Vesteda Residential Fund

Investor Presentation– April 7, 2022

Presenting to you today

	Gertjan van der Baan	Frits Vervoort	Frans Baas
			
Title	CEO	CFO	Treasurer
In office since	2014 (third term until Jan 2026)	2016 (second term until Oct 2024)	2018
In real estate since	2002	2016	2018
Previous experience	• Van Herk Groep/ Nagron (CEO) • Kempen & Co	• Grontmij • Vedior • Deloitte	• ING Bank • Lloyds Bank • ABN AMRO

Management Team

Gertjan van der Baan – CEO
Appointed in 2014
Previous experience: CEO Van Herk Groep

Frits Vervoort – CFO
Appointed in 2016
Previous experience: Grontmij, Vedior

Astrid Schlüter – COO
Appointed in 2013
Previous experience: Jacobus Recourt

Pieter Knauff – CIO
Appointed in 2015
Previous experience: Van Herk Groep

Supervisory Committee

Jaap Blokhuis	Chairman of the Supervisory Committee
Seada van den Herik	Chairman of the NomRem[1] Committee
Hans Copier	Member of the Audit Committee
Theo Eysink	Chairman of the Audit Committee
Eva Klein Schiphorst	Member of the NomRem[1] Committee

1. NomRem = Nomination and Remuneration

Executive Summary

Performance

Funding

Sustainability Strategy & Green Finance Framework

Key Market Developments :

- Covid
- Rising Inflation
- Continued upward pressure housing market
- Regulation

Appendix materials

Vesteda at a glance

Introduction

- Vesteda is an institutional residential investor with a large and varied portfolio of homes in economically strong and large city areas of the Netherlands
- With a portfolio of 27,570 residential units worth €9.5bln, Vesteda is the largest Dutch independent institutional residential investor
- Focus on the mid-rental segment with monthly rents between €763 and approximately €1,200, is cost-efficient and has in-house property management.
- Focus on improving the quality and sustainability of our portfolio to ensure the stable growth of rental income and MSCI outperformance

Dutch residential rental market

Mid-rental sector

Primary regions

Key characteristics (2021 figures)

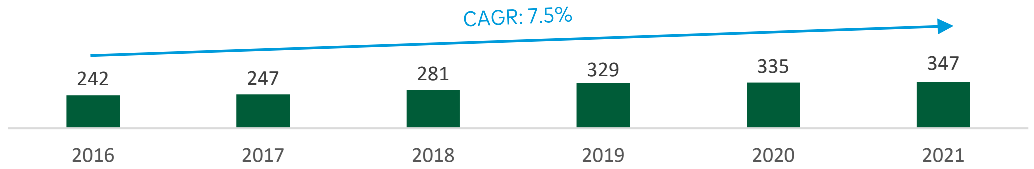
27,570 Residential units	**€9.5bln** Investment portfolio value	**1.404** Committed pipeline	**98.8%** Occupancy rate
€347mln Gross rental income	**3.8%** Gross Initial Yield	**21.9%** Total Return	**€1,042** Average monthly rent[1]
Five Star GRESB score, #4 ranking	**7.0** *ICR*	**20.8%** LTV	**29 bps** TER

Source: Company information

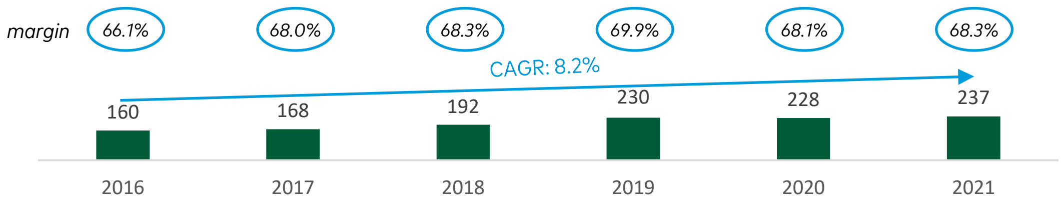
[1] Based on appraisals

Historical results – Key KPIs and ratios

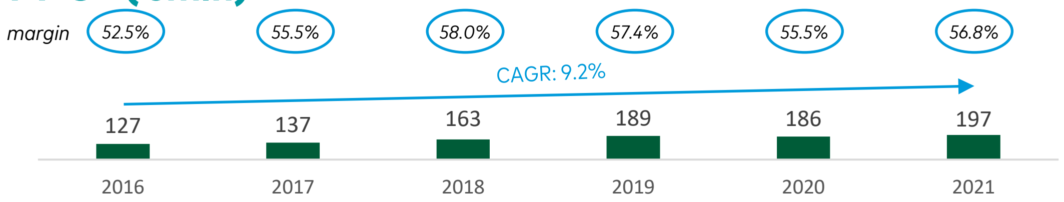
GRI (€mln)



EBITDA[1] (€mln)

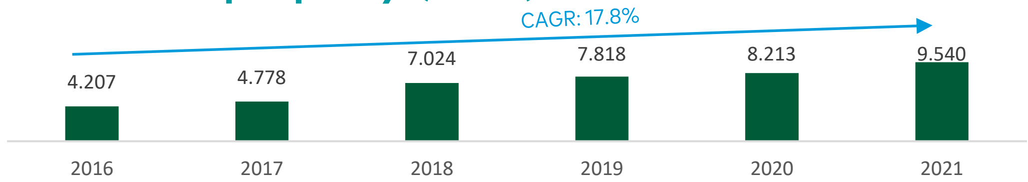


FFO[2] (€mln)

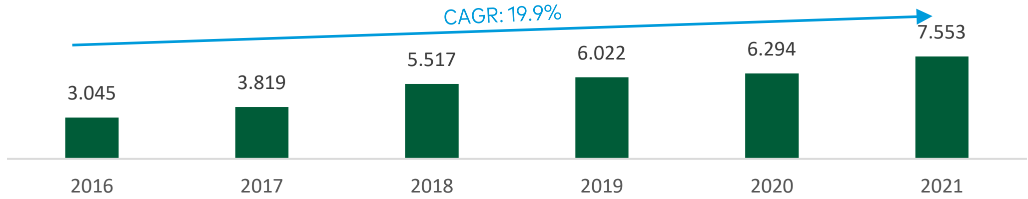


- **GRI growth** driven by annual rent increase from **like-for-like growth, re-lettings** and higher number of units from **acquisitions and pipeline projects**
- **Stable EBITDA and FFO margins**
- **Significant decrease in cost of debt**[4] from 2.8% in 2016, to 1.8% in 2021

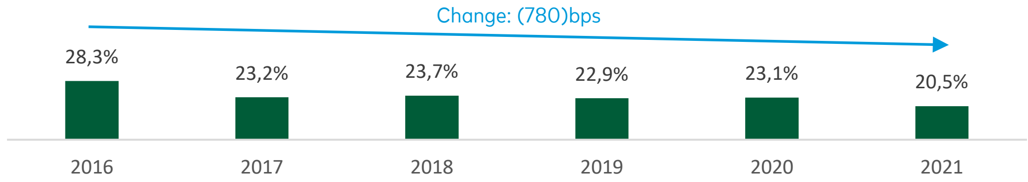
Investment property (€mln)



NAV (€mln)



Leverage ratio[3]



- **Significant increase in portfolio size and NAV due to acquisitions and positive revaluation gains** (2017-18 growth due to acquisition of c.6.8k units of the former Delta Lloyd portfolio)
- **No new participation rights** were issued, redeemed or withdrawn in 2021
- **Lower leverage** due to lower amount of drawn debt in combination with the continued positive revaluation of Vesteda's assets

Source: Company information

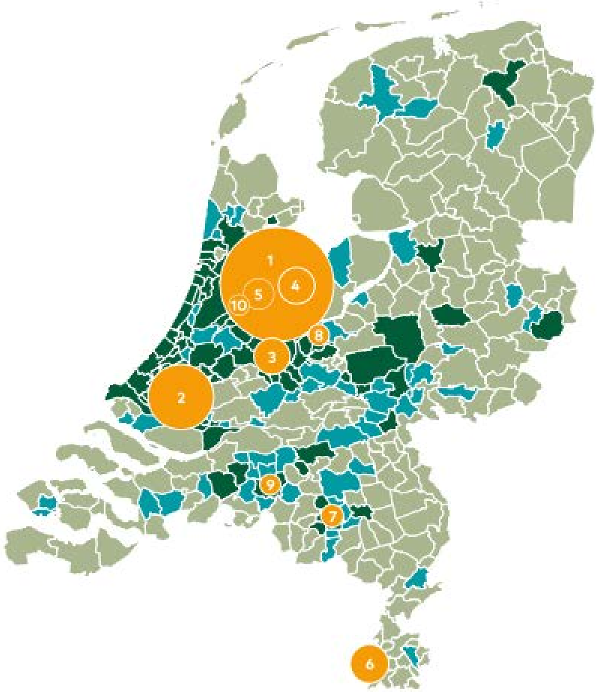
[1] Excluding results on property sales; [2] Calculated as EBITDA minus tax and interest expense; [3] Excluding IFRS 16; [4] Including unwind derivative

Vesteda 2021 overview

Key figures

	2019A	2020A	2021A
Residential units (#)	27,290	27,482	27,570
Residential units incl pipeline (#)	28,513	28,725	28.974
Total portfolio value (€bn)[1]	8.058	8.440	9.860
Net asset value (€bn)	6.0	6.3	7.6
Leverage	22.9%	23.1%	20.5%
Loan to Value	23.1%	23.3%	20.8%
Gross rental income (€m)[2]	329	335	347
Net rental income (€m)	252	251	260
Net rental income[3]	3.3%	3.1%	3.0%
Physical occupancy (year-end)	98.4%	97.5%	98.8%

Portfolio distribution (value at year-end 2021)

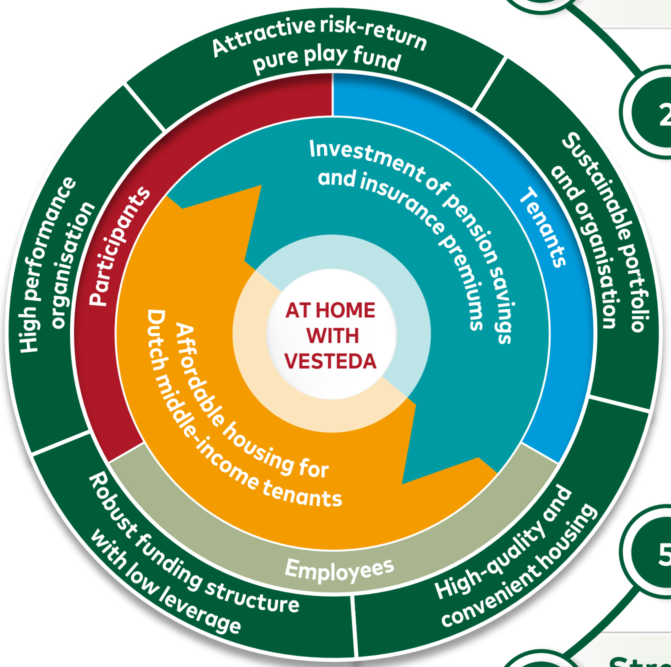


		€ million	% of total portfolio
1.	Amsterdam	2,011	21%
2.	Rotterdam	717	8%
3.	Utrecht	416	4%
4.	Almere	402	4%
5.	Diemen	322	3%
6.	Maastricht	299	3%
7.	Eindhoven	248	3%
8.	Amersfoort	233	2%
9.	Tilburg	230	2%
10.	Amstelveen	220	2%

Vesteda focus regions
- Primary
- Secondary
- Other
- Top 10 region by portfolio value

[1] 1 Including investment properties under construction
[2] Theoretical rent minus loss of rent
[3] Net rental income as a % of time weighted average investment portfolio

Key credit highlights



1 Resilient and growing residential real estate market in the Netherlands

✓ Dutch residential real estate market has once again proven to be resilient throughout the Covid-19 pandemic

2 High quality and sustainable portfolio in dynamic regions

✓ Over 27k residential units with total value of €9.5bln in some of the most sought after locations in Netherlands, with virtually full occupancy, attractive rental yield and growth potential

3 Stable and growing net cash flow, cost-efficient in-house property management and experienced management team

✓ Highly experienced management and c.237 employees serving the entire value chain

4 Solid financial position with clearly defined targets and a prudent financial policy

✓ Conservative and disciplined capital structure (leverage target of ≤30%) with A- rating and proven access to liquidity and diversified funding

5 Strong and supportive broad institutional shareholder base with a long-term holding strategy

✓ Dutch and international investor base comprising of institutional investors participating in the fund via 19 entities

6 Strategic ambitions and targets

✓ To become the best landlord and residential fund in the Netherlands by outperforming on tenant satisfaction, sustainability and stable financial performance

Highlights 2021

Outperformed tenant satisfaction

Vesteda: 7.0
Benchmark: 6.9

GRESB 5-star rating

Vesteda's performance vs 3 year MSCI benchmark

Vesteda: 12.5%
Benchmark: 12.4%

Occupancy rate +130bps

YE 2021: 98.8%
YE 2020: 97.5%

Green Bond of €500 million & Sustainability Linked RFA (amendment)

