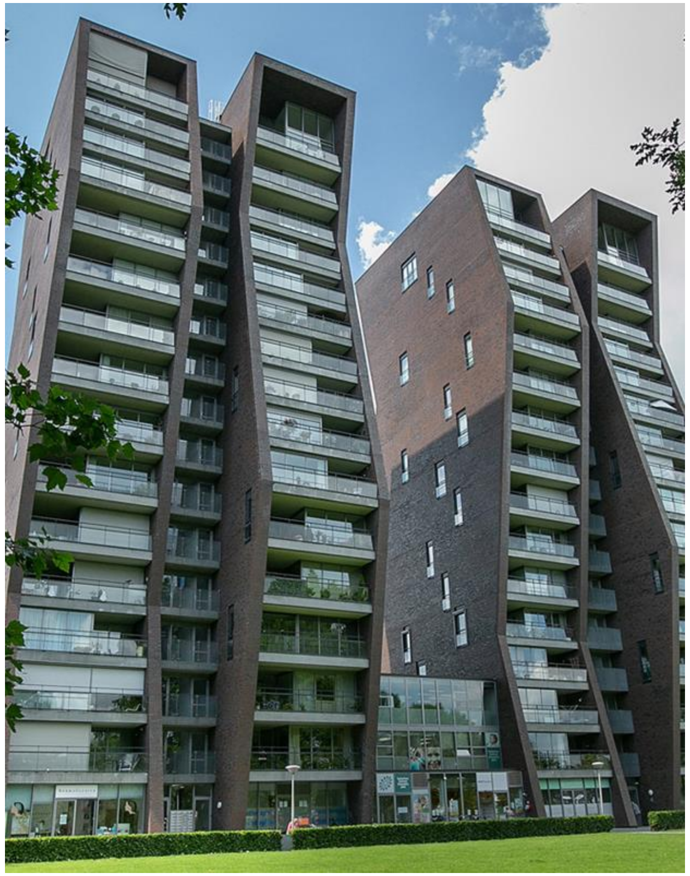
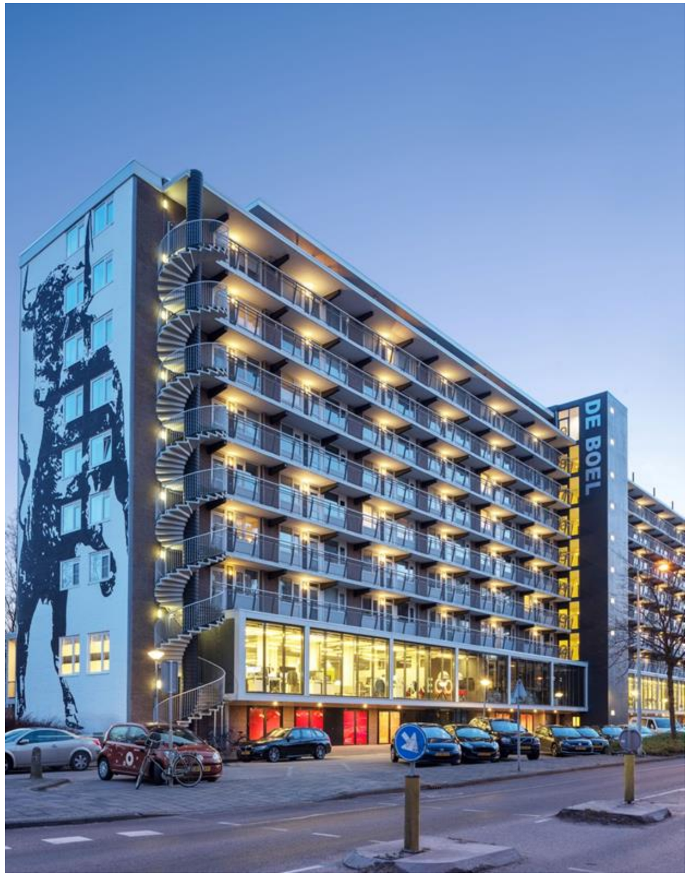
Vesteda Residential Fund

Investor Presentation
14 April 2023

vesteda





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

Renée Verhulst – HR Director
Appointed in 2022
Previous experience: Van Dorp, Achmea

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

Performance 2022

Investment Portfolio

Funding Equity/ Debt

Appendix

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 27,661 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
- Main shareholders include APG/ABP, NN Group, Allianz RE, PGGM, Asian


Dutch residential rental market


Mid-rental sector


Primary regions

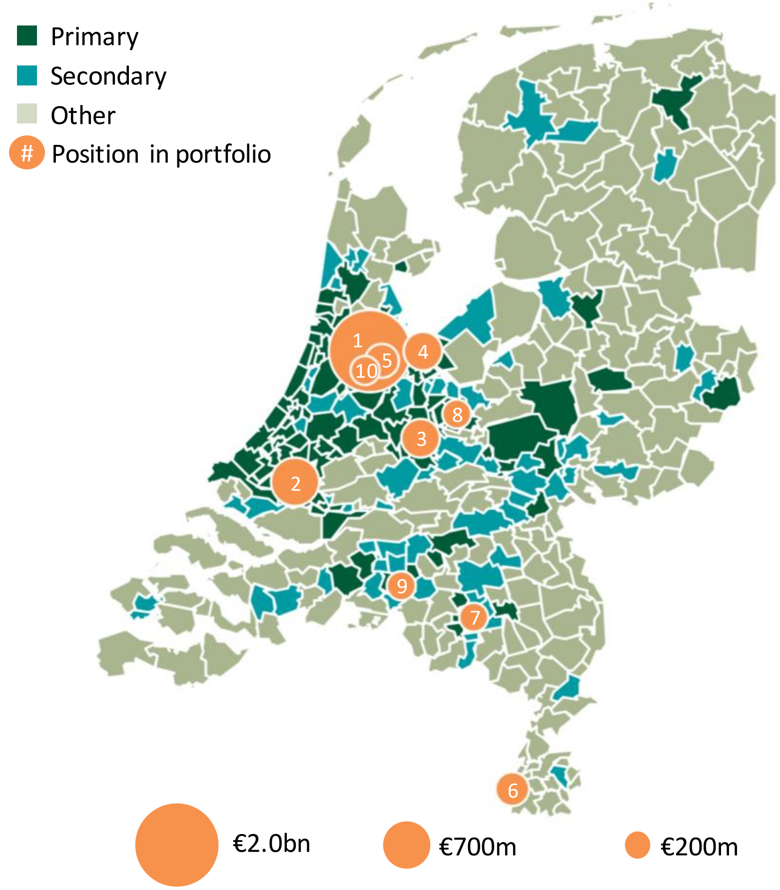
Key characteristics (preliminary 2022 figures)

