction value. 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 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 chapter as well as in the notes to the financial statements.

Apart from these, Vesteda Residential Fund FGR is subject to other laws and regulations – including amongst other the Alternative Investment Fund Managers Directive (AIFMD), the 'Wet op het financieel toezicht' (Wft, Financial Supervision Act), the 'Wet ter voorkoming van witwassen en financieren van terrorisme' (Wwft, Act on the prevention of money laundering and terrorist financing) – 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 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 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 Vesteda Residential Fund FGR have been prepared on the basis of the going concern assumption. As indicated in the responsibilities of management below, management is responsible for assessing the company's ability to continue as a going concern.

We have inquired management regarding any knowledge of events or conditions beyond the period of management's assessment. Headroom analyses of the client indicates that breach of covenants is unlikely in the near future. We evaluated the headroom analyses and concluded that this is not a high risk in relation to the going concern. Furthermore, we noted that there is no indication that cash positions and cash flows will be insufficient to meet future obligations. The Company has total liabilities for obligations entered for construction contracts, rental and lease instalments which stood at EUR 47 million at year-end 2024. These off-balance sheet commitments will be financed via, (a) the cash flow from operating activities, (b) the available cash position as per 31 December 2024, (c) the outstanding undrawn commitments of EUR 710 million as well as undrawn uncommitted instruments of EUR 1,200 million to the extent needed, noting sufficient headroom in the current market circumstances, considering the loan covenant requirements related to the debt funding. 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.

This did not lead to indications of the company not being able to continue as a going concern, which is in line with management's assessment.

Our key audit matters

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

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

Description of key audit matters	Summary of procedures and activities
Valuation of investment property	
Refer to notes 15 and 16 to the consolidated financial statements. As at 31 December 2024 the Company held a portfolio of investment property with a fair value of EUR 9,703 million, excluding IFRS 16 right-of-use asset (31 December 2023: EUR 8,547 million). The portfolio consists of EUR 9,548 million residential, EUR 115 million commercial, EUR 32 million healthcare and EUR 8 million parking properties. At the end of each reporting period, management determines the fair value of its investment property portfolio in accordance with the requirements of IAS 40 and IFRS 13. The Company uses external valuation reports issued by external independent professionally qualified valuers to determine the fair value of its investment property. As the valuation of investment property is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balance. The most significant assumptions and parameters involved, given the sensitivity and impact on the outcome, are the gross initial yield, market rent levels and vacant values. IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorizes the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. (Unobservable) inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date. Fair value measurements categorized within Level 3 have the lowest priority as the valuation is predominantly based on unobservable inputs and those measurements have a greater degree of uncertainty and subjectivity. This means that a valuation at Level 3 has a fairly large measure of estimation uncertainty and as a result a fairly large bandwidth of valuation uncertainty in which a valuation can been seen reasonable in the light of IFRS 13. In addition, and as the external appraiser has recommended in its assessment of the fair value of the property portfolio, caution is needed in analyzing the values due to the unknown future impacts on economy and real estate markets.	Our audit procedures included, among others, the following: We have gained understanding of the valuation process and tested the design and implementation of the Company's relevant controls with respect to the data used in the valuation of the investment property portfolio. We evaluated the competence of the Company's external appraiser, which included consideration of their qualifications and expertise. We noted that management involved established parties to assist with the valuation of the investment properties. We reconciled the fair value carrying amounts of all investment properties to the external valuation reports as per 31 December 2024. In relation to the significant assumptions in the valuation of investment property portfolio, we have: • Determined that the valuation methods as applied by management, as included in the valuation reports, are appropriate and consistently applied. • We have challenged the significant assumptions used (such as gross initial yield, market rent levels and vacant possession values) against relevant market data. We have involved our in-house real estate valuation experts in these assessments. • We assessed the sensitivity analysis on the key input data and assumptions to understand the impact of reasonable changes in assumptions on the valuation and other key performance indicators. • We have assessed the appropriateness of the disclosures relating to the assumptions used in the valuations and sensitivity analysis in the notes to the consolidated financial statements. **Observation** We found that, with the (significant) assumptions used in the valuation reports, the valuation of the investment property is valued within a reasonable range in the light of the valuation uncertainty for level 3 valuations.

Report on the other information included in the annual report

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

The other information consists of:

- The Management Report.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Other included information.

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

- Is consistent with the financial statements and does not contain material misstatements.
- Contains 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 the Management Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management and the Supervisory Committee for the financial statements

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

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

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

The Supervisory Committee is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient 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 misstatements, whether due to fraud or error, 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 judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause 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 the Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

We provide the Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Amsterdam, 19 March 2025

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Financial overviews in accordance with INREV valuation principles

INREV financial overviews

General introduction

To provide investors with information on the transition from Net Asset Value (NAV) according to IFRS to adjusted NAV based on INREV valuation principles, the Vesteda Residential Fund FGR (VRF FGR) also publishes its financial overviews in accordance with the INREV valuation principles.

The Fundamental assumption underlying the adjusted INREV NAV of VRF FGR is that it should give a more accurate reflection of the economic value of VRF FGR and a participation in VRF FGR, as it would be realised by a participant in a theoretical sale, as of the balance sheet date, assuming an arm's length transaction, a willing buyer/seller and an adequate time to market.

The adjusted INREV NAV is based on the IFRS valuation principles plus the deviations described below.

	Note	**Actual impact on 2024 figures**	Actual impact on 2023 figures
NAV per the IFRS financial statements			
Reclassification of certain IFRS liabilities as components of equity			
Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	1	N/A	N/A
Effect of dividends recorded as a liability which have not been distributed	2	N/A	N/A
NAV after reclassification of equity-like interests and dividends not yet distributed			
Fair value of assets and liabilities			
Revaluation to fair value of investment properties	3	N/A	N/A
Revaluation to fair value of self-constructed or developed investment property	4	N/A	N/A
Revaluation to fair value of investment property held for sale	5	N/A	N/A
Revaluation to fair value of property that is leased to tenants under a finance lease	6	N/A	N/A
Revaluation to fair value of real estate held as inventory	7	N/A	N/A
Revaluation to fair value of other investments in real assets	8	N/A	N/A
Revaluation to fair value of indirect investments not consolidated	9	N/A	N/A
Revaluation to fair value of financial assets and financial liabilities	10	Yes	Yes
Revaluation to fair value of construction contracts for third parties	11	N/A	N/A
Set-up costs	12	N/A	N/A
Acquisition expenses	13	Yes	Yes
Contractual fees	14	N/A	N/A
Effects of the expected manner of settlement of sales/vehicle unwinding			
Revaluation to fair value of savings of purchaser's costs such as transfer taxes	15	N/A	N/A
Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	16	N/A	N/A
Effect of subsidiaries having a negative equity (non-recourse)	17	N/A	N/A
Other adjustments			
Goodwill	18	N/A	N/A
Non-controlling interest effects of INREV adjustments	19	N/A	N/A
INREV NAV			

Consolidated statement of profit or loss and other comprehensive income in accordance with INREV valuation principles

For the year ended 31 December 2024; amounts in € million

	2024 IFRS	**Adj.**	**2024 INREV**	2023 IFRS	Adj.	2023 INREV
Gross rental income	399		399	378		378
Service charge income	14		14	12		12
Property operating expenses (excluding service charges)	(105)		(105)	(89)		(89)
Service charges	(21)		(21)	(19)		(19)
Other income	2		2	2		2
Net rental income	**289**		**289**	**284**		**284**
Result on disposals	46		46	10		10
Management expenses	(30)		(30)	(30)		(30)
Financial results	(68)		(68)	(56)		(56)
Result before valuation gains (losses) on investment property	**237**		**237**	**208**		**208**
Unrealised result	891		891	(863)		(863)
Result before tax	**1,128**		**1,128**	**(655)**		**(655)**
Tax	(1)		(1)	(1)		(1)
Result after tax (attributable to equity holders of the parent)	**1,127**		**1,127**	**(656)**		**(656)**
Other comprehensive income that will be reclassified subsequently to profit or loss						
- Settlement pre-hedge contracts	1		1	1		1
Other comprehensive income that will not be reclassified subsequently to profit or loss						
- Revaluation of PPE	1		1	(2)		(2)
Fair value adjustment on liabilities	-	(69)	(69)	-	(105)	(105)
Acquisition costs on Investment property (under construction)	-	22	22	-	(8)	(8)
Other comprehensive income, net of tax	**2**		**(45)**	**(1)**		**(114)**
Total comprehensive income (attributable to equity holders of the parent)	**1,129**		**1,082**	**(657)**		**(770)**