TER: -3 bps

2021: 29 bps
2020: 32 bps
(of average GAV)

Like-for-like rental growth +2.4%

Pipeline acquisitions: +581 homes
Portfolio inflow: +419 homes

Return on Equity 21.9%

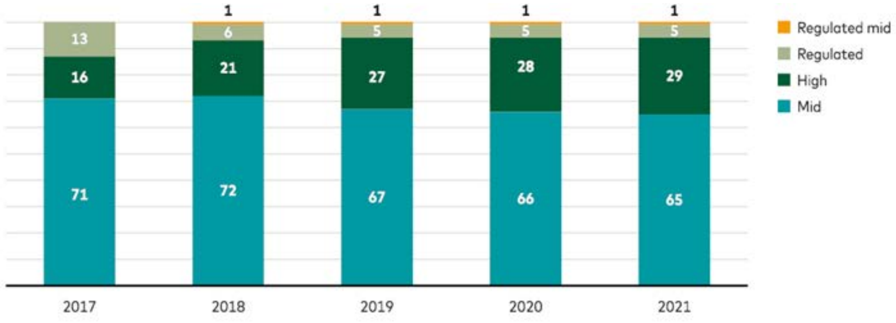
Portfolio

Improving the quality, value and composition of our portfolio

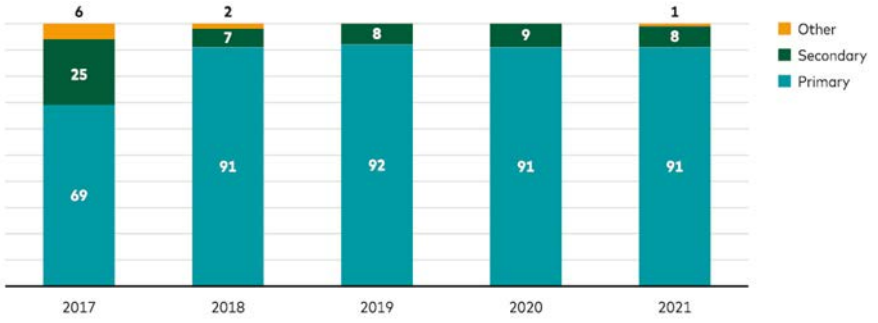
- Continued focus on mid-rental properties in primary regions.
- Value creation in portfolio through renovation and/or redevelopment.
- Improve sustainability and reduce energy consumption and carbon footprint of portfolio.
- Improve quality through new acquisitions.
- We remain cautious with complex and individual sales.
- Amsterdam leasehold : we have accepted two offers of approx. €5m in 2021. We expect more to come.

- **New regulations:**
  - Anticipate for government regulations, such as the proposed cap on annual rent increase.
  - Addition of the "WOZ" cap of 33% within the rent control system as per the 1st of May has a very limited impact on our portfolio.

The unregulated segment of the portfolio increased to 94% from 87% in 2017



92% of properties are in primary regions as of Dec21 compared to 69% in 2017



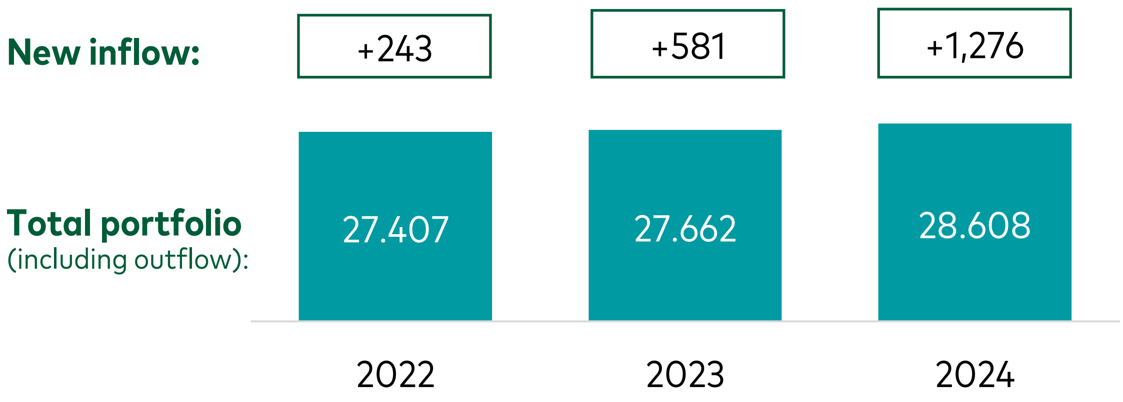
A track record of exiting secondary assets and regions which didn't fit the portfolio strategy

Portfolio

Acquisitions

- Seize opportunities through the entire real estate cycle, …
- Strategy of quality above volume, with a focus on the (regulated) mid-market rental;
- …which may exceed 50% of our annual acquisition volume.
- Willing to accept more development risk for affordable and standardized product.
- ≤ 1,100 units / ≈ €300 million against ≥ IRR requirements.*
- Opportunistic approach to assets-for-equity transactions.
- Preferred transaction partner for bricks-for-shares deals

Portfolio (# units), end of period



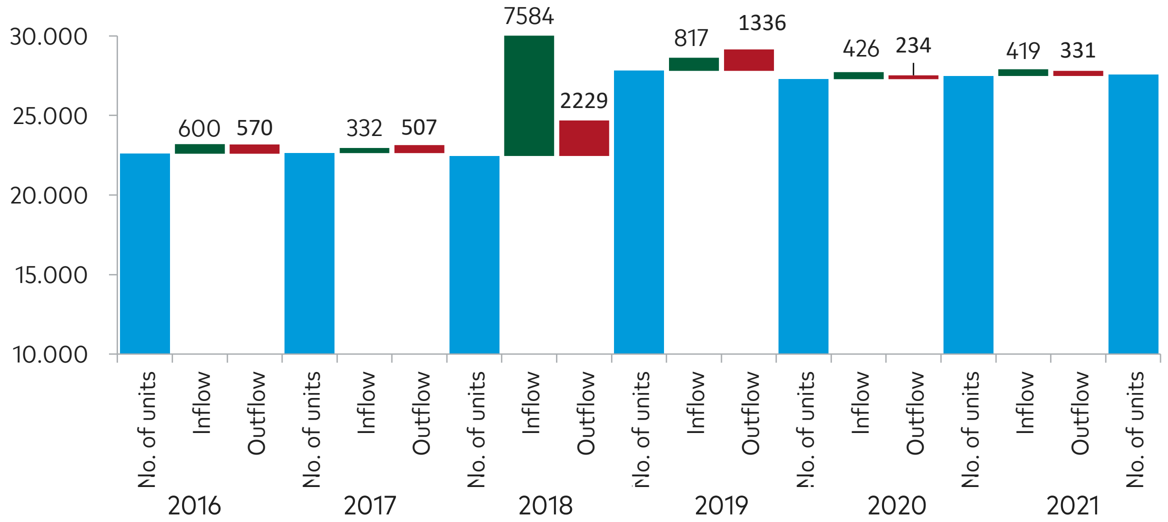
* Given uncertain market circumstances, this number might change in the future

Development of the portfolio

Acquisitions and disposals

Value of portfolio (€m)	2016	2017	2018	2019	2020	2021
At start of year	**3,726**	**4,207**	**4,778**	**7,024**	**7,818**	**8,213**
Inflow	167	90	1,750	246	116	149
Capex	23	25	34	44	42	82
Outflow	(84)	(81)	(298)	(240)	(61)	(99)
Revaluation	375	537	760	617	273	1,205
Right of use assets (land lease)	-	-	-	127	26	(10)
At year-end	**4,207**	**4,778**	**7,024**	**7,818**	**8,213**	**9,540**

Development of portfolio (# of units)



Key observations

- Vesteda divested 331 units that no longer met our key investment criteria.
- Strong market fundamentals and continued housing shortages also resulted in strong revaluations of the portfolio.
- Added 581 homes to the committed pipeline; pipeline at year-end 2021 amounted to 1,404 homes

Performance versus MSCI benchmark

vesteda

Outperformance of +2,6% in 2021, …

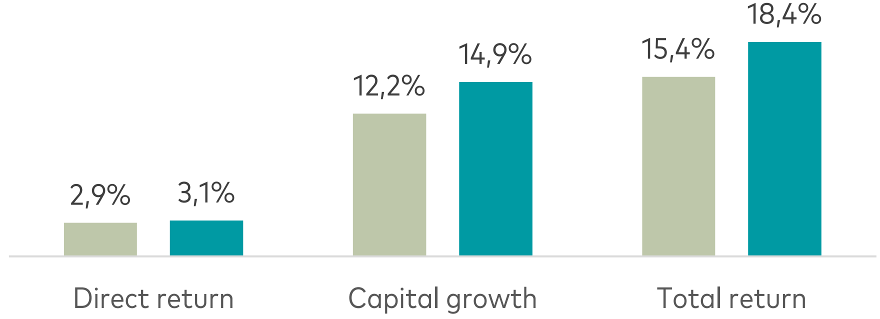
- Vesteda's total return for Vesteda in 2021 was 18,4%, compared to the 15,4% of the benchmark. The relative performance was recorded by MSCI at+2.6%, primarily driven by the significant increase in value of Vesteda's portfolio in 2021.
- Both in direct return (+0.2%) and in capital growth (+2,4%) Vesteda outperformed the benchmark.

… translates into an outperformance (+0,1%) of the 3 year annualised return

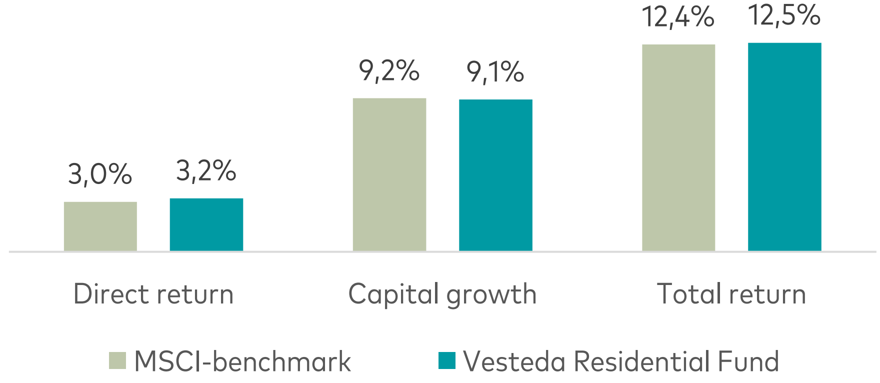
- 2021 made up for the two prior years in terms of relative performance. Vesteda's direct return of 3,2% ended up as an outperformance of +0,2%, while the capital growth of 9,1% was just below the benchmark (-0,1%).
- Due to the higher outperformance of the direct return, compared to the capital growth, Vesteda outperformed the benchmark with a 3 year annualised total return of 12,5%, an outperformance of +0,1%.

Note: Outperformance is not calculated as an subtraction but relative.
Relative return = ((1+Fund TR) / (1+ Benchmark TR) - 1)*100

2021 returns



3 year annualised return



Vesteda - Key figures 2021 Results

vesteda

Income statement

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

	FY 2021	FY2020
Key ratios		
Gross/net ratio	25.4%	24.9%
Realised return	3.2%	3.1%
Loan to Value	20.8%	23.3%
Interest Coverage Ratio	7.0x	6.7x
EBITDA margin (excl. Other realised result)	68%	68%
Cost of Debt	1.8%	1.9%
Net Debt/EBITDA	9.0x	8.4x

Key operating highlights

- Theoretical rent increased due to the increase of average number of units in the portfolio and the annual rent increase.
- Result on property sales: Vesteda sold a total of 331 homes from its investment portfolio, consisting of 169 individual unit sales and two complex sales totaling 162 units. The net result on property sales amounted to €16 million (2020: €7 million).
- The decrease in management expenses was due to higher recharged rental expenses offset with higher personnel and IT costs in 2021.
- Interest expenses were lower compared to 2020 due to Vesteda's lower average interest rate. The average interest rate stood at 1.8% compared with 1.9% in 2020.
- The revaluation result of Vesteda's portfolio amounted to €1,233 million, driven strong market fundamentals and continued housing shortages.