27,661 Residential units	**€9.7bln** Investment portfolio value including IPUC	**1,721** Committed pipeline	**98.6%** Occupancy rate
€363mln Gross rental income	**4.0%** Gross Initial Yield	**2.6%** Direct Return	**€1,081** Average monthly rent[1]
Five Star GRESB score	**7.1** *ICR[2]*	**22.9%** LTV	**28 bps** TER
4.18 Participants' score	**A-** S&P rating	**c. 8yrs** Average tenant retention	**94%** Green EPC labels

Source: Company information
[1] Based on appraisals
[2] Based on covenant calculation

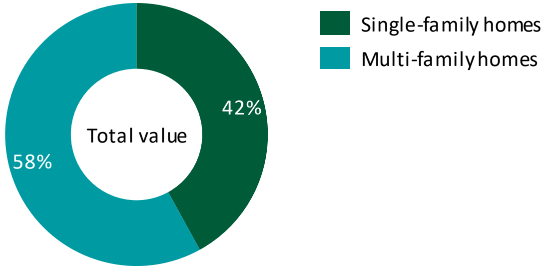
Vesteda's portfolio is focused on the mid-rental segment in core regions

Geographic overview



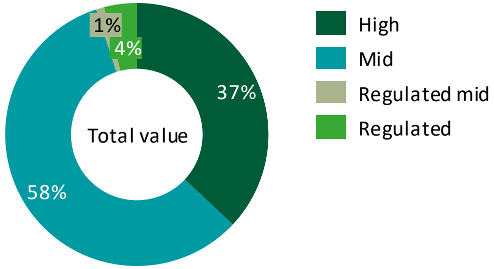
Portfolio split[1]

SFH / MFH mix



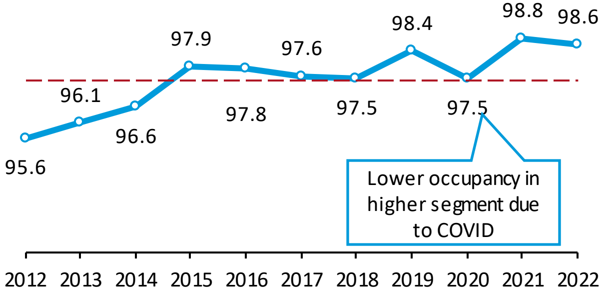
Balanced single- and multi-family housing

Rental segments



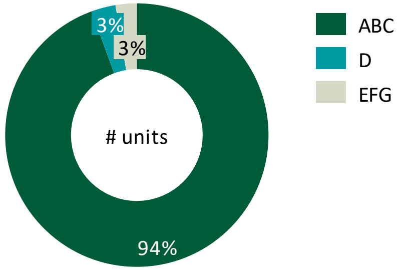
Clear focus on the mid-rental segment

Occupancy



Historical stable and high occupancy

Energy labels

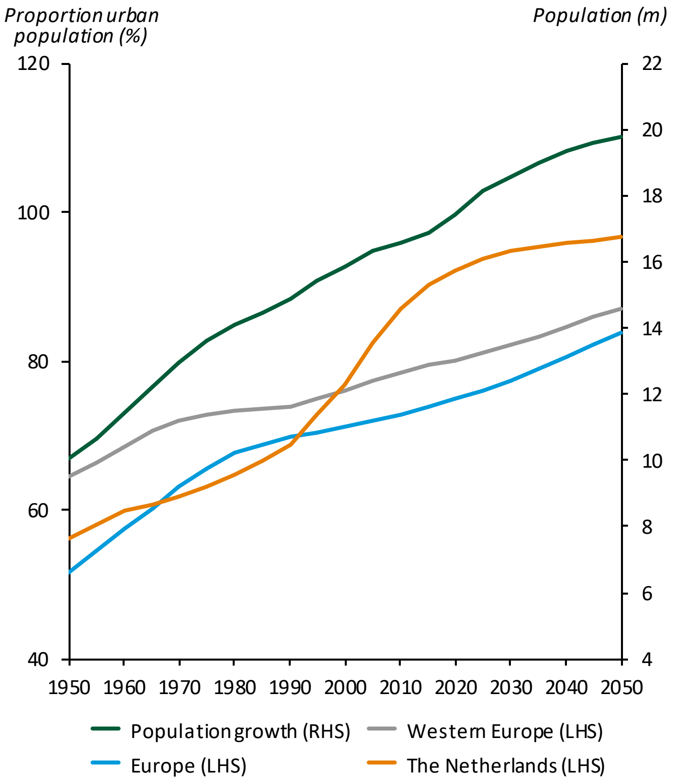


94% green energy labels

1. As per 31 December 2022
Source: Vesteda, Vesteda FY 2022 accounts (unaudited)

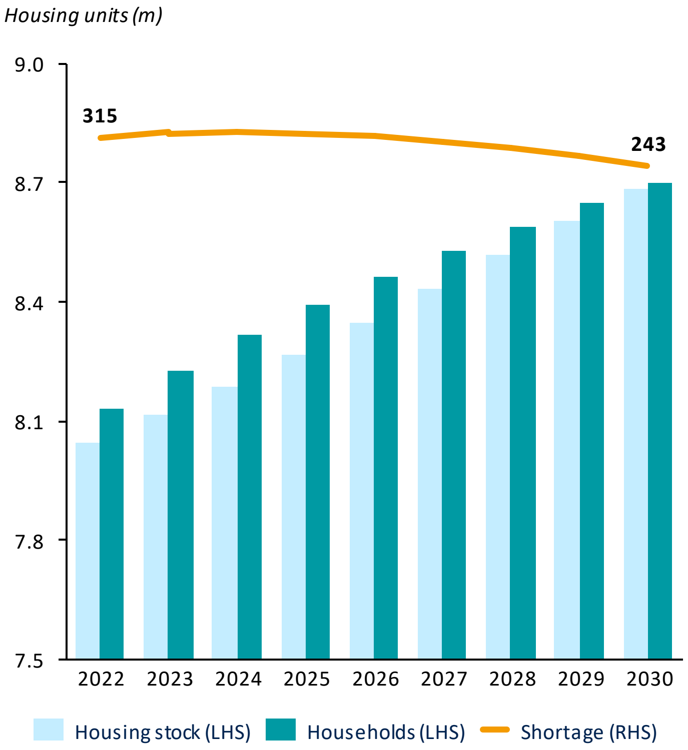
Growing housing shortage expected to continue to put upward pressure on the Dutch housing market