Consolidated statement of financial position in accordance with INREV valuation principles

For the year ended 31 December 2024; amounts in € million

	31 December 2024 IFRS	**Adj.**	**31 December 2024 INREV**	31 December 2023 IFRS	Adj.	31 December 2023 INREV
ASSETS						
Non-current assets						
Intangible fixed assets	3		3	5		5
Investment property	9,808	34	9,842	8,674	14	8,688
Investment property under construction	174	2	176	381		381
Property, plant and equipment	19		19	18		18
Financial assets	1		1	1		1
	10,005	**36**	**10,041**	**9,079**	**14**	**9,093**
Current assets						
Trade and other receivables	4		4	3		3
Cash and cash equivalents	1		1	4		4
	5		**5**	**7**		**7**
Total assets	**10,010**	**36**	**10,046**	**9,086**	**14**	**9,100**
EQUITY AND LIABILITIES						
Equity						
Group equity	7,271	150	7,421	6,392	197	6,589
Non-current liabilities						
Financial liabilities	2,526	(114)	2,412	2,133	(183)	1,950
Lease liabilities	107		107	129		129
	2,633	**(114)**	**2,519**	**2,262**	**(183)**	**2,079**
Current liabilities						
Financial liabilities	-		-	338		338
Provisions	9		9	8		8
Trade and other payables	96		96	85		85
Lease liabilities	1		1	1		1
	106		**106**	**432**		**432**
Total liabilities	**2,739**	**(114)**	**2,625**	**2,694**	**(183)**	**2,511**
			-			-
Total equity and liabilities	**10,010**	**36**	**10,046**	**9,086**	**14**	**9,100**

Consolidated statement of changes in equity in accordance with INREV valuation principles

For the year ended 31 December 2024; amounts in € million.

			Reserve				
	Fund Equity	General paid-in surplus	Property	Derivatives	Legal	Other reserve	Total equity
As at 1 January 2023	35	1,413	3,598	(3)	7	2,557	7,607
Result for the year	-	-	(826)	-	-	171	(655)
Other comprehensive income	-	-	-	1	(2)	(113)	(114)
Total comprehensive income	**-**	**-**	**(826)**	**1**	**(2)**	**58**	**(769)**
Realised from property sales	-	-	(16)	-	-	16	-
Reclasses	-	2	-	(1)	(1)	-	-
Equity issued	1	116	-	-	-	-	117
Equity redemption	(1)	(166)	-	-	-	-	(167)
Distribution paid	-	(199)	-	-	-	-	(199)
Changes according to INREV	-	-	(8)	-	-	8	-
As at 31 December 2023	**35**	**1,166**	**2,748**	**(3)**	**4**	**2,639**	**6,589**
Result for the year	-	-	866	-	-	261	1,127
Other comprehensive income	-	-	-	1	1	(47)	(45)
Total comprehensive income	**-**	**-**	**866**	**1**	**1**	**214**	**1,082**
Realised from property sales	-	-	(58)	-	-	58	-
Equity issued	1	90	-	-	-	-	91
Equity redemption	(1)	(140)	-	-	-	-	(141)
Distribution paid	-	(200)	-	-	-	-	(200)
Changes according to INREV	-	-	22	-	-	(22)	-
As at 31 December 2024	**35**	**916**	**3,578**	**(2)**	**5**	**2,889**	**7,421**

In 2024, Vesteda paid out €140 million in redemptions, consisting of the payout of the Redemption Available Cash of €50 million and one secondary transaction for a total of €90 million.

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

INREV expense metrics

	2024	2023
Total Expense Ratio (NAV)	0.40%	0.46%
Total Expense Ratio (GAV)	0.30%	0.33%
Real Estate Expense Ratio (GAV)	1.05%	0.98%

The decrease in ratio of the Total Expense Ratio (both NAV and GAV) from 2023 to 2024 is mainly due to the increase of the average asset value in 2024.

Fund expenses are the management expenses in the consolidated statement of comprehensive income. Property-specific expenses are the property operating expenses, including non-recoverable service charges in the consolidated statement of comprehensive income.

The weighted average INREV NAV is calculated as the closing INREV net asset value of five individual quarters (Q4 2023 – Q4 2024), divided by five. The quarterly figures for Q1, Q2 and Q3 2024 are unaudited.

The weighted average INREV GAV is calculated as the closing INREV gross asset value of five individual quarters (Q4 2023 – Q4 2024), divided by five. The quarterly figures for Q1, Q2 and Q3 2024 are unaudited.

The Total Expense Ratio (NAV) is calculated by dividing the Fund expenses by the weighted average INREV net asset value.

The Total Expense Ratio (GAV) is calculated by dividing the Fund expenses by the weighted average INREV gross asset value.

The Real Estate Expense Ratio (GAV) is calculated by dividing the property-specific expenses by the weighted average INREV gross asset value.

Notes to the INREV financial overviews

Amounts in € million

	Note	**31-12-2024**	31-12-2023
NAV per the IFRS financial statements		7,271	6,392
Reclassification of certain IFRS liabilities as components of equity			
Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	1		
Effect of dividends recorded as a liability which have not been distributed	2		
NAV after reclassification of equity-like interests and dividends not yet distributed		**7,271**	6,392
Fair value of assets and liabilities			
Revaluation to fair value of investment properties	3		
Revaluation to fair value of self-constructed or developed investment property	4		
Revaluation to fair value of investment property held for sale	5		
Revaluation to fair value of property that is leased to tenants under a finance lease	6		
Revaluation to fair value of real estate held as inventory	7		
Revaluation to fair value of other investments in real assets	8		
Revaluation to fair value of indirect investments not consolidated	9		
Revaluation to fair value of financial assets and financial liabilities	10	114	183
Revaluation to fair value of construction contracts for third parties	11		
Set-up costs	12		
Acquisition expenses	13	36	14
Contractual fees	14		
Effects of the expected manner of settlement of sales/vehicle unwinding			
Revaluation to fair value of savings of purchaser's costs such as transfer taxes	15		
Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	16		
Effect of subsidiaries having a negative equity (non-recourse)	17		
Other adjustments			
Goodwill	18		
Non-controlling interest effects of INREV adjustments	19		
INREV NAV		**7,421**	6,589

1. Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders' long-term interests in a vehicle
Investors' capital can take various forms aside from equity; examples include shareholder loans and hybrid capital instruments, such as convertible bonds. Some vehicles are structured via a combination of equity participations and shareholder loans.

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

Since investors in VRF FGR only invest via participation rights according to the Terms and Conditions, no adjustment was applicable.

2. Effect of dividends recorded as a liability that have not yet been distributed
Under certain circumstances, dividends are recorded as a liability but have not yet been legally distributed.

For the determination of INREV NAV, these accrued dividends should be reversed to the NAV.

As per 31 December 2024, no adjustment was applicable, as no distributions were recorded as a liability.

3. Revaluation to fair value of investment properties
After initial recognition, investment property is valued at fair value under the fair value option of IAS 40.

As investment properties are valued at fair value, no adjustment had to be made as per 31 December 2024.

4. Revaluation to fair value of self-constructed or developed investment property
Development property is IPUC (investment property under construction) and valued at fair value under the fair value option of IAS 40.

As IPUC is valued at fair value, no adjustment had to be made as per 31 December 2024.

5. Revaluation to fair value of investment property held for sale
Assets in this category should be measured under IFRS at the lower of cost or net realisable value in the financial overview. 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 2024, no adjustment was applicable, as no properties intended for sale have been identified and all investment properties have been valued at fair value.

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

As per 31 December 2024, no adjustment was made since no property was held that is leased to tenants under a finance lease.

7. Revaluation to fair value of real estate held as inventory
Properties intended for sale and accounted for under IAS 2 (Inventory) are measured at the lower of cost or net realisable value in the financial overview.

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 2024, no adjustment was applicable, since VRF FGR has no inventory property.

8. Revaluation to fair value of other investments in real assets
Under IAS 16, other investments in real assets are normally accounted for at cost. The adjustment represents the impact on NAV of the revaluation of other investments in real assets to fair value in accordance with the fair value assumptions under IFRS 13.

As per 31 December 2024, no adjustment was made since VRF FGR has no investments in real assets.