Vesteda - Key figures 2021 Balance sheet

	FY 2021	FY 2020
Fixed assets		
Investment property	9.540	8.213
Investment property under construction	177	174
Other assets	34	51
Cash and cash equivalents	109	2
Total assets	**9.860**	**8.440**
Equity	7.553	6.294
Loan capital	2.084	1.909
Lease liabilties[1]	145	155
Other liabilities	78	82
Total non-current liabilities	**9.860**	**8.440**
Key figures and ratios		
Leverage (%)[2]	20.5%	23.1%
Headroom in committed facility[3]	850	483
EBITDA/ Interest	7.0x	6.7x

Key highlights

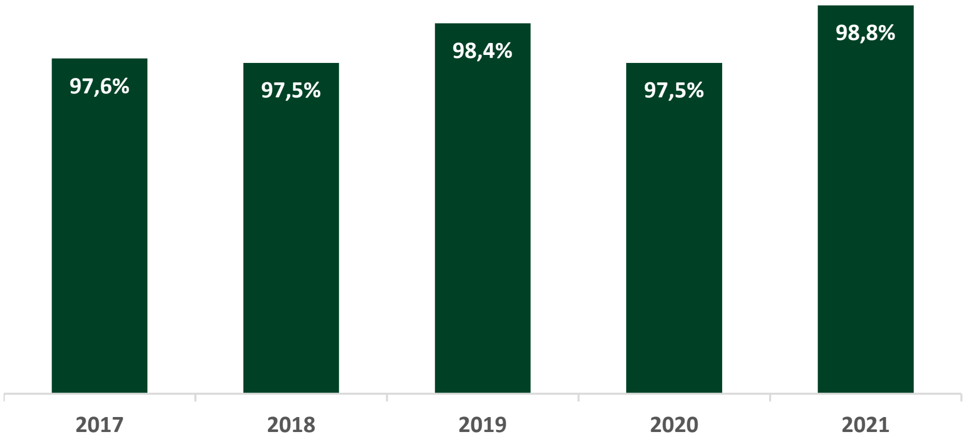
- Revaluation in 2021 amounted to €1,233m.
- In 2021 no new participation rights were issued, redeemed or withdrawn.
- Issued €500m Green Bond.
- Amended existing Revolving Facility Agreement (RFA) into a sustainability-linked RFA.
- In total €186 m was distributed to participants in 2021.

1) Lease liabilities are created due to the implementation of IFRS 16 and relate to land leases
2) Loan capital divided by total assets (excl. IFRS 16)
3) No drawings under uncommitted facilities need to be covered by the committed facility

Track record of high occupancy rates and increasing trend in monthly average rents

Track record of stable occupancy rates and tenant turnover over time

Occupancy rates (%)



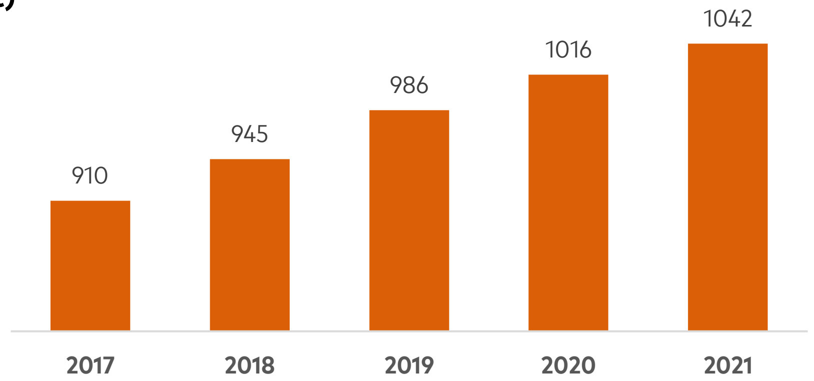
Tenant turnover (%)

Tenant turnover (%)	13.2%	12.4%	12.8%	13.6%	14.5%

Long average stay of tenants over ≈8 years
Frictional vacancy rates at 1-3% means the estate is effectively fully let

Favourable market conditions have supported a sustainable increase in monthly average rent over time

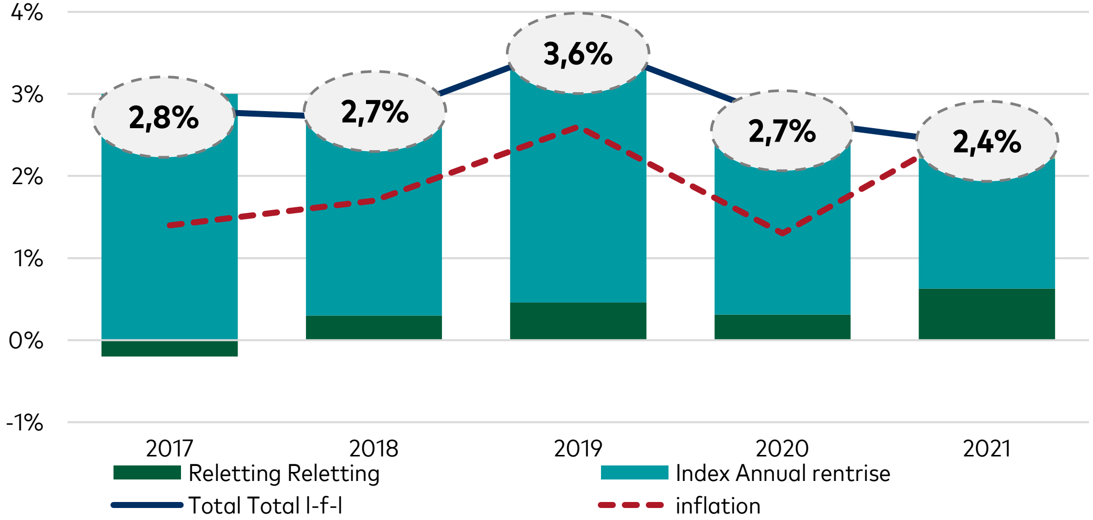
Average monthly rent (€ per resident unit)



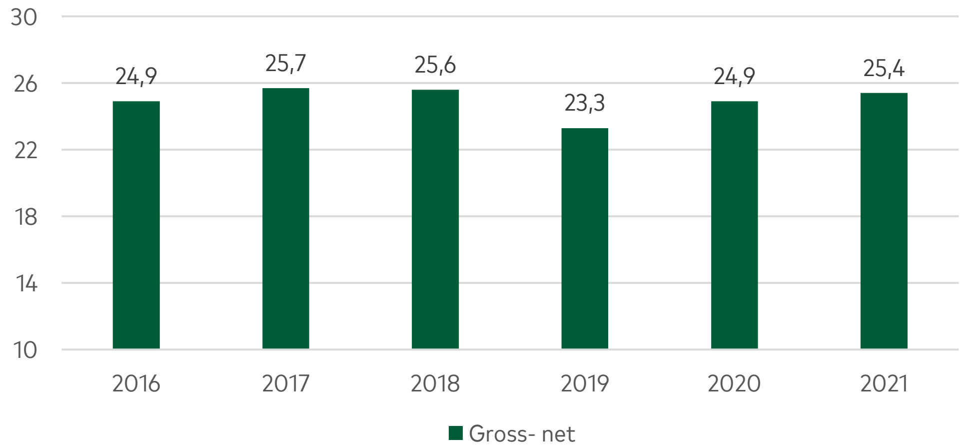
Average market value per unit (€ thousand)	€213	€244	€278	€292	€340

Operational performance

Like-for-like (y-o-y) in % of theoretical rent



Property opex (gross-net) in % incl. landlord levy

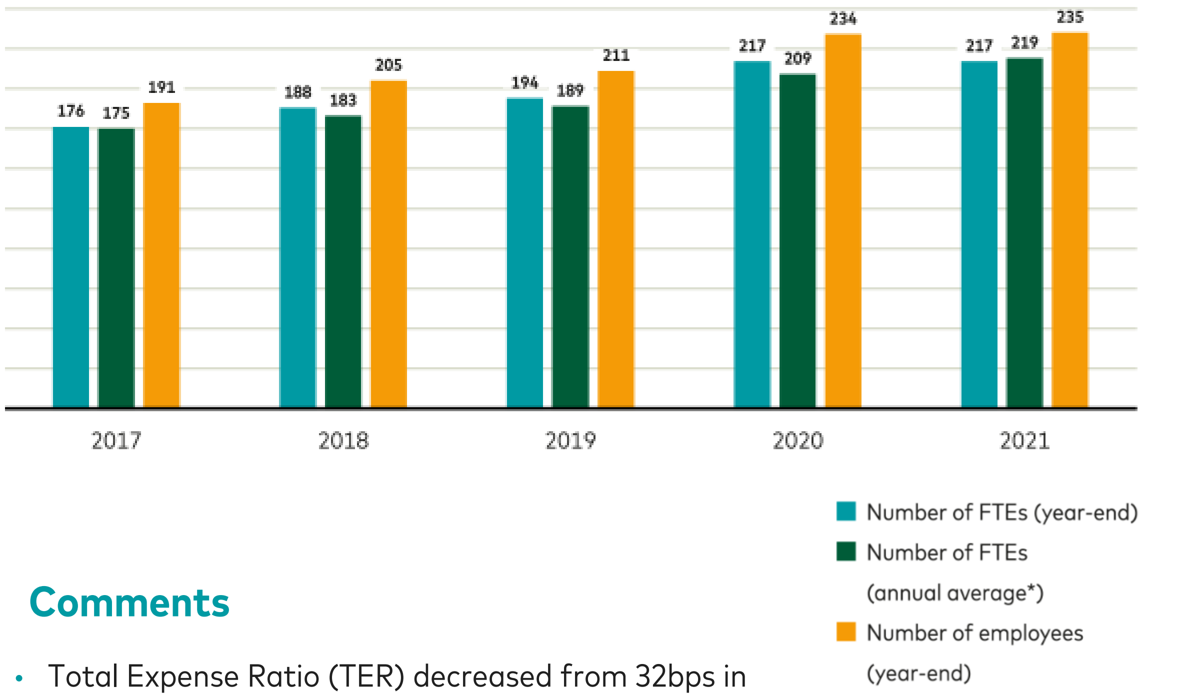


Comments

- The like-for-like rent increase YE 2021 was 2.4%, consisting of 2.4% as a result form the annual rent increase and 0,6% from re-lettings.
- Gross/net ratio increased to 25.4% (24.9% in 2020). The higher operating expenses were largely due to higher maintenance costs. the loss of rent increased to 3.6% in 2021, from 3.4% in 2020. This is due to vacancy in inflow buildings, plus for the existing portfolio the loss of rent increased in comparison to previous years because of high vacancy in the higher rental segment, especially in the major cities.

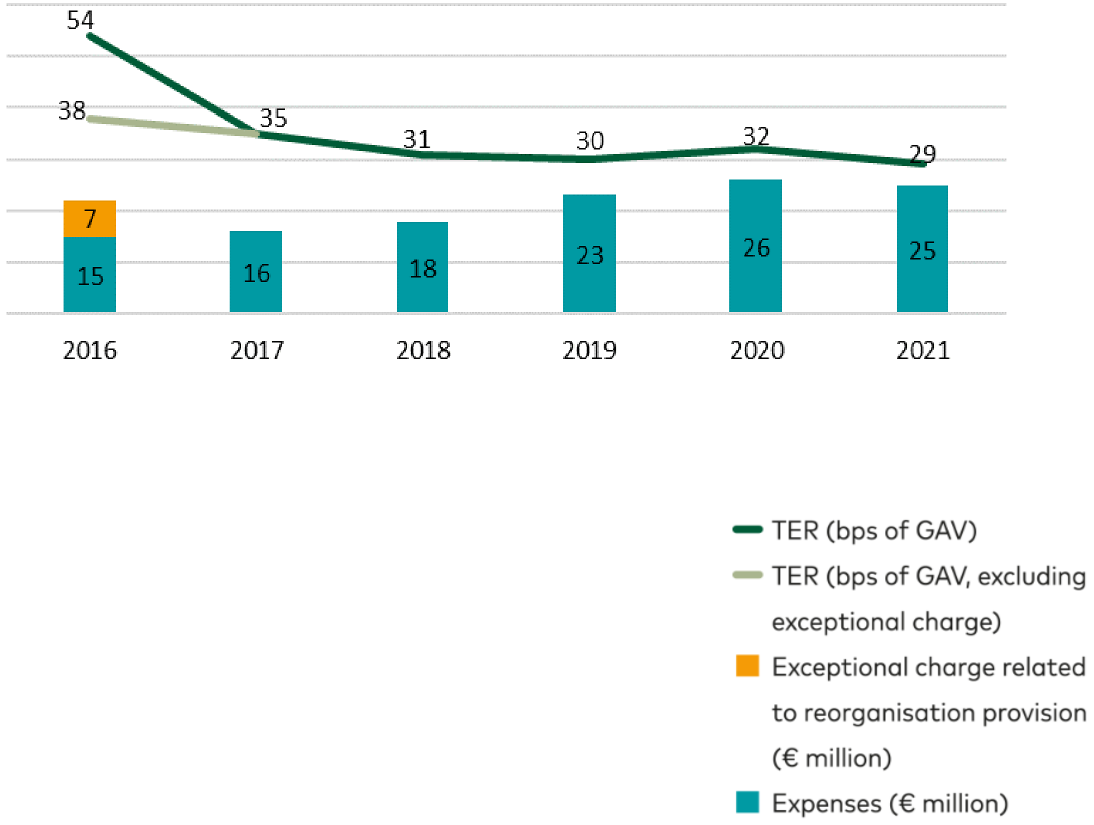
Cost-efficient organisation

Employees (number of FTEs / employees)



*Average of 12x month-end balances

Management expenses



Comments

- Total Expense Ratio (TER) decreased from 32bps in 2020 to 29bps in 2021.

Pipeline acquisitions 2021

Committed acquisition pipeline at year-end 2021

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

- The total committed pipeline represents an estimated value of € 534 million.
- The pipeline will be financed by the EIB loan of € 150m, and partly by the new bond of € 500 million issued in Q4 of last year. The remainder will be financed by ECP backed up by the €700m RFA.
- All projects are in line with Vesteda's strategy in terms of region, rental segment, and energy labels.
- The majority of the projects are located in urban expansion sites of larger cities in the Netherlands.