Population and urbanisation



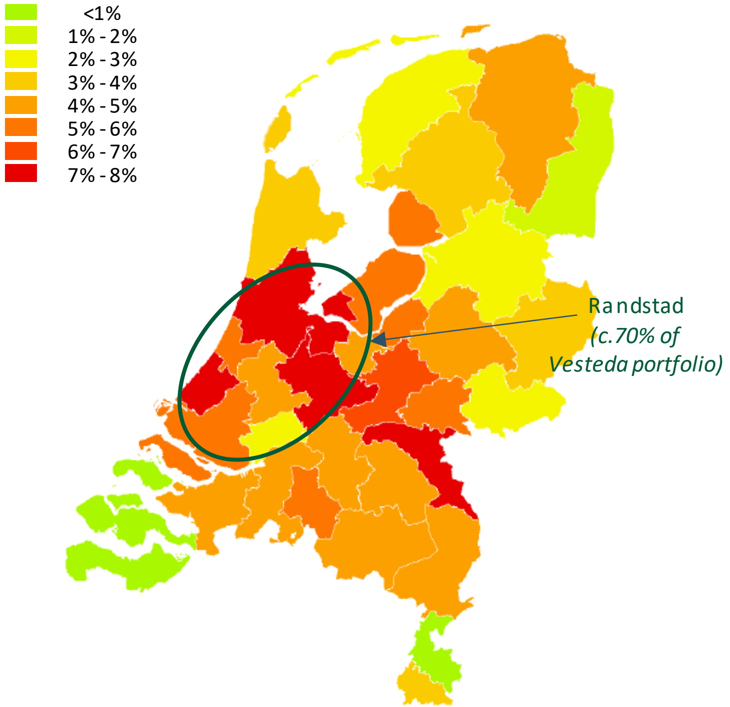
Significant Dutch population growth towards c.20m in 2050 with strong urbanisation trend

Households and housing stock



Housing shortage is expected to remain at around 250,000 units

Expected shortage in 2025



Housing shortage most pronounced in the regions where Vesteda's portfolio is located

1. Excluding Gibraltar, Vatican City, Monaco and San Marino
Source: United Nations, CBS, PBL, ABF, BouwKennis, Ministry of the Interior and Kingdom Relations

Current market conditions

Regulation mid rental segment
Slides 18/19/20

High construction costs and nitrogen crisis
Slide 49

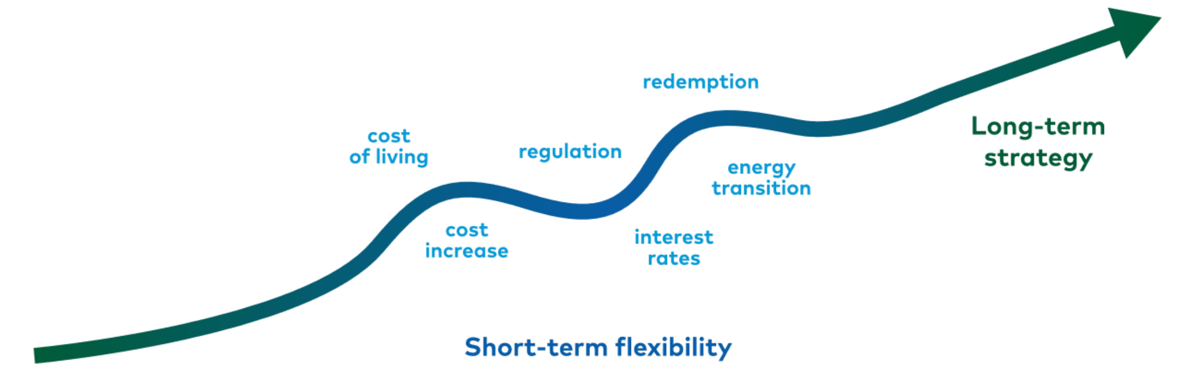
Inflation
Slide 49

Energy costs
Slide 41

Redemption requests
Slide 30

Increase of interest rates
Slide 35

We remain committed to our long-term strategy, while acting on today's challenges



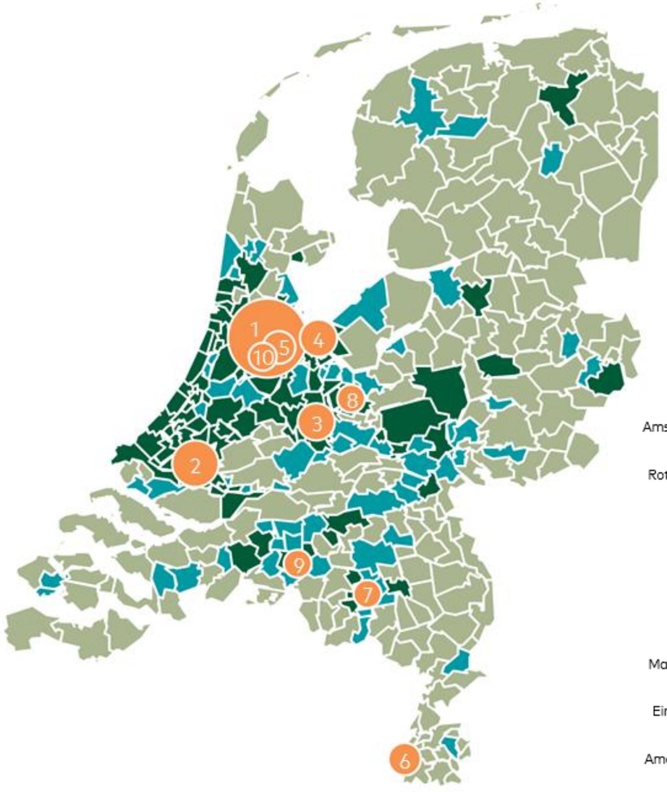
Vesteda 2022 overview

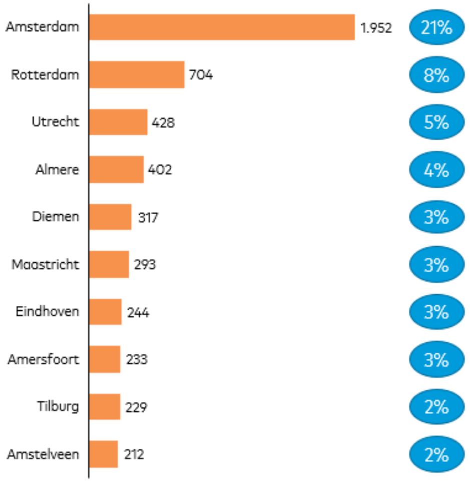
Key figures

	2020A	2021A	2022A
Residential units (#)	27,482	27,570	27,661
Residential units incl pipeline (#)	28,725	28,974	29.382
Total portfolio value (€bn)[1]	8.440	9.860	9.716
Net asset value (€bn)	6.3	7.6	7.3
Leverage	23.1%	20.5%	22.8%
Loan to Value	23.3%	20.8%	22.9%
Gross rental income (€m)[2]	335	347	363
Net rental income (€m)	251	260	270
Net rental income[3]	3.1%	3.0%	2.7%
Direct result (excl property sales)	3.0%	3.0%	2.6%
Indirect result	4.5%	18,7%	-2.8%
Physical occupancy (year-end)	97.5%	98.8%	98.6%