9. Revaluation to fair value of indirect investments not consolidated
Indirect investments in real estate, such as investments in associations and joint ventures, have different accounting treatments and carrying values under IFRS. Such investments can be valued at cost, fair value or NAV.

The adjustment represents the impact on NAV of the revaluation of indirect investments to fair value if not yet accounted for at fair value.

As per 31 December 2024, no adjustment had been made, since all indirect investments in real estate are valued at fair value.

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

As per 31 December 2024, an adjustment was made for the revaluation to fair value of the fixed interest debt financial liabilities of -€114 million (2023: -€183 million). This adjustment relates to the senior unsecured notes (bonds issued in 2015, 2018, 2019, 2021 and 2024), the private placement borrowings with PRICOA Capital Group (arranged 2016), with NYL and AIG (arranged in 2020), and EMTN private placements arranged in 2017.

No adjustments have been made for other financial assets and liabilities, as these were already valued at fair value in accordance with IFRS principles.

11. Revaluation to fair value of construction contracts for third parties
Under IFRS 15, construction contracts for third parties are normally accounted for based on the stage of completion.

The adjustment represents the impact on NAV of the revaluation of construction contracts for third parties to fair value in accordance with the fair value principles of IFRS 13.

As per 31 December 2024, no adjustment had been made, since VRF FGR has no construction contracts for third parties.

12. Set-up costs
Under IFRS, vehicle set-up costs are charged immediately to income after the inception of a vehicle. Such costs should be capitalised and amortised over the first five years of the term of the vehicle. The rationale for capitalising and amortising set-up costs is to better reflect the duration of the economic benefits to the vehicle.

The adjustment represents the impact on NAV of capitalising and amortising set-up costs over the first five-year period rather than charging them immediately to the income statement.

No adjustment has been made for set-up costs, as no set-up costs for VRF FGR have been incurred in the last five years.

13. Acquisition expenses
Under the fair value model, the acquisition expenses related to an investment property are effectively charged to income when fair value is calculated at the first subsequent measurement date after acquisition. This results in the fair value of a property upon subsequent fair value measurement being lower than the total purchase price of the property, all other things being equal. Property acquisition expenses should be capitalised and amortised over the first five years after acquisition of the property.

The rationale for capitalising and amortising acquisition expenses is to better reflect the duration of the economic benefits of these costs to the vehicle.

When capitalising and amortising acquisition costs, a possible impairment test should be taken into account every time the adjusted NAV is calculated when market circumstances change and the owner of an investment property does not expect to be able to recover the capitalised acquisition costs through the sale of units of a vehicle. When a property is sold during the amortisation period or is classified as held for sale, the balance of capitalised acquisition expenses of that property should be expensed.

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

As per 2021, the transfer tax for residential investment property changed from 2% into 8%. Most of the single asset acquisitions of residential complexes at Dutch institutional real estate funds are realized via a turn-key agreement with a development company. The increase in transfer tax has some accounting implications in light of the capitalization of the transfer tax as part of the initial acquisition expense(s) for determining the INREV NAV. For newly developed properties no transfer tax is due. Acquisitions of newly developed residential complexes can be purchased free of transfer tax. However, normally the acquisition price is higher than if transfer taxes should be paid separately. In general, the agreed price can be seen as the Gross Investment Value less actual other acquisition expenses (notary, broker, valuation, etc.). This so-called fictitious transfer tax will be included in the revaluation after initial recognition.

Up to the end of 2020, Vesteda did not made any adjustments in the INREV NAV for the capitalization of acquisition expenses in the light of the acquisition of turn-key complexes due to the fact that the effects of the difference between acquisition price and the net valuation was limited and did not have/had a material impact on the calculation of the INREV NAV.

In 2022 the transfer tax was 8%, the difference between the agreed turn-key acquisition price and the net fair value will be larger and potentially material. Therefore, the respective implicit real estate transfer tax of 2% until 2020 and 8% as of 2021 and additional acquisition costs of 1% (in total 3% or 9%) have been capitalized for all realized acquisition projects dating back from 2017. For new acquisitions the 9% transfer tax costs are amortized over a 5 year period starting from the date of completion of the acquired property.

The transfer tax as per 1 January 2024 is 10.4%. As per 31 December 2024, Vesteda had not made an adjustment for any acquisition expenses paid on the current portfolio and €36 million for the capitalized fictitious transfer tax. Taken into account the respective period as of completion of the property these amounts are amortised over a period of 5 years, which results in a net adjustment of approximately €36 million.

14. Contractual fees

A liability represents a present obligation as a result of past events. A fee payable at the end of the life of a vehicle or at any other time during the life of a vehicle may not meet the criteria for recognition as a provision or liability in accordance with IFRS at the reporting date.

Examples of such fees include performance fees, disposal fees, or liquidation fees, representing a present obligation from contractual arrangements.

Most of these fees are normally accrued under IFRS accounting rules. The adjustment represents the impact on the NAV of the amount of the estimated contractual fees payable based on the current NAV of the vehicle in the rare circumstances in which these fees are not already recognised in financial statements produced under IFRS and it is probable that they will be incurred. In order to determine the amount of the adjustment, reference should be made to IFRS standards for the measurement (but not necessarily the recognition) of provisions or deferred liabilities.

As per the balance sheet date, all contractual fees and contingent liabilities had been recognised in accordance with IFRS.

VRF FGR did not enter into any other contractual fees or contingent liabilities that are not presented in the accounts as per the balance sheet date.

15. Revaluation to fair value of savings of purchaser's costs such as transfer taxes
Transfer taxes and purchaser's costs which would be incurred by the purchaser when acquiring a property are generally deducted when determining the fair value of investment properties under IAS 40. The effect of an intended sale of shares in a property-owning vehicle, rather than the property itself, should be taken into account when determining the amount of the deduction of transfer taxes and purchaser's costs, to the extent that this saving is expected to accrue to the seller when the property is sold.

The adjustment therefore represents the positive impact on the NAV of the possible reduction of the transfer taxes and purchaser's costs for the benefit of the seller based on the expected sale of shares in the property-owning vehicle.

VRF FGR has no investment property structured in special purpose vehicles.

16. Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments
Under IFRS, deferred tax assets and liabilities are measured at the nominal statutory tax rate. The manner in which the vehicle expects to realise deferred tax (for example, for investment properties through share sales rather than direct property sales) is generally not taken into consideration.

The adjustment represents the impact on the NAV of the difference between the amount determined in accordance with IFRS and the estimate of deferred tax that takes into account the expected manner of settlement (i.e. when tax structures and the intended method of disposal or settlement of assets and liabilities have been applied to reduce the actual tax liability).

As per 31 December 2024, no adjustment had been made as VRF FGR has not valued deferred tax assets and liabilities on the balance sheet. Furthermore, no adjustment for the INREV NAV adjustments is required as VRF FGR is transparent for tax purposes.

17. Effect of subsidiaries having a negative equity (non-recourse)
The NAV of a consolidated group under IFRS may include the net liability position of subsidiary undertakings. In practice, however, the group may have neither a legal nor a constructive obligation to Fund the accumulated losses in situations where the financing of the subsidiaries is non-recourse to the vehicle. In this scenario, it is appropriate to make an adjustment when calculating the INREV NAV in order to recognise the group's interest in such subsidiaries at nil or an adjusted negative amount rather than at a full net liability position, to the extent there is no intention or obligation on the part of the vehicle to make good those losses.

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

As per 31 December 2024, no adjustment had been made since VRF FGR has no subsidiaries with a negative equity that are valued at zero and are included in the consolidation.

18. Goodwill
Upon the acquisition of an entity that has been determined to be a business combination, goodwill may arise as a result of a purchase price allocation exercise. A major component of such goodwill in property vehicles often reflects the difference between the full recognition of deferred tax, purchaser's costs or similar items in the IFRS accounts (which does not generally take into account the likely or intended method of subsequent exit), and the economic value attributed to such items in the actual purchase price.

Except where such components of goodwill have already been written off in the NAV, as determined under IFRS, they should be written off in the INREV NAV.

As per 31 December 2024, no adjustment had been made, since VRF FGR has no goodwill valued on the balance sheet.

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

As per 31 December 2024, no adjustment had been made, since VRF FGR has no material adjustments that arise from its non-controlling interests.