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Appendix materials

Solid funding structure

Instrument maturity overview Q4 2021 (*€ million*)

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

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

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

2021 transactions:

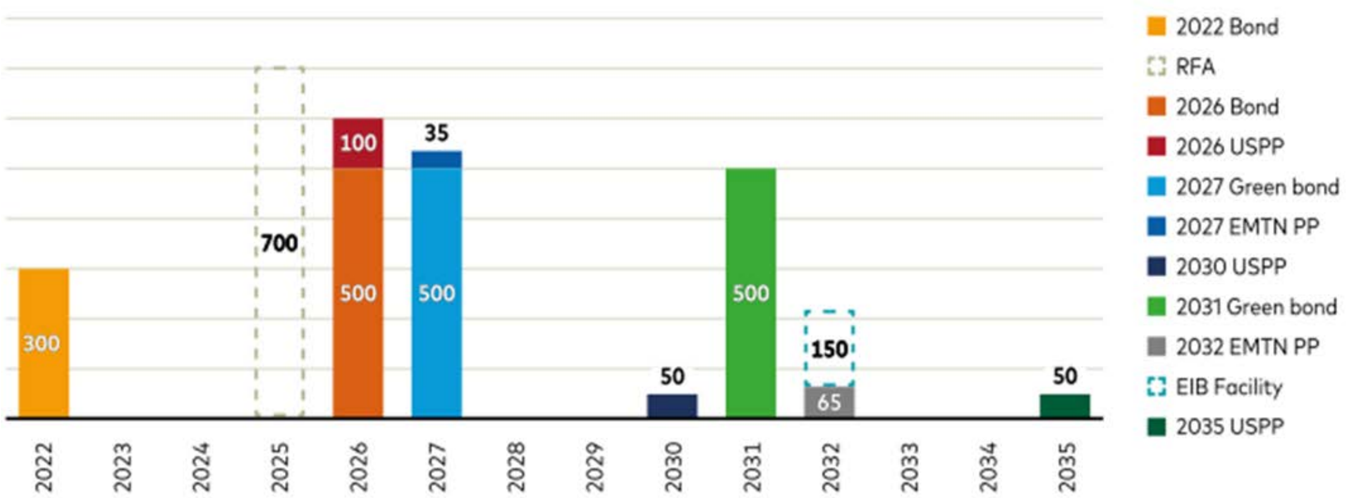
- April 8th Vesteda signed an agreement amending the €700m RFA into a sustainability-linked RFA. Four KPI's to improve our sustainability performance are embedded in the agreement: GRESB score, solar panels installation, % of green energy labels, and emission reduction of our car fleet.
- On April 23rd Vesteda received an upgrade in credit rating from Standard & Poor's, from BBB+ to A- with "outlook stable".
- September 13th JP Morgan was added to the RFA as a new Lender replacing Deutsche Bank and extended its participation to 2025.
- On October 7th Vesteda issued it's second green bond for €500m. This is a 10 years bond with a coupon of 0.75%.
- December 31st Vesteda adjusted it's KPI for solar panels under the Sustainability-linked RFA .

2022 transactions:

- In March Vesteda extended the availability period of the €150m EIB facility to May 2023, allowing Vesteda to make withdrawals under this facility until this date.

Solid financial structure

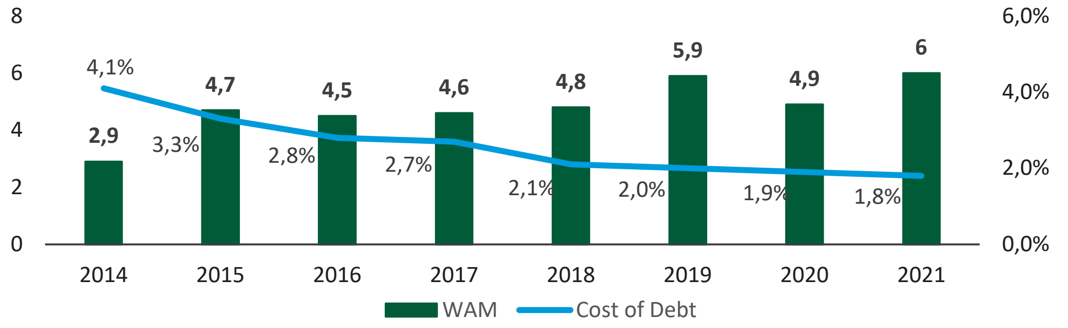
Debt maturity schedule



Key credit metrics (2021)

€2.1bln Total debt	**20.8%** LTV[1]	**7.0x** ICR
1.8% Cost of debt	**9.0x** Net debt / EBITDA	**6.0 years** Weighted average maturity

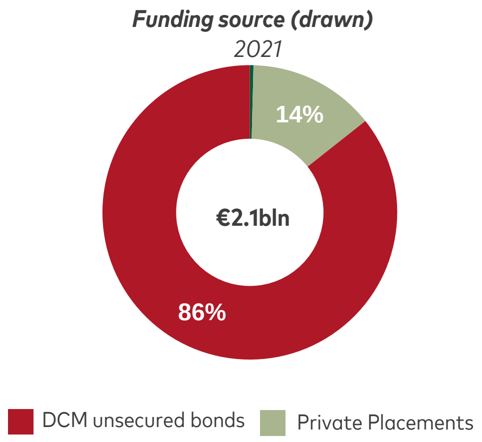
Cost of debt and average maturity

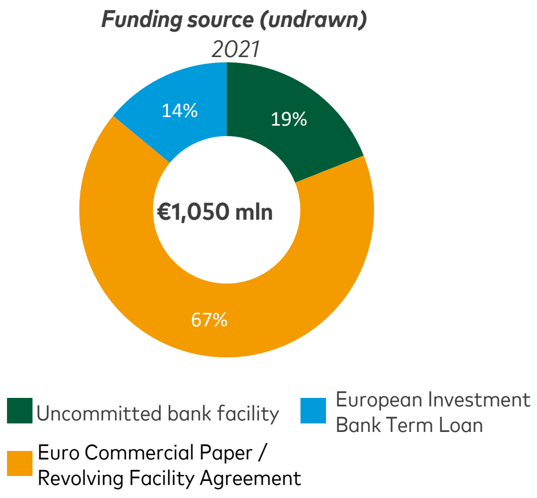


[1] Excluding IFRS 16

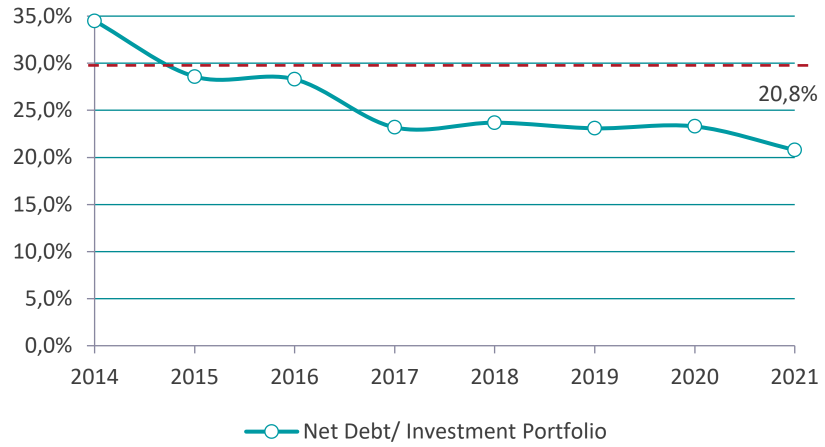
Solid financial structure

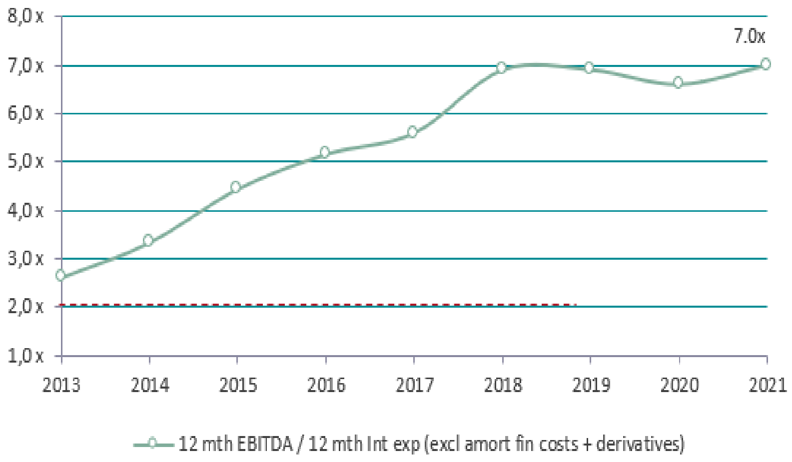
A well diversified unsecured funding structure…





…catering for a low LTV and increasing ICR





[1] Excluding IFRS 16

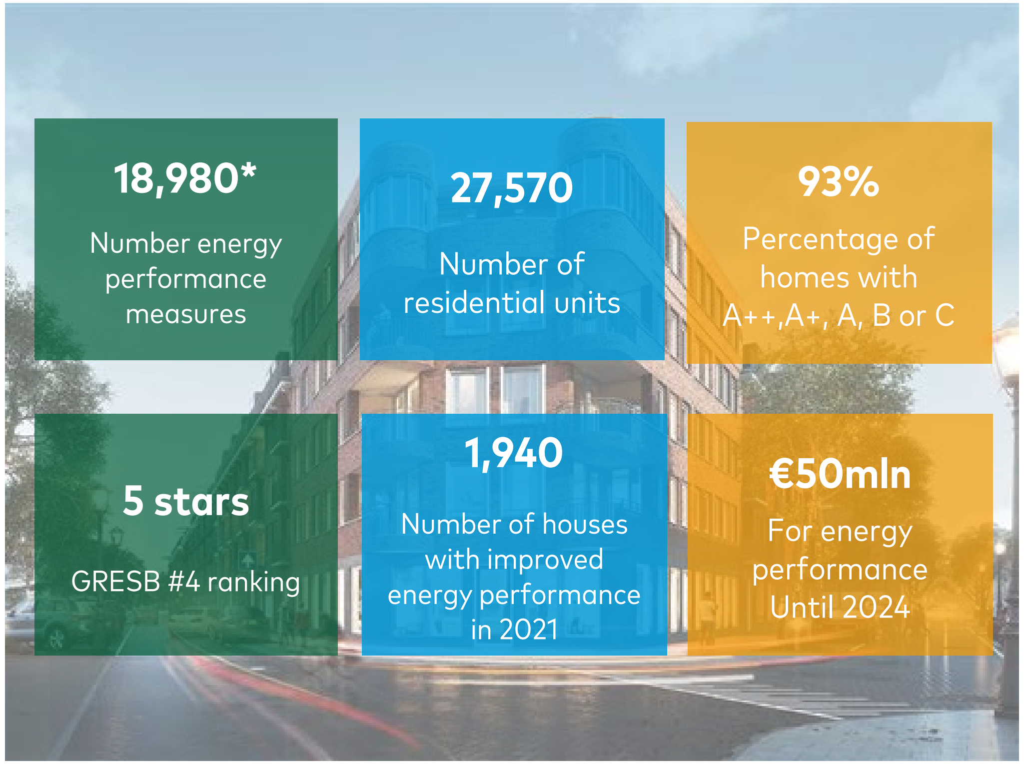
Vesteda has met all of its funding targets

	Long-term targets	2021
1 Leverage	• Prudent financial policy with leverage target of ≤ 30% • Growth plans within the framework of leverage targets • Financial policy in line with Investment Grade rating	• **20.5%** ✓
2 Funding	• Total fixed-rate and hedged floating rate exposure of ≥ 70% • Weighted average maturity of > 4 years • Diversified funding profile, with at least three funding sources	• **100%** • **6.0 years** • **4 sources of funding** ✓
3 Maturity and encumbrance	• Well-balanced maturity calendar with < 35% maturing in a single year • Asset encumbrance of < 15%	• **24% in a single year** • **0%** ✓
4 Liquidity	• Sufficient liquidity headroom to refinance short-term debt (including maturing bonds and private placements), finance committed pipeline, and to accommodate redemption requests (Redemption Available Cash of €50mln yearly) according to the terms and conditions	• **Sufficient headroom** ✓

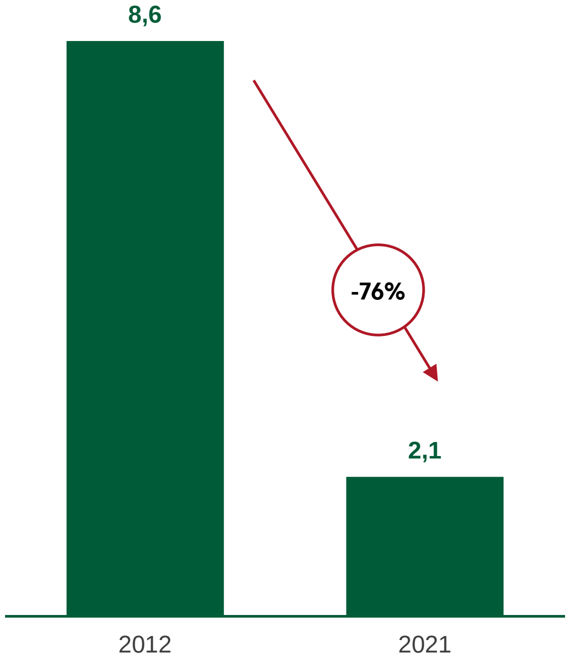
Improving ESG performance

Portfolio Sustainability Improvement

- Aim to constantly improve our performance in the field of sustainability
- Objective is to reduce our consumption of energy and water, and cut CO_2 emissions
- Also aim to use materials that have no harmful impact on the environment, and we want to work with business partners who share our own high sustainability standards
- Vesteda's current tenant satisfaction score is 7.0 at 2021 YE, which improved from 2017 (6.7). Compared to 2020 (7.1) it declined slighty but still outperforming the benchmark score (CustomEyes)