	FY2021	FY2022*
Key S&P ratios		
Interest Coverage Ratio	6,0x	5,8x
Debt/Debt + Equity	21,9%	24,1%
Net Debt/EBITDA	9,0x	9.4x

* Based on Vesteda's calculation





[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

Vesteda - Key figures 2022 Results

		2022	2021
Gross rental income	5	363	347
Service charges income	6	11	12
Other income		1	1
Revenues		**375**	**360**
Property operating expenses (excluding service charges)	7	(89)	(84)
Service charges	6	(16)	(16)
Net rental income		**270**	**260**
Result on property sales	8	6	16
Management expenses	9	(27)	(25)
Financial results	10	(42)	(39)
Realised result before tax		**207**	**212**
Unrealised result	11	(218)	1,233
Result before tax		**(11)**	**1,445**
Tax	12	(1)	(1)
Result after tax (attributable to equity holders of the parent/participants)		**(12)**	**1,444**
Other comprehensive income that will be reclassified subsequently to profit or loss			
- Settlement pre-hedge contracts		1	1
- Revaluation of PPE		1	-
Other comprehensive income, net of tax	13	**2**	**1**
Total comprehensive income (attributable to equity holders of the parent)		**(10)**	**1,445**

Key operating highlights

- Theoretical rent increased mainly due to the annual rent increase and rent optimisation.
- Result on property sales: Vesteda sold a total of 157 homes from its investment portfolio, consisting of 109 individual unit sales and one complex sale totaling 48 units. The net result on property sales amounted to €6 million (2021: €16 million).
- The increase in management expenses was due to higher personnel costs and higher IT costs.
- Interest expenses were higher compared to 2021 due to a higher level of debt funding, higher amortization of financing costs and less interest income. The average interest rate stood at 1.8% same as in 2021.
- The revaluation result of Vesteda's portfolio amounted to a negative €218 million, the market has turned, showing negative revaluations in third and fourth quarter. (Q1 3,6%, Q2 2,1%, Q3 -1,0%, Q4 -6,0%).

Vesteda - Key figures 2022 Balance sheet

	FY 2022	FY 2021
Fixed assets		
Investment property	9.448	9,540
Investment property under construction	225	177
Other assets	32	34
Cash and cash equivalents	11	109
Total assets	**9.716**	**9,860**
Equity	7,298	7,553
Loan capital	2.167	2,084
Lease liabilties[1]	148	145
Other liabilities	103	78
Total non-current liabilities	**9,716**	**9,860**
Key figures and ratios		
Leverage (%)[2]	22.8%	20,5%
Headroom in committed facilities[3]	619	850
EBITDA/ Interest	7.1x	7,0x

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) ECP usage of EUR 231m at year end

Key highlights

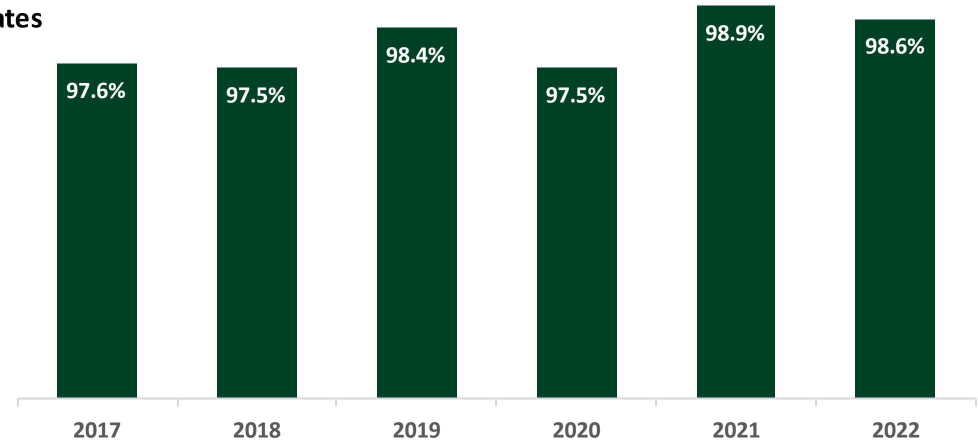
- Revaluation in 2022 amounted to €-218m.
- In 2022 no new participation rights were issued or withdrawn. In September a redemption payment of €50m was made.
- Arranged second EIB Facility of €150m
- In total €195 m was distributed to participants in 2022.

- End of March 2023 a second redemption payment of €50m is paid out.
- In the first quarter of 2023 a revaluation of -5% is expected, which includes the effect of RETT increasing from 8% to 10.4 %.

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 (%)