Independent auditor's report

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

Report on the financial overviews in accordance with INREV valuation principles

Our opinion
We have audited the accompanying financial overviews 2024 of Vesteda Residential Fund FGR, based in Amsterdam.

In our opinion the financial overviews are prepared, in all material respects, in accordance with the accounting policies selected and disclosed by the fund, i.e. INREV valuation principles, as set out on page 167 up to and including page 177.

The financial overviews comprise:

1. The consolidated statement of financial position as at 31 December 2024.
2. The following statements for 2024: the consolidated statements of profit or loss and other comprehensive income and changes in equity.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

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

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

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

Description of responsibilities for the financial overviews

Responsibilities of management and the Supervisory Committee for the financial overviews
Management is responsible for the preparation of the financial overviews in accordance with the accounting policies selected and disclosed by the fund (INREV valuation principles) as set out on page 167 up to and including page 177.

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

The Supervisory Committee is responsible for overseeing the company's financial reporting process.

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

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

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

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

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

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

Amsterdam, 19 March 2025

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman

Annexes

Annex 1: Key figures 2015-2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statement of financial position (€ million, unless otherwise stated, year-end)										
Total assets (excl. IFRS 16)	9,902	8,956	9,567	9,714	8,285	7,928	7,337	5,084	4,375	3,839
Equity	7,271	6,392	7,298	7,553	6,294	6,022	5,517	3,819	3,045	2,629
Net debt	2,539	2,479	2,180	1,991	1,916	1,825	1,739	1,172	1,237	1,098
Leverage (%, excl. IFRS 16)	25.6	27.7	22.8	20.5	23.1	23.0	23.7	23.1	28.3	28.6
Portfolio value (€ million, year-end)										
Development portfolio	174	381	225	177	174	194	257	257	135	77
Investment portfolio	9,808	8,674	9,448	9,540	8,213	7,818	7,024	4,778	4,207	3,726
Total portfolio	**9,982**	**9,055**	**9,673**	**9,717**	**8,387**	**8,012**	**7,281**	**5,035**	**4,342**	**3,803**
Units (year-end)										
Number of residential units	28,069	27,675	27,661	27,570	27,482	27,290	27,809	22,454	22,629	22,599
Number of parking/garage spaces	10,469	10,123	10,425	10,039	9,885	9,716	9,830	9,226	9,094	9,293
Commercial space (COG, sqm)	46,988	44,032	44,323	44,936	44,924	44,631	45,106	38,722	35,406	34,319
Net rental income (€ million, unless otherwise stated)										
Investment portfolio, at start of year	8,674	9,448	9,540	8,213	7,818	7,024	4,778	4,207	3,726	3,593
Time weighted average portfolio	9,168	8,934	9,901	8,636	8,050	7,560	5,967	4,473	3,969	3,642
Net rental income	289	284	270	260	251	252	210	184	182	176
Net rental income (%)	3.2	3.2	2.7	3.0	3.1	3.3	3.5	4.1	4.6	4.8
Result (€ million)										
Realised result from letting incl. property sales	237	208	207	212	191	202	207	138	141	122
Realised result from project development	-	-	-	-	-	-	-	-	1	-
Unrealised results	891	(863)	(218)	1,233	276	653	825	544	391	169
Result before tax	**1,128**	**(655)**	**(11)**	**1,445**	**467**	**855**	**1,032**	**682**	**533**	**291**
Tax	(1)	(1)	(1)	(1)	(1)	(1)	-	-	-	-
Derivatives	-	-	-	-	-	-	-	18	4	25
- revaluation	-	-	-	-	-	-	-	6	4	11
- unwind	-	-	-	-	-	-	-	12	-	14
Revaluation of PPE	1	(2)	1	-	-	1	2	1	-	-
Settlement pre-hedge contracts	1	1	1	1	1	(6)	-	-	-	-
Total comprehensive result	**1,129**	**(657)**	**(10)**	**1,445**	**467**	**849**	**1,034**	**701**	**537**	**316**
Return (% of time weighted average equity)										
Realised return from letting incl. property sales	3.5	3.1	2.6	3.2	3.1	3.6	4.6	4.1	5.1	5.0
Realised return from project development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unrealised return	13.4	(12.9)	(2.8)	18.7	4.5	11.4	18.4	16.3	14.2	7.0
Total operating return	16.9	(9.8)	(0.1)	21.9	7.6	15.0	23.0	20.4	19.3	12.0
Revaluation of derivatives and Other comprehensive income	-	-	-	0.1	-	(0.1)	-	0.5	0.2	1.0
Total comprehensive return	**16.9**	**(9.8)**	**(0.1)**	**22.0**	**7.6**	**14.9**	**23.0**	**20.9**	**19.5**	**13.0**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Distribution to participants (€ million, unless otherwise stated)										
Opening equity	6,392	7,298	7,553	6,294	6,022	5,517	3,819	3,045	2,629	2,262
Time weighted average equity	6,670	6,673	7,842	6,589	6,169	5,708	4,481	3,350	2,766	2,426
Paid distribution*	200	199	195	186	195	344	415	206	121	107
Distribution as % of time weighted average equity	3.0	3.0	2.5	2.8	3.2	6.0	9.3	6.1	4.4	4.4
Distribution to participants (€ per participation)										
Opening equity	180.40	204.52	210.40	175.32	167.74	153.69	135.44	118.03	101.93	94.07
Time weighted average equity	189.69	188.34	219.78	183.55	171.85	159.01	158.92	129.88	107.23	100.91
Paid distribution based on number of participations at start of year*	5.64	5.58	5.43	5.19	5.42	9.58	14.72	7.98	4.71	4.43
Other										
Occupancy rate (%, year-end)	98.0	99.0	98.6	98.8	97.5	98.4	97.5	97.6	97.8	97.9
Employees (FTE, year-end)	219	222	217	217	217	194	188	176	181	179

* Excludes equity redemptions from Redemption Available Cash (RAC). The 2018 and 2019 figures include capital repayments related to portfolio sales.

Annex 2: GRI content index

Statement of use	Vesteda has reported in accordance with the GRI Standards for the period 1 January 2024 and 31 December 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Vesteda at a glance, p.6; Corporate information, p.27
	2-2 Entities included in the organization's sustainability reporting	About this report, p.104; Basis of consolidation, p.116
	2-3 Reporting period, frequency and contact point	About this report, p.104; Colophon, p.201; Publication date will be 3 April 2025
	2-4 Restatements of information	About this report, p.104; There are non significant restatements regarding non-financial information.
	2-5 External assurance	Assurance report of the independent auditor, p.108; Independent auditor's report, p.159; Independent auditor's report, p.178
	2-6 Activities, value chain and other business relationships	Vesteda at a glance, p.6; Strategy, p.10; Sustainable supply chain, p.82
	2-7 Employees	Organisation, p.91; Vesteda does not have non-guaranteed hours employees.
	2-8 Workers who are not employees	Organisation, p.91
	2-9 Governance structure and composition	Governance, p.27;
	2-10 Nomination and selection of the highest governance body	Governance, p.27; Details are formalised in the Terms & Conditions of the fund, which is not disclosed externally due to confidentiality contraints
	2-11 Chair of the highest governance body	Governance, p.27
	2-12 Role of the highest governance body in overseeing the management of impacts	Report of the Supervisory Committee, p.37; Dialogue with stakeholders, p.106
	2-13 Delegation of responsibility for managing impacts	Outlook, p.25; Report of the Supervisory Committee, p.37; Annex 3, p.186
	2-14 Role of the highest governance body in sustainability reporting	Report of the Supervisory Committee, p.37
	2-15 Conflicts of interest	Governance, p.27; No material conflicts of interest occured.
	2-16 Communication of critical concerns	Vesteda's view on compliance and integrity, p.59; Dialogue with stakeholders, p.106
	2-17 Collective knowledge of the highest governance body	Supervisory Committee activities 2024 (including committees), p.40: permanent education sessions
	2-18 Evaluation of the performance of the highest governance body	Report of the Supervisory Committee, p.37; Self-assessments are done periodically. We do not disclose the outcomes externally due to confidentiality constraints
	2-19 Remuneration policies	Remuneration report, p.46; Note 29 to the consolidated financial statements. Note that Vesteda adheres to the Alternative Investment Fund Managers Directive (AIFMD) and the Dutch Financial Supervision Act. Details are not disclosed due to confidentiality constraints
	2-20 Process to determine remuneration	Remuneration report, p.46; Dialogue with stakeholders, p.106; Korn Ferry is used to perform remuneration benchmarks
	2-21 Annual total compensation ratio	Remuneration report, p.46
	2-22 Statement on sustainable development strategy	Message from the Management Board, p.5