CO_2 emissions (kg) per FTE



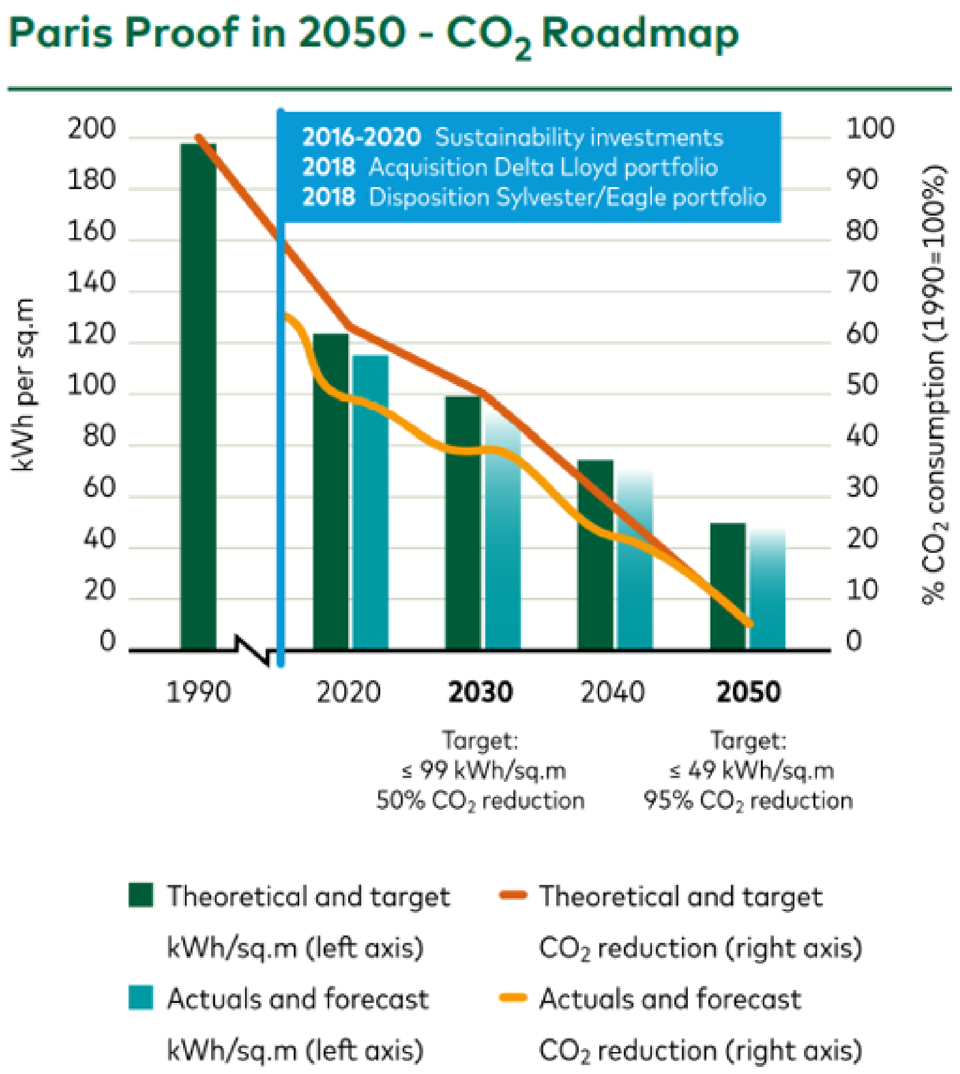
Source: Company information
* Measures implemented since 2013: high efficiency boilers and glazing, DC ventilators, insulation, LED lighting and solar panels

CSSR plan

	Strategies	Measures: Dashboard	Measures: Actions
Environmental	**Environment** Actively transitioning to a best in class friendly planet partner by implementing programmes to mitigate climate impact and transition risk in line with the Paris agreement	• Reduce CO_2 emissions and energy consumption with 50% in 2030 (99 kWh/m²) • Reduce CO_2 footprint from organisation with 70% in 2024 • Realise a climate change resilient portfolio	• Make our portfolio Paris Proof by implementing our CO_2 roadmap to 2030 • Stimulate circularity in acquisitions and current assets by investigating possibilities for circular construction methods • Enhance responsible consumption by reducing waste & energy in construction and maintenance • Limit physical climate change risks by monitoring and mitigation when needed
Social	**Social** Stimulate tenants wellbeing and let them feel at home by improving the environment in and around our residences and community building	• Outperform customeyers benchmark • Score benchmark as landlord • Development of community meeting places (2 for each region) • Tenant satisfaction about healthiness of houses	• Monitor tenant well-being and develop actions to stimulate contact between tenants and strengthen local communities • Focus on affordability for tenants • Strengthen quality of living by improving sustainablity of buildings and complying with flora and fauna law
Governance	**Governance** Realise a socially and environmentally sustainable value chain by pushing for an environmentally and socially sustainable sector and leading by example	• HPO Score by 2024 • % of revenue represented in sustainability inquiry • 5 stars in annual GRESB benchmark and top position in the Netherlands in 2022 • Comply with SFDR and EU Taxonomy regulations • Outperform UN PRI benchmark 2022	• Improve sustainability in the supply chain • Transition to green financing • Retain and strengthen Vesteda's leading position in sectoral rankings • Develop staff's full potential and help them embody Vesteda's values

Paris Proof Roadmap

- Created a CO2 routemap in line with Paris Proof
- Data is based on actual data and tenant data is included
- Focus on kWh and CO2 per square meter
- Goal is 50% reduction in energy demand by 2030 compared tot 1990
- Goal is 95% CO2 reduction by 2050 compared to 1990



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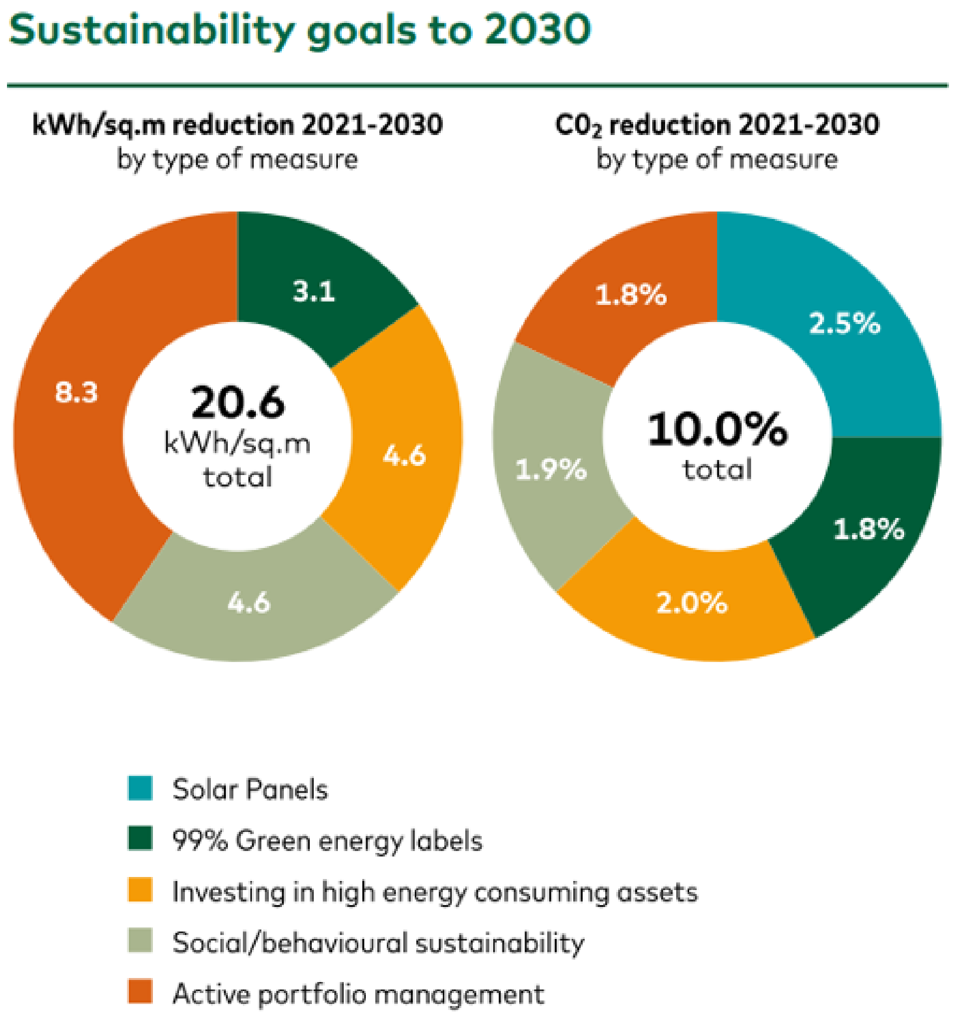
Actions to achieve Sustainability goals

- To realise our goal in 2030 we defined several actions including their impact on energy and carbon performance
- Our focus will move slowly from energy labels to more on actual performance
- Looking at the actual performance the focus is also on behavioural sustainability, such as providing digital energy coaches



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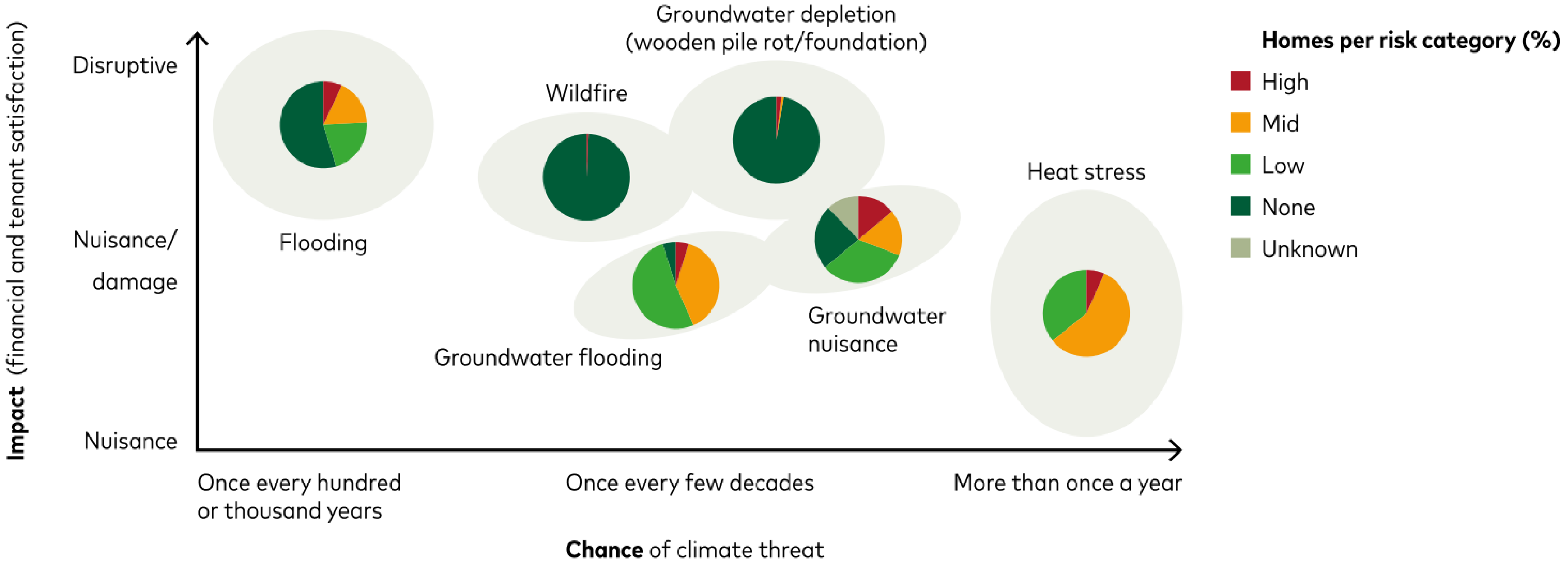
Physical climate risks