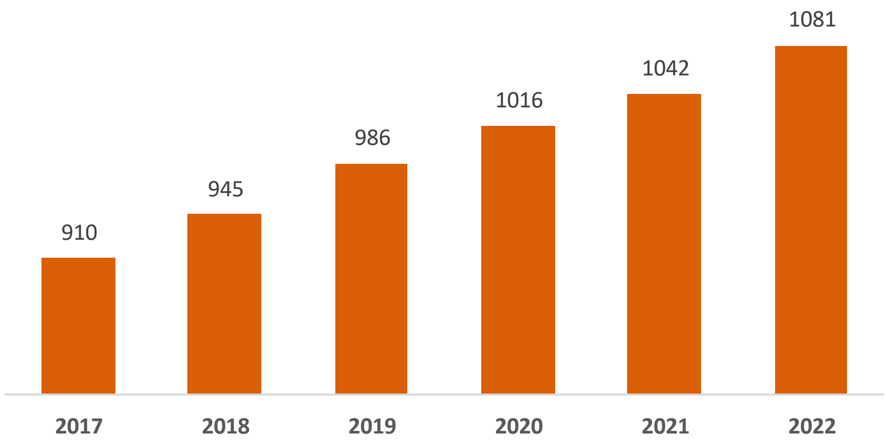


Tenant turnover (%)	13.2%	12.4%	12.8%	13.6%	14.5%	13.0%

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

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

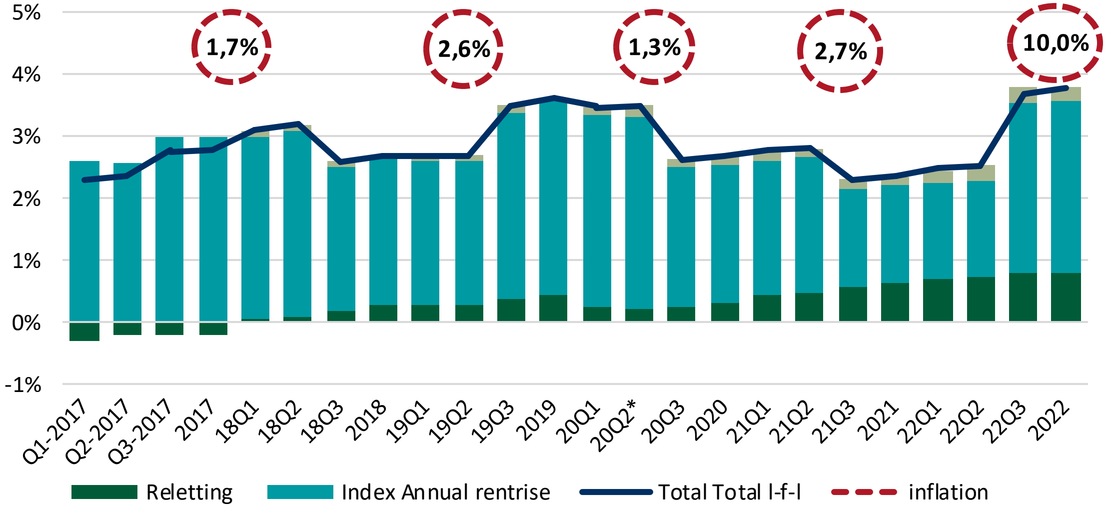
Average monthly ren* (€ per resident unit)



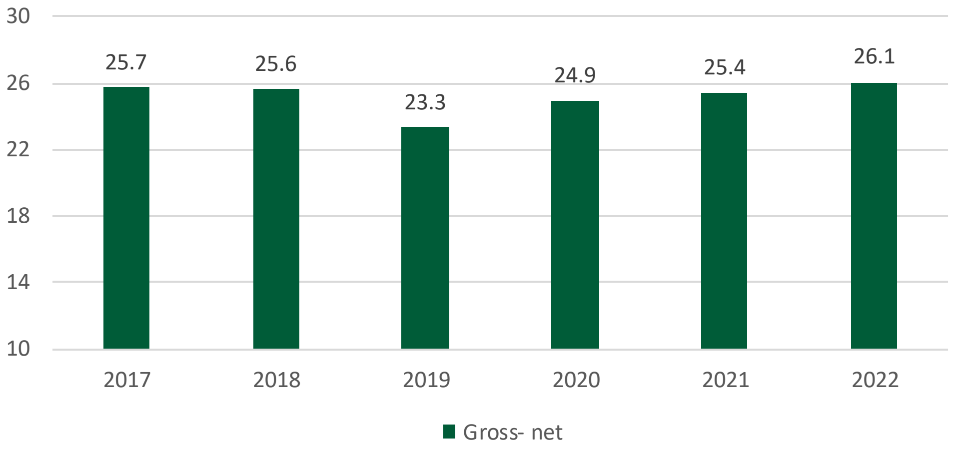
Average market value per unit (€ thousand)	€213	€244	€278	€292	€340	€335

Operational performance

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



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

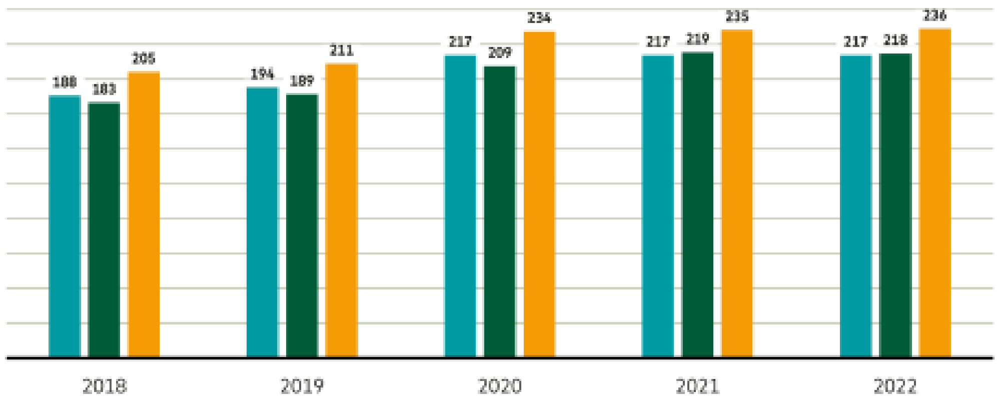


Comments

- The like-for-like rent increase YE 2022 was 3.8%, consisting of 2.8% as a result form the annual rent increase and 0,8% from re-lettings.
- Gross/net ratio increased to 26.1% (25.4% in 2021). The gross rental income and net rental income of the portfolio increased last year, driven by the inflow of new-build homes, the annual rent increase and rent increases following large renovations. Our operating expenses also increased, largely due to planned maintenance, rising costs and higher non-recoverable service charges. The loss of rent decreased from 3.6% in 2021, to 1.9% in 2022.

Cost-efficient organisation

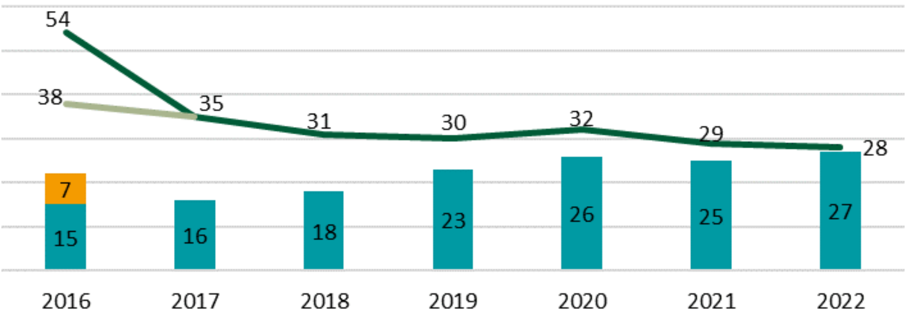
Employees (number of FTEs / employees)



- Number of FTEs (year-end)
- Number of FTEs (annual average*)
- Number of employees (year-end)

*Average of 12x month-end balances

Management expenses



- TER (bps of GAV)
- TER (bps of GAV, excluding exceptional charge)
- Exceptional charge related to reorganisation provision (€ million)
- Expenses (€ million)

Comments

- Total Expense Ratio (TER) decreased from 29bps in 2021 to 28bps in 2022.