	2-23 Policy commitments	Sustainable supply chain, p.82; Compliance and integrity, p.59; Risk management, p.49; Anti-discrimination statement (www.vesteda.com/en/anti-discrimination-statement). Please note that Vesteda is only active in the Netherlands.
	2-24 Embedding policy commitments	Strategy, p.10; Sustainable supply chain, p.82; Compliance and integrity, p.59; Risk management, p.49
	2-25 Processes to remediate negative impacts	Compliance and integrity, p.59; Risk management, p.49; Integrity report (www.vesteda.com/en/integrity-report). SpeakUp is designed externally and managed and reviewed by the Compliance Officer
	2-26 Mechanisms for seeking advice and raising concerns	Compliance and integrity, p.59; Integrity report (www.vesteda.com/en/integrity-report)
	2-27 Compliance with laws and regulations	Compliance and integrity, p.59
	2-28 Membership associations	Dialogue with stakeholders, p.106
	2-29 Approach to stakeholder engagement	About this report, p.104
	2-30 Collective bargaining agreements	Organisation, p.91

Material topics

GRI 3: Material Topics 2021	3-1 Process to determine material topics	About this report, p.104
	3-2 List of material topics	About this report, p.104

Stable financial performance

GRI 3: Material Topics 2021	3-3 Management of material topics	Strategy, p.10; Notes to the results, p.18; Governance, p.27; Report of the Supervisory Committee, p.37; Dialogue with stakeholders, p.106
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Consolidated statement of profit or loss and other comprehensive income, p.112

Business integrity and compliance

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable supply chain, p.82; Compliance and integrity: The role of compliance in the organisation, p.59; Compliance and integrity: Focal points in scope of compliance function, p.59; Risk: Irregularities in the letting process, p.56; About this report, p.104; Dialogue with stakeholders, p.106
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Sustainable supply chain, p.82; Compliance and integrity: Vesteda's view on compliance and integrity, p.59; This is part of the annual confirmation by all employees, including Management Team, to adher to the code of conduct.
	205-3 Confirmed incidents of corruption and actions taken	Compliance and integrity: Vesteda's view on compliance and integrity, p.59. We do not disclose more details externally due to confidentiality constraints

Sustainable business operations

GRI 3: Material Topics 2021	3-3 Management of material topics	Strategy, p.10; Measuring and managing resource consumption of our tenants, p.83; CO_2 footprint of our organisation, p.84; Dialogue with stakeholders, p.106
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Measuring and managing resource consumption of our tenants, p.83; CO_2 footprint of our organisation, p.84
	305-2 Energy indirect (Scope 2) GHG emissions	Measuring and managing resource consumption of our tenants, p.83; CO_2 footprint of our organisation, p.84
	305-3 Other indirect (Scope 3) GHG emissions	Measuring and managing resource consumption of our tenants, p.83; CO_2 footprint of our organisation, p.84
	305-4 GHG emissions intensity	Measuring and managing resource consumption of our tenants, p.83; CO_2 footprint of our organisation, p.84
	305-5 Reduction of GHG emissions	Measuring and managing resource consumption of our tenants, p.83; CO_2 footprint of our organisation, p.84
Own indicator	Circularity in business operations	Circularity within our organisation, p.85

Healthy and safe homes

GRI 3: Material Topics 2021	3-3 Management of material topics	Strategy, p.10; Healthy and safe homes, p.81; Dialogue with stakeholders, p.106
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Healthy and safe homes, p.81

Tenant satisfaction

GRI 3: Material Topics 2021	3-3 Management of material topics	Strategy, p.10; Tenant satisfaction, p.89; Risk: Negative tenant experiences, p.56; Dialogue with stakeholders, p.106
Own indicator	Tenant satisfaction	Tenant satisfaction, p.89

Sustainable portfolio

GRI 3: Material Topics 2021	3-3 Management of material topics	Strategy, p.10; Environmental, p.81, Accelerating our path to sustainability, p.88; Dialogue with stakeholders, p.106
GRI CRE8: Products and Service Labelling	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	Environmental, p.81, Accelerating our path to sustainability, p.88
Own indicator	Description of sustainability investments and amounts invested	Environmental, p.81, Accelerating our path to sustainability, p.88

Affordable housing

GRI 3: Material Topics 2021	3-3 Management of material topics	Strategy, p.10; Segmentation, p.11; Affordability, p.89-99; Outlook 2025, p.25; Dialogue with stakeholders, p.106
Own indicator	Percentage of portfolio in mid-rental segment	Segmentation, p.11, Acquisitions and property sales, p.12
Own indicator	Percentage of acquisitions in mid-rental segment	Segmentation, p.11

Employee engagement

GRI 3: Material Topics 2021	3-3 Management of material topics	Strategy, p.10; Organisation, p.91; Risk: Retention, engagement and performance of employees, p.56; Dialogue with stakeholders, p.106
Own indicator	Employee turnover rate	Workforce, p.91
Own indicator	High Performance Organisation score	Workforce, p.91

Annex 3: SFDR disclosure

Template 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:Vesteda Residential Fund **Legal entity identifier: 724500GA1ZREYP7XO676**

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 84.0 % of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

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

The Fund promotes environmental characteristics, being energy reduction of the portfolio and mitigation of elevated climate risks, as reflected in the sustainability indicators as set out below. The promoted environmental characteristics are met for the set targets on climate mitigation and climate adaptation.

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

The Fund regards the assets of the portfolios with energy label A, B or C (so called "green labels"[1]) as aligned with environmental characteristics. Assets with energy label D and below are not regarded as aligned with environmental characteristics.

The Fund regards the assets of the portfolio with energy label A or B[2] as "sustainable investments".

No reference benchmark has been designated.

- ***How did the sustainability indicators perform?***

  The Fund uses the following sustainability indicators to measure the environmental characteristics:

  - Energy consumption intension the Fund (metric: Energy consumption in kWh of owned real estate assets per square meter): for this metric, the actual energy consumption comprises approximately 85% and extrapolated to a 100% portfolio coverage.

    Performance 2024: 88

  - Investments with a green (A,B,C) energylabel (metric: Share of investments with a green energylabel, as a percentage of the gross asset value of the portfolio).

    Performance 2024: 98.3%

  - Investments that have no to a mid physical climate risk (metric: share of investments in market value where no to a mid-climate risk is identified); this includes all 6 physical climate risks combined, being: flooding due to levy breach, flooding due to extreme rainfall, wildfires, drop in groundwater levels, rise in groundwater levels and heat stress. The physical climate risk assessment is done by an in-house tool that is created by experts to assess these risks. The tool uses high quality data from www.klimaateffectatlas.nl and includes building specific information to determine the risk exposed.

    Performance 2024: 71%

- ***…and compared to previous periods?***

  - Energy consumption intension the Fund (metric: Energy consumption in kWh of owned real estate assets per square meter): for this metric, the energy consumption comprises approximately 87% of the portfolio.

    Performance 2023: 97

  - Investments with a green (A,B,C) energylabel (metric: Share of investments with a green energylabel).

    Performance 2023: 96.3%

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[1] In line with the Energy Performance Building Directive (EPBD) 2009/91/EC and Nederlands Technische Afspraak (NTA 8800:2022)

[2] This is in line with the definition of "inefficient real estate" as set out in Annex 1 of the Regulation (EU) 2019/2088, which states that real estate assets with EPC of C or below are deemed "inefficient".

- Investments that have no to a mid physical climate risk (metric: share of investments in market value where no to a mid-climate risk is identified); this includes all 6 physical climate risks combined, being: flooding due to levy breach, flooding due to extreme rainfall, wildfires, drop in groundwater levels, rise in groundwater levels and heat stress. The physical climate risk assessment is done by an in-house tool that is created by experts to assess these risks. The tool uses high quality data from www.klimaateffectatlas.nl and includes building specific information to determine the risk exposed.

  Performance 2023: 62%

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

The objective of the sustainable investments is climate mitigation. The Fund contributed to this objective by reducing the energy demand of the real estate portfolio.

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

The indicators of table 1 of Annex 1 for real estate and the relevant indicators of table 2 of Annex 1 were assessed.