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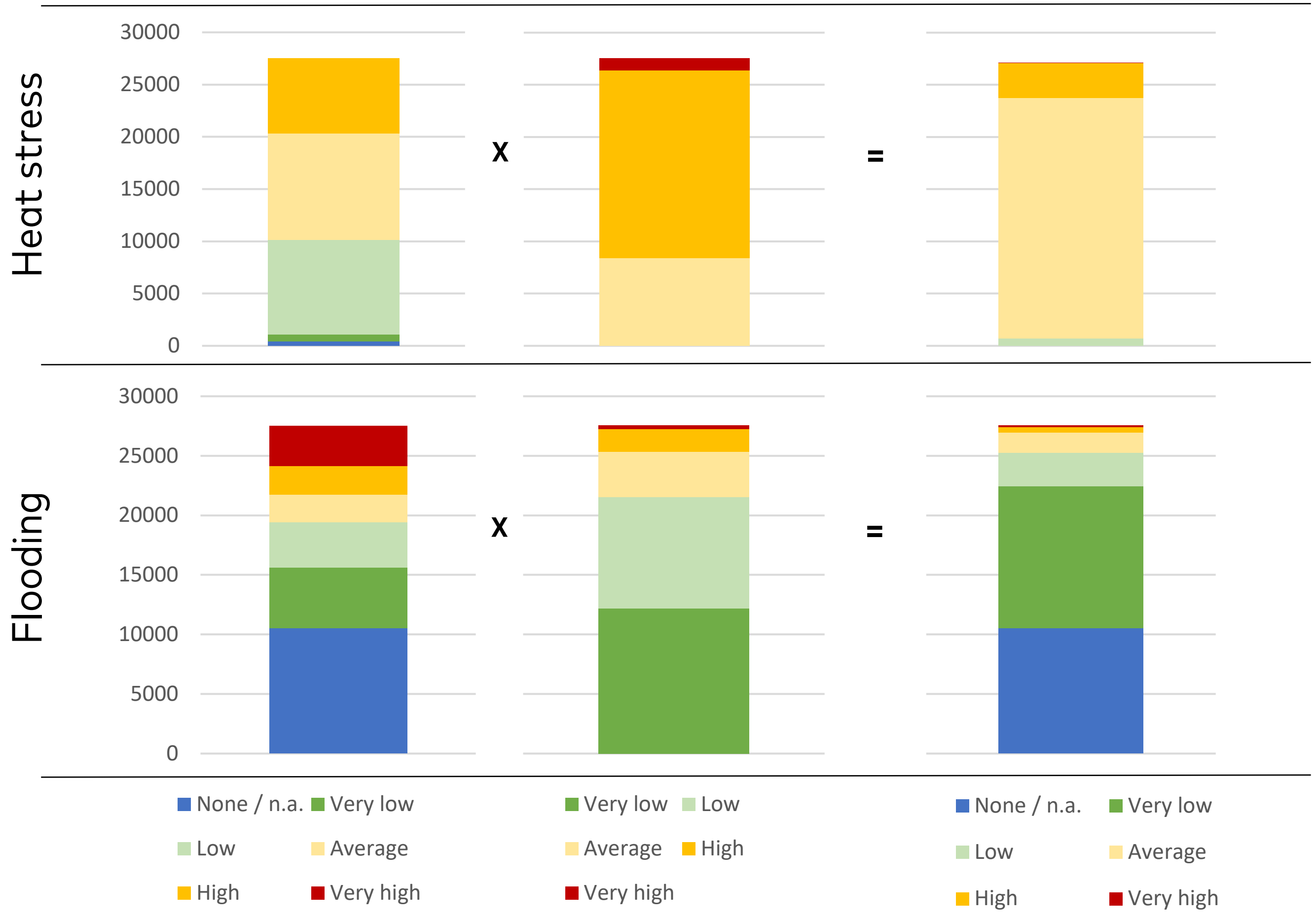
Impact Climate risk Vesteda property

vesteda

Climate effect in environment x Property vulnerability = Climate risk property

- Combining the environmental risks with buildin- specific characteristics gives a good insight in the actual climate risk
- Property can have a positive effect (flooding due to heavy rainfall) and negative effect (heat stress) on the climate risk
- Including building-specific information gives us insight in possible adaptive measures
- Less than 1% is exposed to very high risk, based on National standards



Green Finance Framework

vesteda

Eligibility Criteria

Energy efficient residential buildings	Refurbished residential buildings	New residential buildings
✓ Existing buildings with at least an EPC[1] label ≥ "A", or belonging to the top 15% of the Dutch residential building stock in terms of energy demand	✓ Existing buildings which have realised a reduction in primary energy demand (PED) of ≥ 30% and achieved an EPC label of at least "C"	✓ Permitted before and constructed after 1st Jan 2021: energy performance coefficient of ≥ 0.4 ✓ Permitted and constructed after 1st Jan 2021: PED is ≥ 10% below the Dutch NZEB[2] requirements

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CITIES AND COMMUNITIES

- An updated Green Finance Framework will be provided, incorporating an improved mapping on the EU Taxonomy Climate Delegated Act adopted in December 2021. The framework will be subject to pre-issuance verification by a Second Party Opinion provider.
- This will be followed by a post-issuance verification, addressing the allocation of the net proceeds of Vesteda's EUR 500m 0.75% 10 yrs green bond, issued October 2021.
- Currently approximately all of the proceeds of last bond have been used, 60% will be used for refinancing of existing debt.

✓ **Sustainalytics has issued a Second Party Opinion on Vesteda's Green Finance Framework of October 2021**

SUSTAINALYTICS

The Green Bond Principles

Use of proceeds: ✓

Met the Use of Proceeds and Eligibility Criteria outlined in the Green Finance Framework

Project evaluation / selection: ✓

In line with market practice

Management of proceeds: ✓

In line with market practice

Reporting: ✓

In line with market practice

Key Market Developments :

Key market developments

A Pandemic COVID-19

C Continued pressure on housing market

B Rising inflation

D Increased regulation for Dutch housing market

IVBN

Government of the Netherlands

A) Pandemic COVID-19

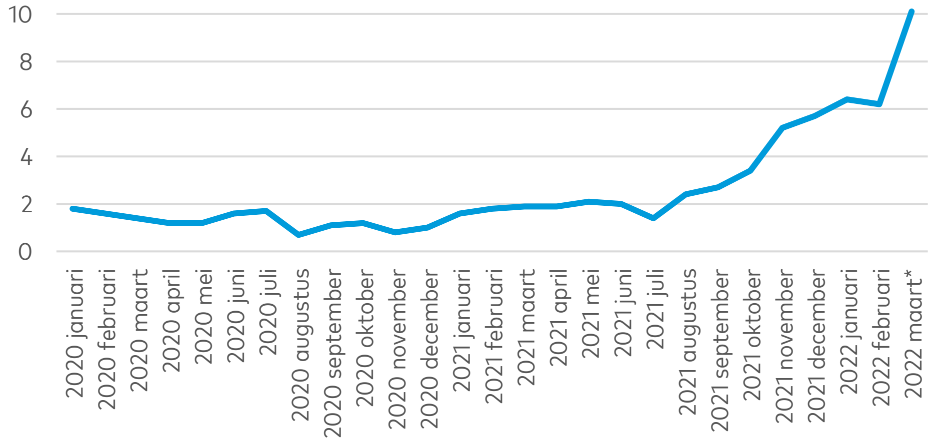
- More than 2 years after the first COVID-19 cases, the influence on the Dutch society and economy is now minimal. Most measures/lockdowns have been ended.
- Infections from COVID-19 ar still frequent, but hospitalisation-numbers are low.
- The impact on the Dutch housing market has been limited. House prices are still rising, and the rental market is also still in good shape. Strong demand, limited supply and low interest rates seem to be providing a strong foundation for the housing market
- The impact on Vesteda has been very low as well. Our business operations and processes continue to run well, and we can deliver all our services to our tenants, mostly via digital channels.
- We were experiencing higher vacancy rates in the higher rental segment, especially in Amsterdam, and higher frictional vacancies. However, this situation lasted only a short time and it had no significant influence on our performance.
- We have been proactive in communicating with our tenants which kept the amount of rent arrears low.
- Furthermore, our financing structure and liquidity position give us the necessary buffers to withstand this crisis

Rent arrears (% of theoretical rent)

B) Rising inflation

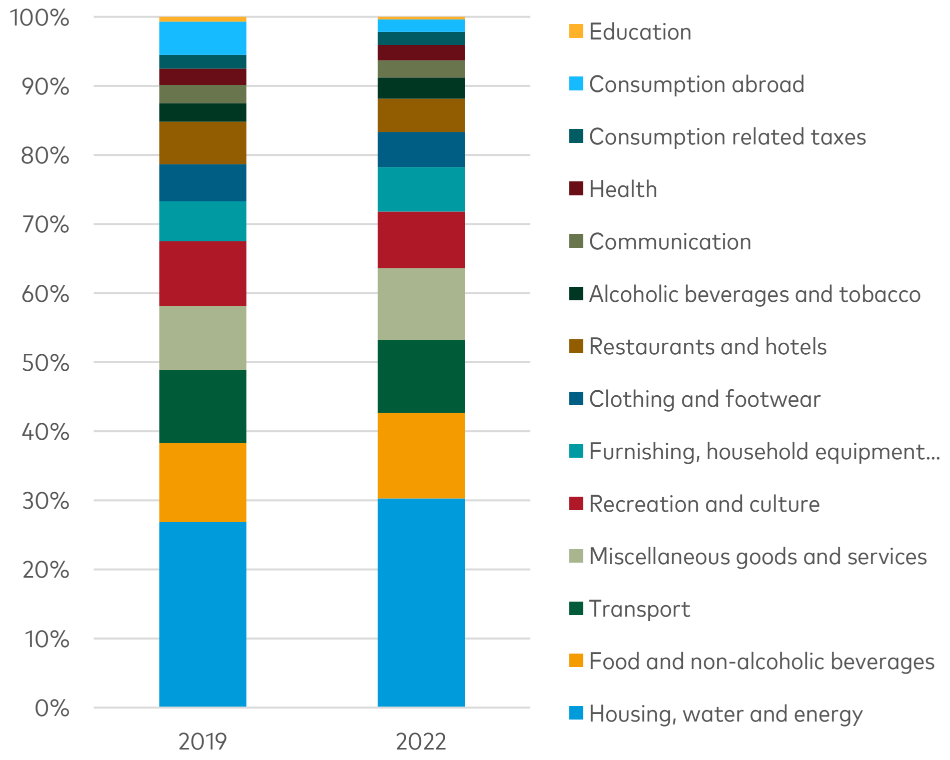
- Energy is already the main driver and the influence of geo-politic tensions wil probably put even more pressure on energy prices (in the short term).
- Other components are expected to put a rising pressure on inflation.
  - Food and beverages
  - Recreation and consumption abroad.
- Breakdown Housing, water en energy +10,3% yoy (CPI, februari 2022)
  - Housing (rent); +0,8%
  - Housing (owner occupied); +0,7%
  - Maintenance; +13,0%
  - Housingamenities; +1,7%
  - Energy; +77,0%

CPI Netherlands, 2020-2022 (CBS)



* Forecast based on HICP

Weighted CPI components 2019 and 2022 (yoy, February)

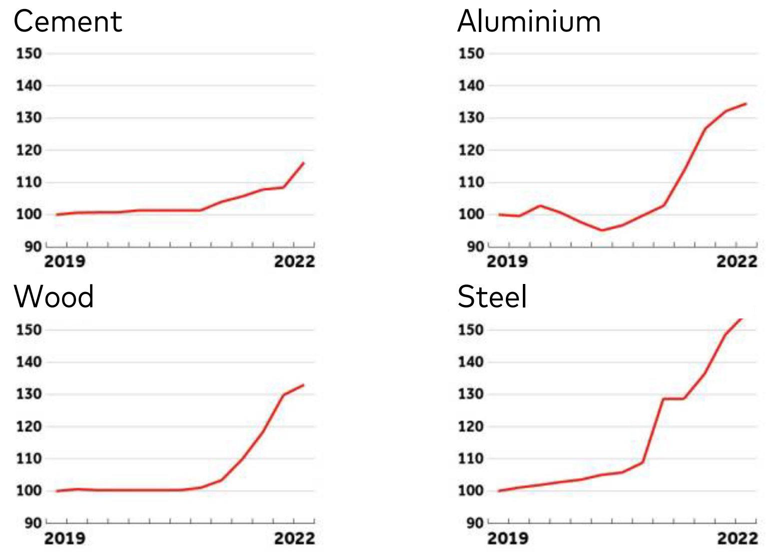


B) Impact inflation Vesteda

- Impact of high inflation on Vesteda is limited so far. However, it does have an impact on a number of areas and the impact may increase, if inflation remains high.
- Construction costs in the Netherlands have risen sharply in the past year. This is the result of high inflation, shortage of materials and shortage of staff.
  - In new construction projects, this puts extra pressure on financial feasibility.
  - In the existing portfolio, it means that the costs of maintenance and renovation are increasing.
- The increased cost of living, especially energy costs, puts affordability under pressure for some tenants. To date, however, this has not led to a significant increase in payment arrears.
- The annual rent increase is linked to inflation and has been set at a maximum of 3.3% in 2022. If inflation remains high in 2022, the question is what the maximum permitted increase will be in 2023.