Performance 2022

Investment Portfolio

Funding Equity/ Debt

Appendix

Development of the portfolio

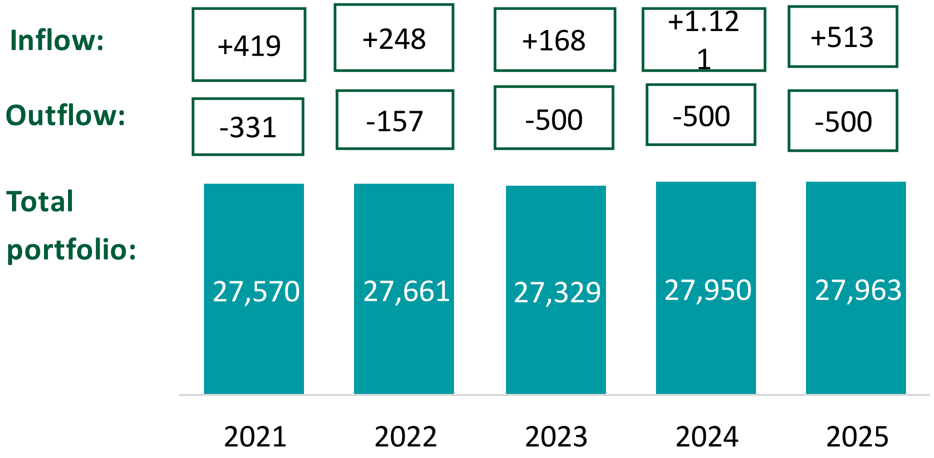
Acquisitions and disposals

Value of portfolio (€m)	2017	2018	2019	2020	2021	2022
At start of year	**4,207**	**4,778**	**7,024**	**7,818**	**8,213**	**9,540**
Inflow	90	1,750	246	116	149	75
Capex	25	34	44	42	82	64
Outflow	(81)	(298)	(240)	(61)	(99)	(47)
Revaluation	537	760	617	273	1,205	(187)
Right of use assets (land lease)	-	-	127	26	(10)	3
At year-end	**4,778**	**7,024**	**7,818**	**8,213**	**9,540**	**9,448**
Portfolio in units						
At start of year	**22.62**	**22.454**	**27.809**	**27.290**	**27.482**	**27.570**
Inflow	332	7.584	817	426	419	248
Outflow	507	2.229	1.336	234	331	157
End of year	**22.454**	**27.809**	**27.290**	**27.482**	**27.570**	**27.661**
Average value per unit (*000)	**213**	**244**	**278**	**292**	**340**	**335**

Key observations

- After several years of positive revaluations, the market has turned, showing negative revaluations in the third and fourth quarter.
- Long term focus and strategy remains unchanged: quality above volume and a focus on sustainable, attractive (regulated) mid-rental homes in primary locations.
- We will be very selective with acquisitions and scale back acquisition volume.
- Add value to selected assets in our portfolio.
- Recognise potentially stranded assets and accelerate sales.

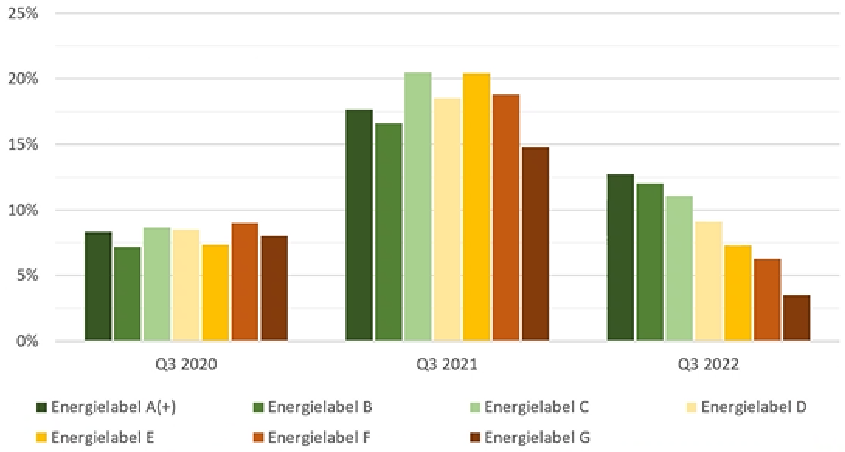
Future development of portfolio (# of units)



Current market experiences

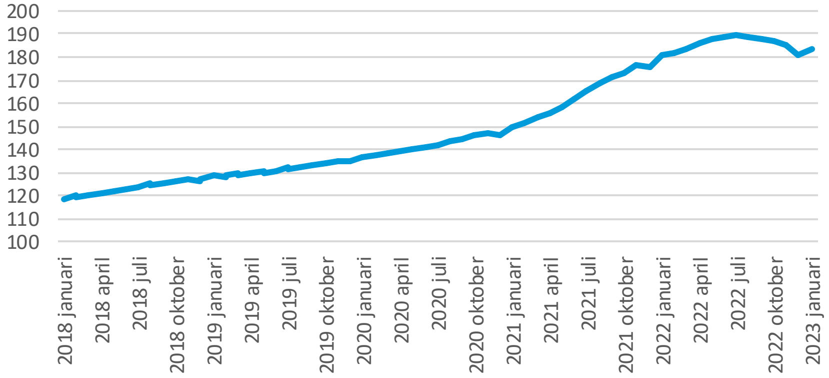
- Increased interest rates and (uncertainty about) regulation reduce investment values
- Few to no new transactions, feasibility under pressure (falling yields, high realisation costs and land prices)
- Construction costs do not yet show a cooling-off.
    - Possibly prices will level off around summer, when current contracts end.
    - Scarcity of materials and personnel remains.
- Sales of new-build homes stagnate; projects are offered to investors.
- Decrease in prices of owner-occupied homes.
- Increase in 'brown discount' and 'green premium'.

House price development per energylabel



Source: Kadaster,2022. Edited by Capital Value, 2023

Price index owner-occupied homes (2015=100)



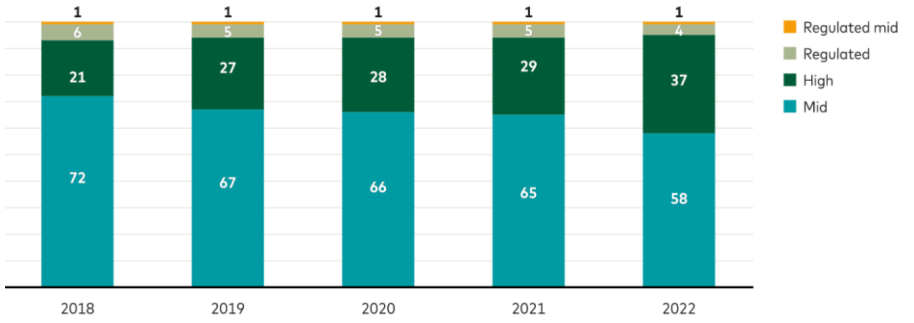
Source: Statistics Netherlands

Portfolio

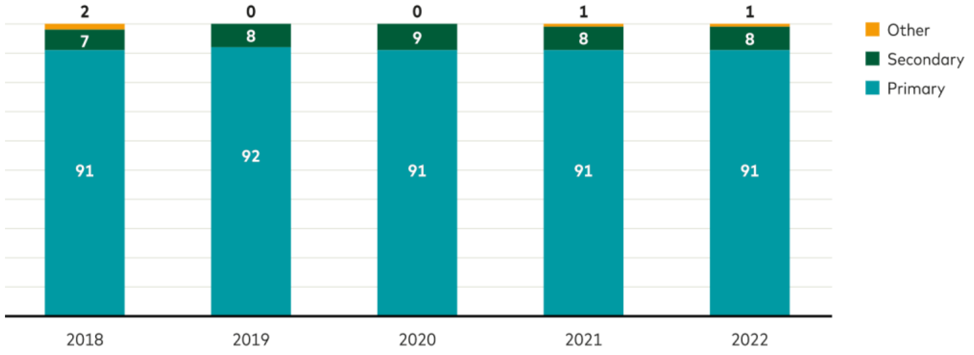
Improving the quality, value and composition of our portfolio