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

The Fund assessed for its sustainable investments whether the Fund's real estate was not involved in the extraction, storage, transport or manufacture of fossil fuels. Furthermore, the Fund has checked whether the sustainable investments stayed below the set thresholds by Vesteda for indicator 18 of Table 1 of Annex I (exposure to energy-inefficient real estate assets) and the relevant adverse sustainability indicator from Table 2 of Annex I of the SFDR Delegated Regulation (EU) 2022/1288 (energy consumption intensity).

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

Vesteda invests only directly in real estate properties and not in investee companies, so these principles only apply to the business conducted by the Fund and its manager. The manager of the Fund has policies and procedures in place to address a.o. anti-corruption, anti-bribery, employee rights and human rights.

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

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

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

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

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

The Fund assess the following principle adverse impact indicators: 1) Exposure to fossil fuels through real estate assets, 2) exposure to energy-inefficient real estate assets and 3) Energy consumption intensity every year.

1) Since the Fund has no influence on the exposure to fossil fuels, as it cannot decarbonize the net and the tenant determines their energy procurement themselves, the threshold is 0 and therefore the whole portfolio meets this criteria.
2) Energy inefficient real estate is calculated based on the energy intensity of the asset, measured in actual energy consumption in kWh divided by the square meter of an asset. If an asset consumes more than 140 kWh/sqm it is seen as energy-inefficient. 99% of the portfolio of the Fund meets this target and qualifies as energy-efficient.
3) The energy intensity of the fund is 87 kWh/sqm in total, based on actual consumption including tenant consumption (scope 1, 2 and 3) with a coverage of 85% and extrapolated to 100% portfolio coverage.

What were the top investments of this financial product?

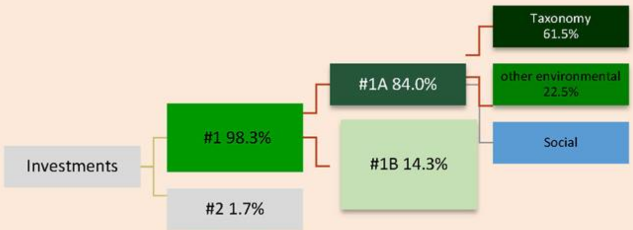
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2024

Largest investments	Sector	% Assets	Country
Real Estate	***Real estate***	***100%***	***Netherlands***

What was the proportion of sustainability-related investments?

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



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

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

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

In which economic sectors were the investments made?

The Fund invests in only one economic sector: real estate (98% residential and 2% commercial in market value).

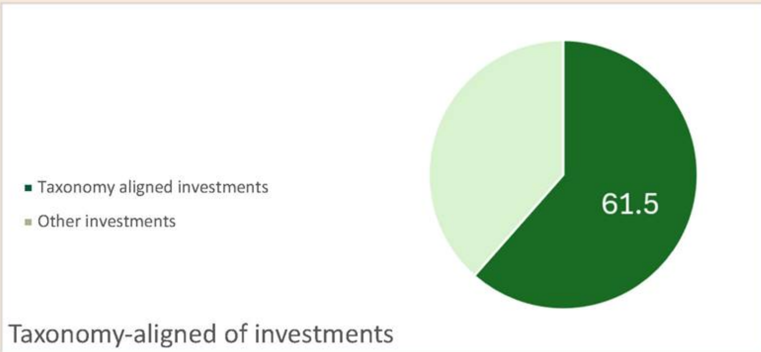
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Given the fact that the sustainable investments comprise of investments in real estate only, Vesteda reports in market value.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[3]?

- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [x] No

The graphs below show in green the percentage of total investments/entire portfolio (in market value) that were aligned with the EU Taxonomy. No investments in sovereign bonds.



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

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

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

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

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

  0%

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

  FY 2023: 53.5%

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

22.5%

What was the share of socially sustainable investments?

0%

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

This regards units that do not have a label A, B and C. There are no further minimum environmental or social safeguards.

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

In 2024, Vesteda invested EUR 34.4 million and improved the energy performance of 2,018 residential units. The measures included the installation of high-efficiency boilers, DC ventilators, LED lightning in common areas, insulated glass, insulation of roofs, cavity walls and under floors, and the installation of solar panels. Vesteda installed a total of 13,935 solar panels last year. At year-end 2024, Vesteda had a total of 47,613 solar panels in its portfolio, generating approximately 12.5 million kWh annually.

The percentage of homes in Vesteda's portfolio with a green energy label (A, B, or C) increased to 98% in 2023, from 96% the previous year.

Together with Climate Adaptation Services and Sweco, Vesteda created an in-house tool to provide insights into the physical climate risks of the Fund's portfolio. Vesteda uses this tool to monitor the Fund's physical climate risks, providing valuable information and potential measures to mitigate the risks. The focus is on two types of risks: heat stress and flooding due to extreme rainfall. Nearly all very high risk assets have been mitigated (with the exception of 1 asset, where a study on the best measures is still ongoing). For assets with a high risk, we aim to have a mitigation plan by 2025. All other elevated climate risks are addressed in a mitigation plan per asset.

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

There is no designated reference benchmark to determine the aligment with the environmental or social characteristics.

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

- ***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?***

Annex 4: Energy consumption

Impact area	GRI Standard	INREV Indicator ID	Abbreviation	Units of measure	Indicator	Metric	Absolute performance (Abs) 2024	Absolute performance (Abs) 2023	Like-for-like performance (LfL) 2024	Like-for-like performance (LfL) 2023	% change
Energy	GRI Standard 302-1	ENV29	Fuels-Abs, Fuels-LfL	annual kWh	Fuels	Total fuels purchased by landlord	**8,598,074.25**	13,833,641.45	**7,696,141.25**	8,877,110.90	-13.30%
		ENV31				Total fuels purchased by tenant	**147,199,898.96**	141,820,703.61	**146,528,139.84**	140,377,428.53	4.38%
						Total fuels purchased/ controlled by landlord and tenant(s)	**155,797,973.21**	155,654,345.05	**154,224,281.09**	149,254,539.42	3.33%
				No. of applicable properties		Fuels disclosure coverage - No. Assets	**336 out of 347**	344 out of 347	**331 out of 331**	331 out of 331	-
		ENV32		Covered applicable sqm		Fuels disclosure coverage - %	**98.03%**	99.57%	**99.87%**	99.87%	0.00%
	GRI Standard 302-1/302-2	ENV33	DH&C-Abs, DH&C-LfL	annual kWh	District heating and cooling	Total district heating and cooling purchased by landlord	**-**	-	**-**	-	-
		ENV35				Total district heating and cooling purchased by tenant	**-**	28,493,250.26	**-**	-	-
						Total district heating and cooling purchased/ controlled by landlord and tenant(s)	**-**	28,493,250.26	**-**	-	-
				No. of applicable properties		District heating and cooling disclosure coverage - No. Assets	**0 out of 126**	97 out of 125	**0 out of 0**	0 out of 0	-
				Covered applicable sqm		District heating and cooling disclosure coverage - %	**0.00%**	79.85%	**-**	-	-
		ENV8		annual kWh	Landlord electricity	Renewable electricity generated and consumed on-site by landlord	**1,069,411.48**	976,397.60	**1,045,072.68**	907,063.38	15.21%
		ENV38				Proportion of on-site renewable electricity generated by landlord	**17.28%**	9.40%	**20.12%**	16.84%	19.50%
		ENV11				Total off-site electricity purchased by landlord	**5,118,747.19**	9,413,442.71	**4,148,339.02**	4,479,514.76	-7.39%
		ENV37				Total electricity consumed by landlord	**6,188,158.67**	10,389,840.31	**5,193,411.70**	5,386,578.14	-3.59%
		ENV10				Electricity generated and consumed on-site by tenant(s)	**2,472,893.83**	1,635,099.86	**2,472,893.83**	1,552,148.90	59.32%
						Proportion of on-site renewable electricity consumed by tenant(s)	**4.03%**	2.57%	**4.10%**	2.48%	65.29%
		ENV12				Total off-site electricity purchased by tenant(s)	**58,844,648.32**	62,085,338.71	**57,856,398.76**	61,039,198.65	-5.21%
		ENV39				Total electricity consumed by tenant(s)	**61,317,542.16**	63,720,438.57	**60,329,292.59**	62,591,347.54	-3.61%