Price level construction materials

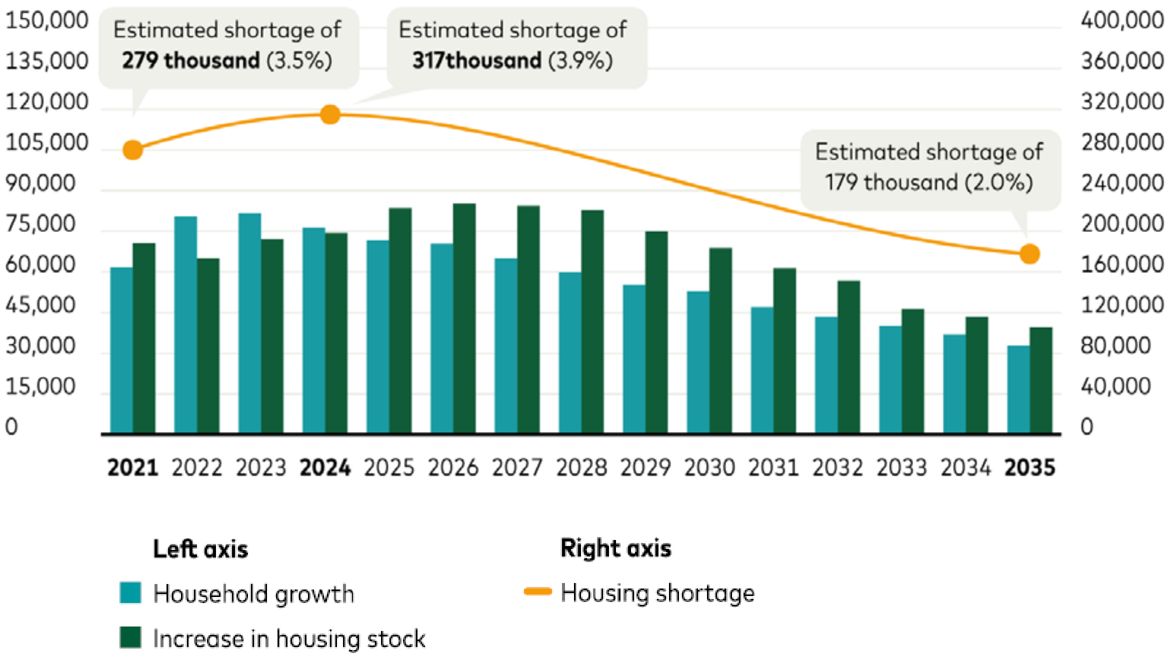
Index = 100, Q1 2019-Q1 2022 (Source: BDB)



C) Continued pressure on housing market

- Large housing shortage of 3.5% of total housing stock.
- Pressure remains high and the shortage will only get higher.
- Increase in building production is fragile because of increased building costs, more rules and regulations, lack of building staff, etc.
- The shortage is leading to all-time high in housing prices, which in turn leads to affordability issues.
- An increase in inflation and energy cost puts more pressure on the affordability of housing.
- The government assigned a special state minister for housing and launched some measures to increase affordability and accessibility of housing.

Forecast shortage 2021-2035



D) Increased regulation for Dutch housing market

While housing shortages and house prices continued to rise, the need for more affordable housing increased and both national and local authorities are looking for measures to solve this problem:

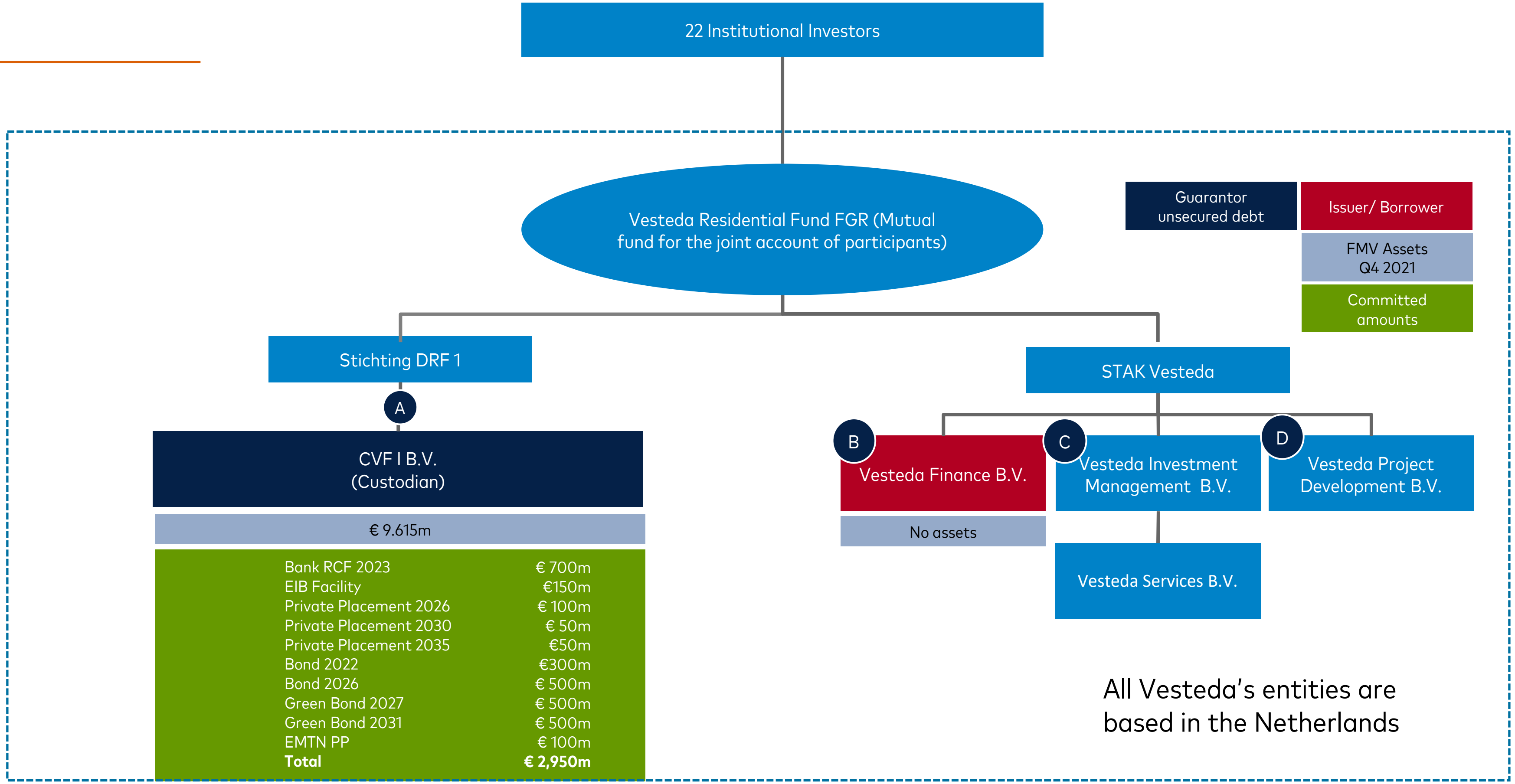
- In 2022 the government capped the rent increase for the regulated segment at a CPI of 2,3%. The annual rent increase for the liberalised segment is capped to a maximum of CPI plus 1% in 2022 and 2023.
- National and local governments are using rent regulation as a direct measure to lower prices of homes to ensure affordability, for example by introducing a purchase ban by investors, compulsory self-occupancy and allocation of homes tot certain income and target groups.
- The WWS points system is under debate and the range is expected to be expanded. A substantial part of the rental market will possibly be regulated.
- First-time home buyers are now exempt from transfer tax, while the rate for investors was increased to 8% from 2% and the government is launching initiatives to stimulate the construction of new homes.

Actions by Vesteda:

- From 2018 on, we voluntarily changed our rental policy by capping our annual rent increase below the maximum contractually agreed rent increase to CPI plus 1%, anticipating on potential new regulation. In 2022 we will offer pensioners the possibility to request a remission of the rent increase, should they not be able to pay the rent increase and meet the criteria of this arrangement.
- Increased regulation is a risk for Vesteda's existing portfolio. However, we also see this as an opportunity, as Vesteda has conditionally embraced the regulated mid-rental segment since 2020 as a new investment category, while maintaining long-term value growth potential beyond the restrictive period.

Appendix materials

Legal structure Vesteda



A *Custodian CVF I* - Legal owner of fund assets. CVF I acts as the guarantor for senior unsecured financing raised by Vesteda Finance B.V. (uncommitted Euro Commercial Programme and SMBC facility not included)

B *Vesteda Finance B.V.* - Undertakes Vesteda's financing activities on behalf of the fund

C *Vesteda Investment Management B.V. (the manager)* - Responsible for day-to-day operations and implementation of strategy

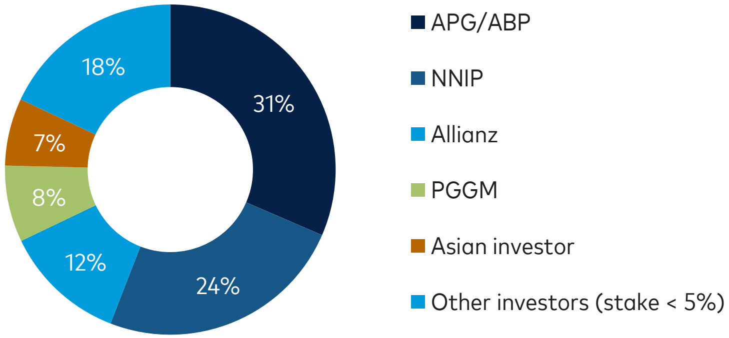
D *Vesteda Project Development B.V.* - Responsible for completing the projects in the development pipeline

Stong and international investor base

Prominent investors hold large stakes

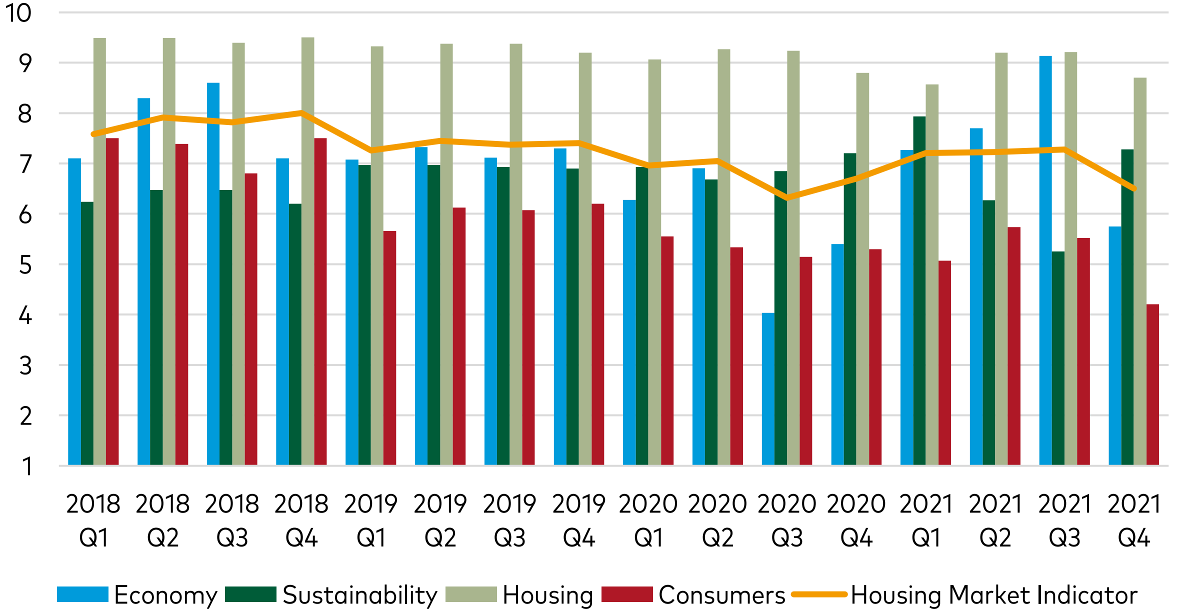
- Vesteda has one single share class: participation rights
- Dutch and international investor base comprising 15 institutional investors participating in the fund via 19 entities
- The largest are:
    - ABP/APG
    - NN Investment Partners
    - Allianz
    - PGGM
    - Asian investor
- Stichting Pensioenfonds ING, VCRF Holding BV and Euler Hermes entered the fund in February, March and December 2019 respectively through secondary transactions with NN Group
- Stichting Pensioenfonds ING, VCRF Holding BV and Euler Hermes entered the fund in February, March and December 2019 respectively through secondary transactions with NN Group
- Vonovia entered the fund in June 2020, following secondary transactions with ASR and APG.