- Continued focus on mid-rental properties in primary regions.
- Balance our in- and out-flow and funding, while trading up the quality of our portfolio through active management:
  - Be selective with acquisitions and scale back acquisition volume, while keeping an eye out for potential market opportunities.
  - Add value to selected assets in our portfolio when we can simultaneously improve their quality, their sustainability and mitigate possible regulatory risks.
  - Recognise potentially stranded assets (based on a combination of criteria and low performance on the mid- to long-term) and execute a disposal strategy.
- Amsterdam leasehold buy-out approx. €90m: we have accepted two offers of approx. €5 m in 2021. During 2022 we have received offers for an additional 13 assets which are under review.
- **New regulations:**
  - In December 2022, the Dutch government has published a plan to temporarily extend the WWS system to the mid-rental segment, by increasing the regulation threshold from 141 tot 187 WWS-point (i.e. an initial rent of c. €1.130 per month) as from 2024.
  - In response tot this new regulation of current free market units, we are preparing general measures and instructions on a portfolio level to mitigate possible risks deriving from this new regulation.

The unregulated segment of the portfolio increased to 95% from 93% in 2018



91% of properties are in primary regions as of Dec22, this number has been stable since 2018



The housing shortage forces the establishment of temporary regulation to protect mid-income tenants

Current rental market segmentation

Segment	Description	Initial rent	Rent increases p.a.
Regulated *(≤ 141 WWS points)*	• c.73% of the rental market, c.5% of Vesteda's portfolio • Point scoring system per house (WWS points) determines if a house is regulated or not	• As set by the government in a rent table • Number of WWS-points of the house determine the initial rent • Rent table generally moves with inflation	• As set by the government, linked to CPI • Higher income-linked rent increases are possible for tenants with too high incomes
Liberal *(> 141 WWS points)*	• c.27% of the rental market, c.95% of Vesteda's portfolio • Point scoring system per house (WWS points) determines if a house is regulated or not	• As agreed between landlord and tenant • No legal boundaries	• As agreed between landlord and tenant, usually CPI-linked • Historically no legal boundaries • Currently capped at CPI +1% to curb explosive rental growth

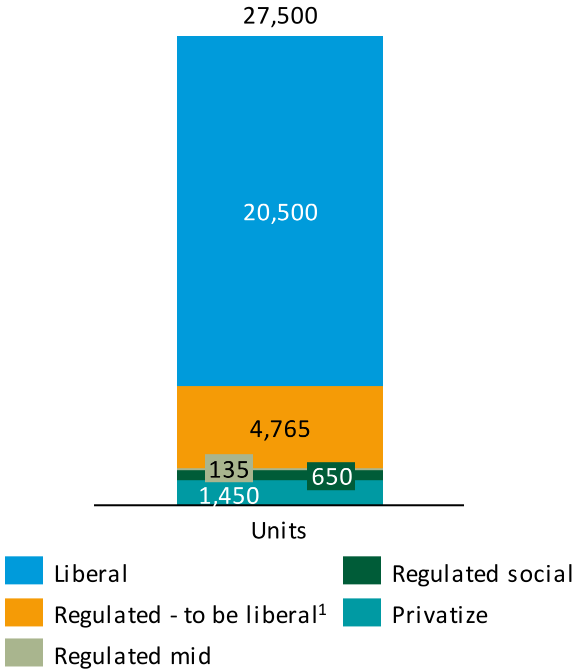
New rental market segmentation as of 2024[1]

Segment	Description	Initial rent	Rent increases p.a.[2]
Regulated *(≤ 141 WWS points)*	• Unchanged • c.73% of the rental market, c.3% of Vesteda's portfolio	• Unchanged	• Linked to inflation (either CPI or wage development index)
Regulated-mid *(142-187 WWS points)*	• Unchanged • c.21% of the rental market, c.30% of Vesteda's portfolio	• Set by rent table • Portion of the liberal segment gets "moved back" to regulated	• Annual wage development index +0.5%[3]
Liberal *(> 187 WWS points)*	• c.6% of the rental market, c.67% of Vesteda's portfolio	• Unchanged	• The lower of: CPI + 1%; and Annual wage development index +1%

1. The envisaged effective date of the legislation regulating the mid-rental segment is 1 January 2024. Currently, units with over 141 WWS points fall within the liberal segment
2. The regulation of the mid-rental segment is envisaged to be a temporary measure, as long as deemed necessary to alleviate the pressure created by the housing shortage
3. Envisaged rent increase. Legislative proposals are under discussion
Source: Vesteda, Ministry of the Interior and Kingdom Relations

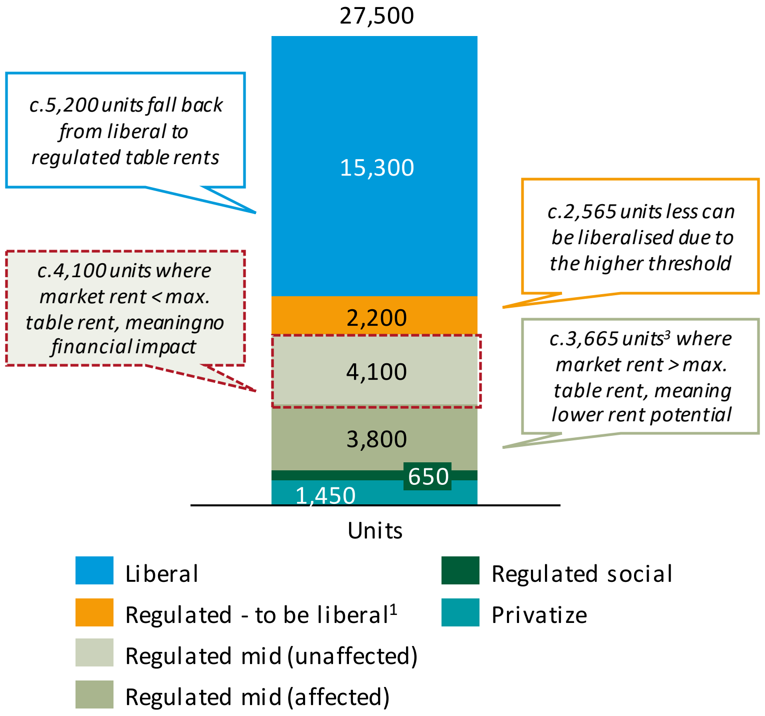
Proposed rental regulation will push units back from liberal to regulated status