Impact area	GRI Standard	INREV Indicator ID	Abbreviation	Units of measure	Indicator	Metric	Absolute performance (Abs) 2024	Absolute performance (Abs) 2023	Like-for-like performance (LfL) 2024	Like-for-like performance (LfL) 2023	% change
						Proportion of on-site renewable electricity consumed by landlord and tenant(s)	**5.25%**	3.52%	**5.37%**	3.62%	48.41%
						Total landlord and tenant electricity consumption	**67,505,700.82**	74,110,278.88	**65,522,704.29**	67,977,925.68	-3.61%
		ENV40		No. of applicable properties		Electricity disclosure coverage - No. Assets	**478 out of 481**	470 out of 472	**461 out of 461**	461 out of 461	-
				Covered applicable sqm		Electricity disclosure coverage - %	**96.99%**	99.58%	**97.54%**	97.54%	0.00%
				Solar panels		On-site solar panels - No.Applicable Assets	**134 out of 137**	105 out of 105	**132 out of 137**	103 out of 105	-
	GRI Standard 302-3	ENV1	Energy-Int (all assets)	kWh	Energy consumption	Total energy consumption purchased by landlord	**14,786,232.92**	24,223,481.76	**12,889,552.95**	14,263,689.04	-9.63%
		ENV2				Total energy consumption purchased by tenant	**208,517,441.12**	234,034,392.43	**206,857,432.43**	202,968,776.07	1.92%
		ENV4		annual kWh	Energy Intensity	(sum of) annual kWh energy consumption	**223,303,674.04**	258,257,874.19	**219,746,985.38**	217,232,465.10	1.16%
						(sum of) floor area (m2) - Energy	**2,706,727.93**	2,889,765.50	**2,541,365.67**	2,541,230.91	0.01%
		ENV6				Building energy intensity	**82**	89	**86**	85	1.15%
				No. of applicable properties		Energy and associated GHG disclosure coverage - No. Assets	**478 out of 481**	470 out of 472	**462 out of 462**	462 out of 462	-
				Covered applicable sqm		Energy and associated GHG disclosure coverage - %	**89.1%**	97.9%	**89.5%**	89.5%	0.00%
		ENV19		Covered applicable sqm	Total operational energy and associated GHG data coverage	Common area - Energy coverage	**72.5%**	99.9%	**91.8%**	91.9%	-0.14%
						Tenant space - Energy coverage	**85.8%**	96.4%	**86.0%**	86.0%	0.00%
						Whole building - Energy coverage	**95.1%**	99.1%	**95.8%**	95.8%	0.00%
	GRI Standard 302-3		Energy-Int (assets only 100% data coverage and owned for full reporting year)	annual kWh	Energy Intensity	(sum of) annual kWh energy consumption	**182,696,437.34**	251,276,989.89	**181,987,821.19**	178,132,582.11	2.16%
						(sum of) floor area (m2) - Energy	**1,839,966.00**	2,764,646.00	**1,833,788.00**	1,833,788.00	0.00%
						Building energy intensity	**99.29**	90.89	**99.24**	97.14	2.16%
				No. of applicable properties		Energy and associated GHG disclosure coverage - No. Assets	**286 out of 286**	438 out of 438	**284 out of 284**	284 out of 284	-
				Covered applicable sqm		Energy and associated GHG disclosure coverage - %	**100.00%**	100.00%	**100.00%**	100.00%	0.00%

Impact area	GRI Standard	INREV Indicator ID	Abbreviation	Units of measure	Indicator	Metric	Absolute performance (Abs) 2024	Absolute performance (Abs) 2023	Like-for-like performance (LfL) 2024	Like-for-like performance (LfL) 2023	% change
Greenhouse gas emissions - Location based	GRI Standard 305-1	ENV14	GHG-Dir-Abs	annual kg CO2e	Direct	LB: Scope 1	**47,342.18**	377,011.09	**47,342.18**	55,044.54	-13.99%
	GRI Standard 305-2 and 305-3	ENV15	GHG-Indir-Abs		Indirect	LB: Scope 2	**1,228,102.15**	2,519,404.53	**991,779.84**	1,199,023.03	-17.28%
		ENV16				LB: Scope 3	**42,556,079.21**	51,440,974.27	**42,035,790.24**	43,624,719.01	-3.64%
	GRI Standard 305-4	ENV18	GHG-Int (all assets)	kg CO2e	GHG emissions intensity	LB: (sum of) annual GHG emissions - Total operational carbon	**43,831,523.54**	54,337,389.90	**43,074,912.27**	44,878,786.58	-4.02%
						LB: (sum of) floor area (m2) - GHG	**2,706,727.93**	2,889,765.50	**2,541,365.67**	2,541,230.91	0.01%
		ENV20				LB: Building operational carbon intensity	**16.19**	18.80	**16.95**	17.66	-4.02%
	GRI Standard 305-4		GHG-Int (assets only 100% data coverage and owned for full reporting year)	kg CO2e	GHG emissions intensity	LB: (sum of) annual GHG emissions	**35,202,985.68**	52,622,739.07	**35,064,735.96**	35,800,596.42	-2.06%
						LB: (sum of) floor area (m2) - GHG	**1,839,966.00**	2,764,646.00	**1,833,788.00**	1,833,788.00	0.00%
						LB: Building operational carbon intensity	**19.13**	19.03	**19.12**	19.52	-2.06%
Water	GRI Standard 303-5	ENV24	Water-Abs, Water-LfL	annual cubic metres (m3)	Water	Total water consumption purchased by landlord	**116,950.48**	166,192.15	**113,129.13**	114,028.63	-0.79%
		ENV54				Total water consumption purchased by tenant	**1,037,278.30**	1,851,171.92	**1,013,550.81**	1,031,795.35	-1.77%
		ENV56				Total water consumption purchased/ controlled by landord and tenant(s)	**1,154,228.79**	2,017,364.07	**1,126,679.95**	1,145,823.98	-1.67%
			Water-Int (all assets)	annual m3 / sqm	Water Intensity	(sum of) floor area (m2) - Water	**1,737,750.77**	2,638,188.50	**1,590,988.41**	1,590,077.72	0.06%
		ENV57				Building water intensity	**0.66**	0.76	**0.71**	0.72	-1.73%
				No. of applicable properties		Water disclosure coverage - No. Assets	**387 out of 480**	439 out of 472	**371 out of 371**	371 out of 371	-
				Covered applicable sqm		Water disclosure coverage - %	**57.64%**	89.66%	**94.72%**	94.67%	0.06%
	GRI Standard 303-5		Water-Int (assets only 100% data coverage and owned for full reporting year)	annual cubic metres (m3)	Water Intensity	(sum of) annual water consumption	**1,075,351.48**	1,999,472.67	**1,049,494.85**	1,068,345.65	-1.76%
						(sum of) floor area (m2) - Water	**1,527,905.00**	2,602,799.00	**1,491,079.00**	1,490,168.31	0.06%
				annual m3 / sqm/ year		Building water intensity	**0.70**	0.77	**0.70**	0.72	-1.82%
				No. of applicable properties		Water disclosure coverage - No. Assets	**269 out of 269**	420 out of 420	**260 out of 260**	260 out of 260	-

Annex 5: TCFD disclosure

Topic		Disclosure	Page
Governance	a	Describe board's oversight of climate related risks & opportunities	53
	b	Describe management's role in assessing and managing climate-related risks & opportunities	53
Strategy	a	Describe the climate related risks & opportunities the organization has identified over the short, medium and long term	53
	b	Describe the impact of climate related risks and opportunities on the organisation's business, strategy & financial planning	82-83
	c	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	82-83
Risk management	a	Describe the organisation's processes for identifying and assessing climate-related risks	49-52
	b	Describe the organisation's processes for managing climate-related risks	52, 82, 83
	c	Describe how processes for identifying, assessing, and managing climate-related risks are integrated in the organisation's overall risk management	52, 82, 84

Annex 6: External appraisers

Appraisal process for investment properties

The purpose of the appraisal is to gain an accurate and independent valuation of the assets at the end of each quarter. The valuation of the properties in the investment portfolio complies with the relevant legal and regulatory requirements (AIFMD, IFRS and Dutch legislation and regulations).

The appraisal is conducted in accordance with the guidelines and regulations of the Dutch Register of Real Estate Appraisers (NRVT), the prevailing valuation guidelines and valuation models as laid down by the Dutch property index, IPD, and the RICS Appraisal and Valuation Standards, the Red Book (including the International Valuation Standards, IVS) or the Blue Book (including the European Valuation Standards, EVS). The valuations of the properties are conducted using the Reaturn TM valuation system.