Ownership distribution (YTD)



Dutch housing market: strong fundamentals, affordability under pressure

- The Housing Market Indicator of Q4 2021 dropped significantly to 6.5, from 7.4 in Q3. The decrease is mainly caused by the massive increase in inflation. Furthermore, lower economic growth and a decline in consumer confidence also contributed to the drop of the HMI.
    - The inflation rate was 5.7 percent higher in December than in the same month one year previously. This resulted in an annual increase of consumer prices of 2.7 in 2021. The price development of energy and food mainly caused inflation the sharp increase.
    - Economic growth continues but at a lower pace than around summer. Lack of resources and staff is limiting growth.
    - In December, confidence among Dutch consumers has deteriorated for the third month in a row. The consumer confidence indicator stands at -25, down from -19 in November. Both consumers´ sentiment about the general economic situation and willingness to buy have deteriorated.
- Meanwhile the HMI shows some positive developments as well:
    - Unemployment rate is at a historical low. In the period September through November, unemployment declined to 2.7 percent of the labour force, the lowest monthly rate since the start of measurements in 2003.
    - The sustainability score increased to 7.3 from 5.6 which is mainly caused by the sharp decrease of CO_2-emissions. The electricity sector emitted fewer greenhouse gases due too higher imports and less production of electricity. Increasing production from renewable sources also reduced CO_2-emissions.
- Furthermore, the housing market remains tight which is indicated by low supply-demand ratios and continuing price increases. This situation leads to an increase in the value of housing portfolios, but at the same time puts pressure on the affordability for people looking for a new home. The increase in rental prices however is levelling off.



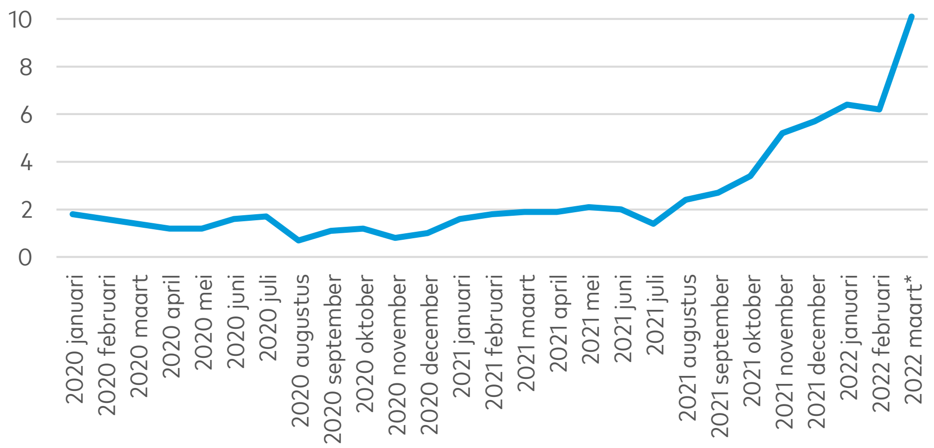
1 The scores of Q4 2021 are preliminary, not all data of Q4 is available.

The Housing Market Indicator is made by Vesteda and provides an overview of the Dutch housing market from a residential investor's perspective. More information: www.vestedamarketwatch.com

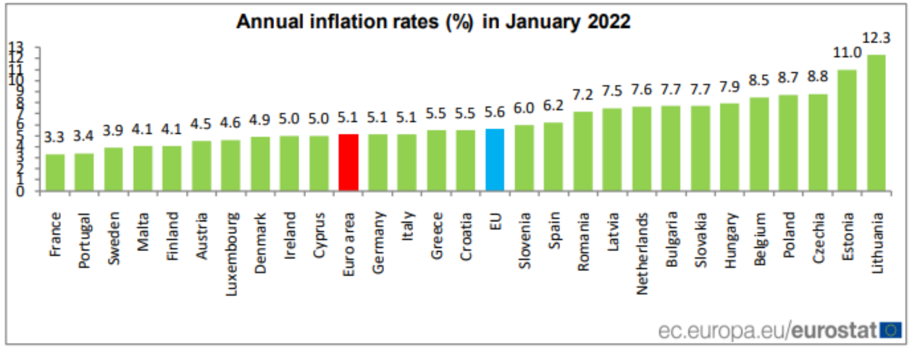
Rising inflation

- Since July 2021 inflation has increased to more than 6%
- Impact of the war in Oekrain does not yet reflect current inflation data
- Specific driver has been the rise in energy prices
- In comparison to other European countries The Netherlands has an above average inflation level (HICP)

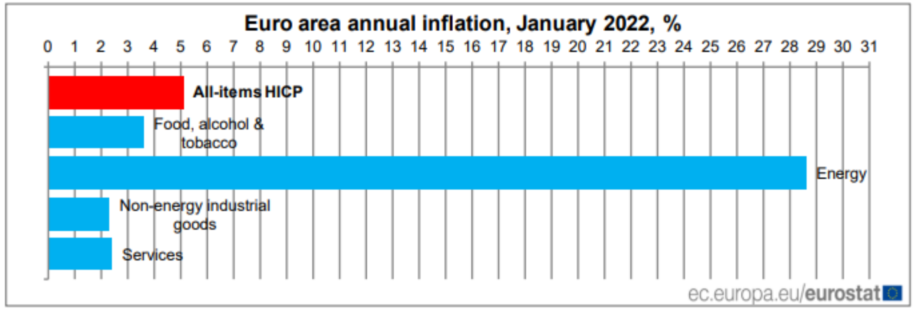
CPI Netherlands, 2020-2022 (CBS)



HICP* Europe, Jan. 2022 (Eurostat)



HICP drivers Europe, Jan. 2022 (Eurostat)



** There is a slight difference in the components of the HICP versus CPI. The CPI takes into account the rise in prices of spending of Dutch residents abroad and has an housing component. The HICP data reflects Dutch and foreign spending in the Netherlands.*

Strategic ambitions & targets

		Targets
Stakeholder satisfaction	• Participant satisfaction • Tenant satisfaction • Employee satisfaction	**≥ 4.0 (out of 5)** **> benchmark (Customeyes)** **> 8.5 HPO score**
Financial performance	• Total return • TER	**> Benchmark MSCI Dutch residential** **3 year average** **< 30 bps (35 bps is term)**
ESG performance	• GRESB • Green energy labels (ABC) • UN PRI	**5 stars and compete for top 3 position** **≥ 99% in 2024** **> benchmark**

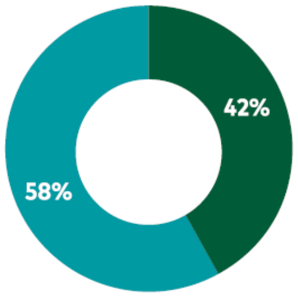
To become the best landlord and residential fund in the Netherlands

Vesteda has a clear focus on the mid-rental segment in economically strong regions

Portfolio overview

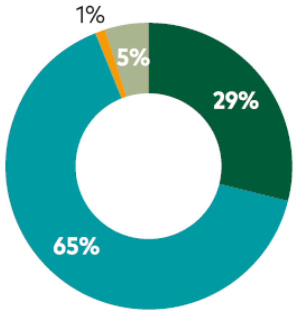
Number of residential units	Investment portfolio value	Occupancy rate	Gross rental income
27,570	€9.5 bln	98.8%	€347 mln

Portfolio by type of residential unit (weight in value)



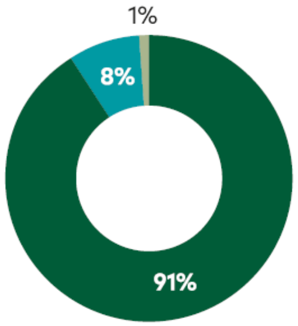
- Single-family
- Multi-family

Portfolio by rental segment (weight in value)



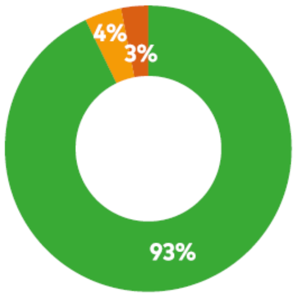
- High
- Mid
- Regulated mid
- Regulated

Portfolio by region (weight in value)



- Primary
- Secondary
- Other

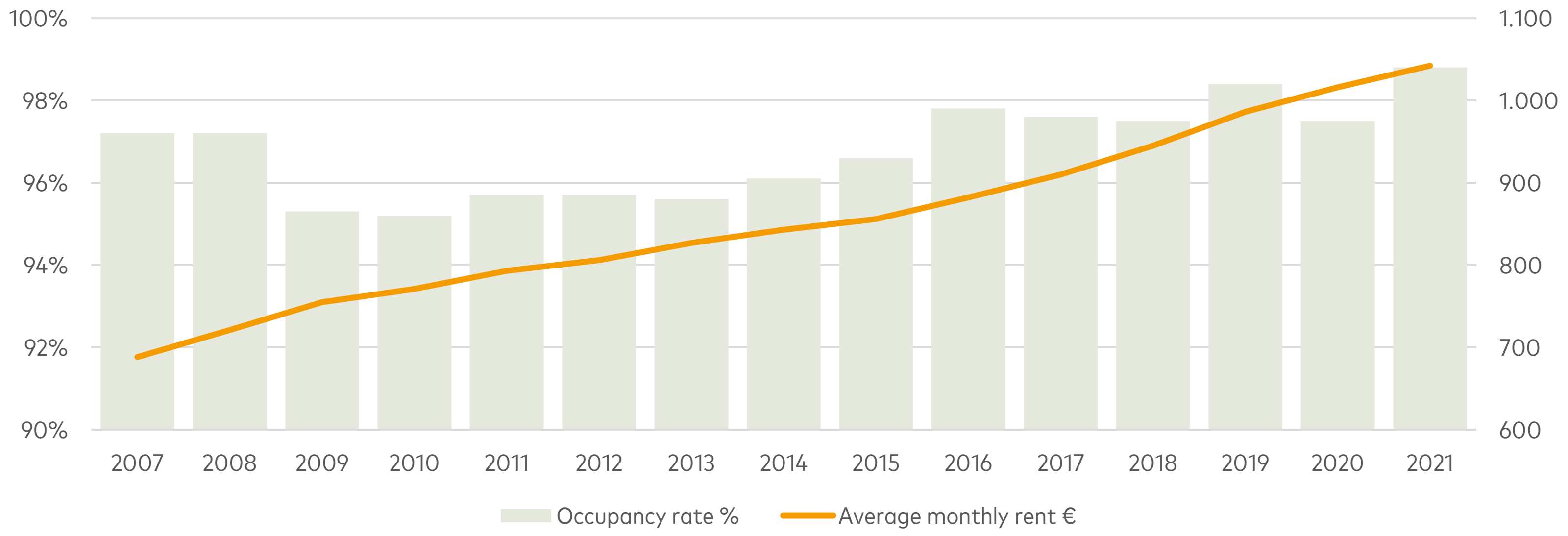
Portfolio by energy label (weight in units)



- ABC
- D
- EFG

Resilient business model: strong track record of high occupancy rates and rent increases

Vesteda's occupancy rate & average monthly rent 2007 - 2021

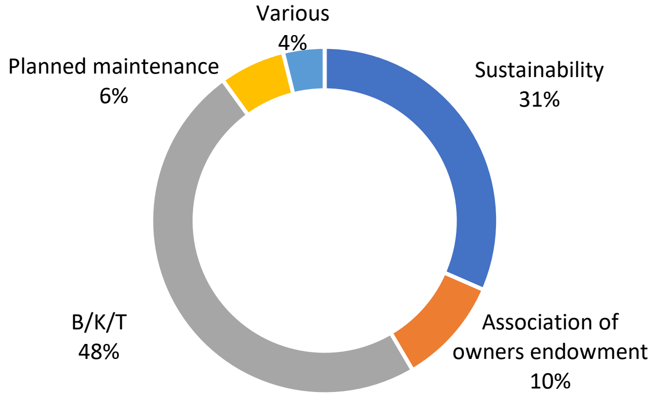


- Vesteda's occupancy rate stayed above 95% since 2007, despite the financial crisis and the Euro crisis and COVID-19. The lower occupancy in 2020 was due to rising vacancy in the higher rental segment which is now under control.
- The average monthly rent kept on rising compared to 2020 (+2,6%) because of the annual rentrise and a strong reletting performance.

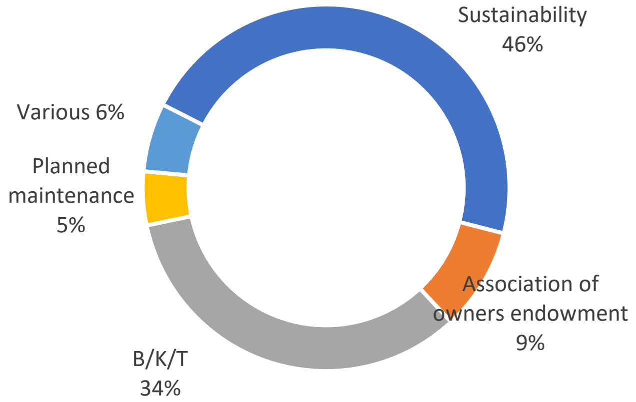
Capital expenditure

- Capital expenditures of the total portfolio of Vesteda are estimated to equal € 265 m the next five years (2022 – 2026), an average 9,3% of the yearly gross rental income
  - The largest consists of the replacement of bathrooms, kitchens and toilets (48%) due to age and commercial considerations.
  - Capital expenditures regarding the sustainability of the portfolio equal € 73m (31%) and are used to implement energy-saving measures and to reduce our CO_2 footprint.
- Capital expenditures of the total portfolio of Vesteda in 2022 are estimated to equal € 75,5 m. This is 20% of the gross rental income in 2022.
  - Due to an extra focus on sustainability in 2022 (and 2023), expenditures are temporarily higher.

Capital expenditure 2022-2026: € 265 m total



Capital expenditure 2022: € 75,5m total



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