The valuation policy for Vesteda's properties complies with the INREV guidelines for property valuations.

In 2024, the valuations of the properties in the investment portfolio were conducted by the following agencies:

- Capital Value;
- CBRE;
- Colliers;
- Cushman & Wakefield;
- Dynamis;
- JLL;
- MVGM;
- Savills.

Valuations are conducted by qualified appraisers from these agencies; the appraisers are registered in the NRVT, which guarantees the initial qualification of the appraiser and their continuous training, and preferably also in RICS. In order to guarantee their independence and objectivity, every appraisal agency is contracted for a maximum period of four years. We use a rotation of appraisers through a cycle of 12 quarters.

Each appraisal agency has its own independent part of the portfolio. Once a property has been valued by the same appraisal agency for three years, it is assigned to a different appraisal agency, to guarantee the objectivity of the appraisal. The appraisers value the properties that Vesteda assigns them once every three years, based on a full valuation. For this valuation, the appraiser visits the property in question and incorporates, substantiates and records all the factors relevant to the value of the property in the appraisal. In the remaining two years and quarters, the valuation is an update or a reappraisal of the previously conducted (full) appraisal. For this update or reappraisal, the appraiser does not need to visit the property and will update data and references and adjust the value on the basis of market developments relevant to the property.

If the situation so requires - for example, if no new appraiser is available - it is possible to extend the cycle by one or more market updates at the end of the cycle, provided that this is in line with the NRVT rules (according to the NRVT, an appraiser and an appraisal company may be involved in the same property for a maximum of six and nine years respectively) and only in highly exceptional cases. However, the basic principle remains that we strive to have every complex appraised at least once every three years by means of a full valuation. Any deviation from this principle must therefore be justified in writing and approved by the management.

Annex 7: Definitions

AFM	Autoriteit Financiële Markten (Financial Markets Authority).
AIFMD	Alternative Investment Fund Managers Directive.
Business Plan	A strategy document that contains the 5 year strategy of Vesteda.
Core fund	Core fund according to the INREV Style Classification.
CPI	Consumer Price Index.
CSRD	Corporate Sustainability Reporting Directive
Development portfolio	Comprises of land and buildings (principally residential properties) under construction with the aim of adding said property to the investment portfolio upon completion.
GDPR	General Data Protection Regulation: a regulation in EU law on data protection and privacy in the European Union (EU) and the European Economic Area (EEA). It also addresses the transfer of personal data outside the EU and EEA areas.
EBITDA	Consolidated earnings before deduction interest charges, tax, depreciation and amortization, excluding result on property sales, and extraordinary items.
ECP	Euro Commercial Paper.
EMTN	Euro Medium Term Note Programme, a programme providing debt instruments.
ESG	The three central factors in measuring sustainability: Environmental, Social and Governance.
FGR	Fonds voor Gemene Rekening: a fund for the joint account of the participants under Dutch law, see the General information section of this report.
Financial liabilities	Interest bearing debt minus capitalized financing costs.
FSA	Dutch Financial Supervision Act.
GAV	Gross Asset Value: the value of total assets (balance sheet).
GRESB	Global Real Estate Sustainability Benchmark: industry-driven organisation committed to assessing the sustainability performance of real estate portfolios (public, private and direct) around the globe. The dynamic benchmark is used by institutional investors to engage with their investments with the aim to improve the sustainability performance of their investment portfolio, and the global property sector at large.
GRI	Global Reporting Initiative: international independent organisation that helps businesses, governments and other organisations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others.
Gross initial yield	Theoretical rent (on a given reference date) from a residential complex divided by the total investment in that residential complex.
Gross rental income	Theoretical rent less loss of rent.
Gross/net ratio	The percentage of property operating expenses relative to gross rental income.
HPO	High Performance Organisation (www.hpocenter.nl).
Interest cover ratio	EBITDA/net interest expenses.
INREV	European Association for Investors in Non-Listed Real Estate Vehicles. Europe's leading platform for the sharing of knowledge on the non-listed real estate industry. Their goal is to improve transparency, professionalism and best practices across the sector, making the asset class more accessible and attractive to investors.
Investment portfolio	All fully-completed and for rent available properties owned by Vesteda.
Investor (or Participant)	Holder of a direct interest in Vesteda Residential Fund.
ISAE 3402	International Standards on Assurance Engagements (ISAE) 3402.
IVBN	Vereniging van Institutionele Beleggers in Vastgoed (Association of institutional property investors in the Netherlands).
KPI (Key Performance Indicator)	Target used to translate strategy in to measurable results.
Leverage	Net debt/total assets (excluding IFRS 16).
Like-for-like rent increase	Comparison of this year's rent to last year's rent, taking into consideration only those complexes that were in portfolio during both time periods.
Loss of rent	Net financial vacancy plus incentives.
LTV (loan-to-value)	Net debt/investment portfolio.

Management expenses	Expenses that cannot be allocated directly to the various properties are regarded as management expenses.
Market rent	Rent of a property according to the market at a certain time.
Market value	Value of a property according to the market at a certain time.
MSCI IPD Netherlands Residential Benchmark	Benchmark to determine the performance of the portfolio in comparison to other Dutch real estate portfolios.
NAV	Value of total assets minus the value total liabilities.
Net debt	Total interest bearing debt minus cash and cash equivalents.
Net financial vacancy	Gross financial vacancy less vacancy charged to results on property sales.
Net rental income	Gross rental income minus property operating expenses and other income.
Liberalised rental segment	Residential properties with rents above the regulation limit (€879.66 in 2024). These properties are in the mid and higher rental sectors.
NR Committee	Nomination and Remuneration Committee.
Occupancy rate	The number of residential properties actually generating rental income as a percentage of the number of properties that could generate rental income.
Other region	Regions that are not primary or secondary.
Participant (or Investor)	Holder of a direct interest in Vesteda Residential Fund.
Primary region	Regions that offer the highest market potential for the non-regulated rental sector. These regions are characterised by a high market potential and low market risks.
Property operating expenses	All expenses that can be directly allocated to the various properties in the investment portfolio.
Redemption Available Cash (RAC)	Cash that the Manager has available to fund redemption requests, amounting to €50 million per calendar year.
Real Estate Expense Ratio (REER)	Total property operating expenses divided by average GAV expressed in basis points.
Regulated mid rental segment	Sector of the residential property market for rental properties with a net monthly rent from the regulated level to approximately €1.157,95. In addition, the contract may include additional conditions, such as a maximum initial rental price, a minimum operating period and a maximum annual rental price indexation.
Regulated rental segment	Residential properties with rents below the deregulation limit (€879.66 in 2024).
Return on equity (ROE)	The amount of total comprehensive income divided by opening equity.
Reversionary potential	The difference between market and theoretical rent divided by theoretical rent.
Revolving Facility Agreement (RFA)	Revolving credit facility for medium term debt.
Scope 1, 2 and 3 emissions	Scope 1: direct emissions; scope 2: indirect emissions; scope 3: indirect value chain emissions.
Secondary region	Secondary regions have a lower score than primary regions but have a positive economic and demographic outlook.
Sustainable Development Goals (SDGs)	Set of goals set up by the World Business Council for Sustainable Development (WBCSD), serving as guidance for enterprises to conduct business in a more sustainable way.
Systematic Compliance Risk Analysis (SCRA)	Analysis performed by Vesteda's compliance department in order to identify risks within the compliance framework.
TER (NAV/GAV)	Total Expense Ratio: Total management expenses divided by average NAV or average GAV expressed in basis points.
Theoretical rent	Passing rent for rented units and market rent for vacant units.

Colophon

The 2024 Vesteda Annual Report is published in the English language only.

Please contact us if you have any questions or comments concerning this Annual Report.

Investor Relations
Ronald Beemsterboer
r.beemsterboer@vesteda.com
+31 (0)88 456 2922
www.vesteda.com

Publisher
Vesteda Investment Management B.V.
Headquarters
De Boelelaan 759
1082 RS Amsterdam
PO Box 75675
1070 AR Amsterdam
+31 (0)88 456 1656

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F19 Digital Reporting, Eindhoven

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Corné Bastiaansen Photography, Hilversum

vestedareport.com

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