Current portfolio (# units)



Impact

Liberalisation threshold at 187 points[2] (# units)



The current portfolio has limited exposure to regulated housing

7,765 units fall back to regulated status, but for 4,100 of those units there is no negative financial impact

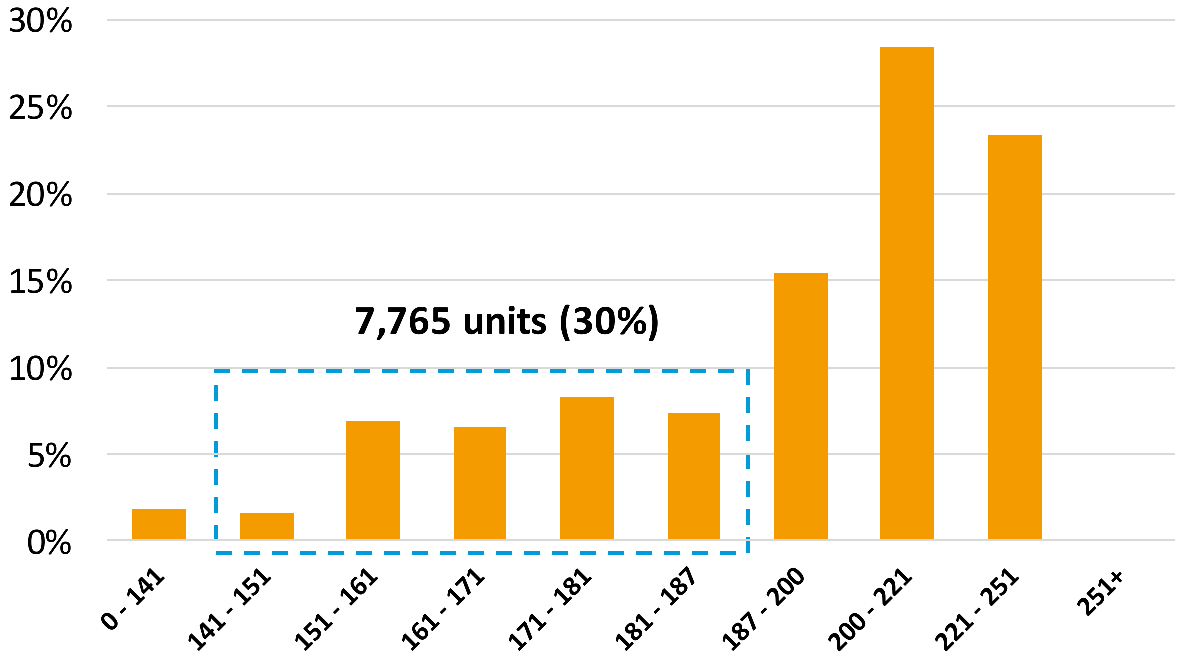
General note: Number of units presented on this page are indicative and may slightly deviate from the actual number of units per category
1. To be liberalised at turnover; 2. Based on the extension of the WWS point threshold to 187 points, disregarding any additional (mitigating) measures under discussion
3. Additional units, excluding the 135 mid-rental units that are already regulated under the current legislation
Source: Vesteda

Impact from new regulation (cont'd)

- Additional 7,765 units (30%) will fall under new regulation.
- In total 3,800 units will be impacted (13% of total units)
- Part of the impact can be mitigated, by investing in these homes to increase the WWS points above the 187 threshold.

Portfolio split by WWS points (excl. privatise assets)

Current/old calculation method



Impact changes (in)direct tax regulations

- Increase RETT (direct) from 8% to 10,4%
- Change in FBI regime foreign investors (indirect)
- Change in income tax private investors (box 3) (indirect)

Performance versus MSCI benchmark

Underperformance of 1,0% in 2022, …

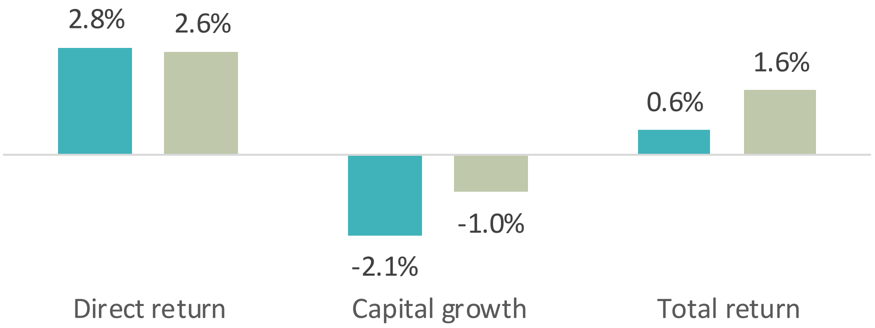
- Vesteda's total return in 2022 came in at 0,6%, compared to 1,6% of the benchmark. The relative performance as recorded by MSCI was -1,0%, primarily driven by a lower capital growth.
- Vesteda outperformed on the direct return (2,8%) with 0,1%.

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

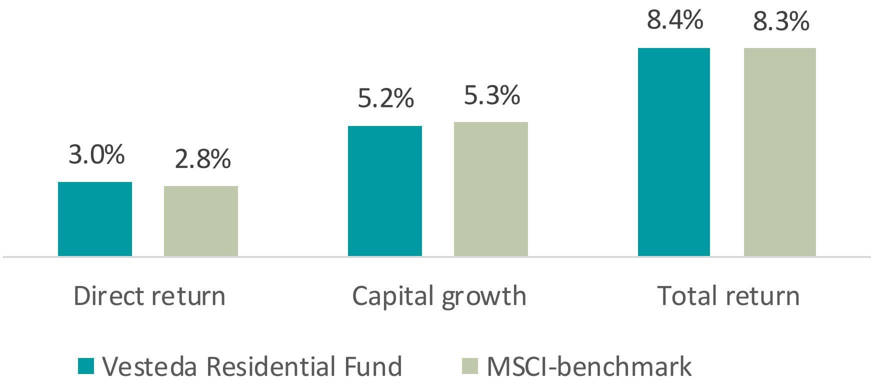
- After a considerable outperformance in 2021, driven by a substantial relative capital growth, and two years of lower outperformance Vesteda managed to outperform the benchmark by 0,1%.
- The direct return of 3,0% in 2022 was an outperformance of 0,1%, while the capital growth of 5,2% was just below the benchmark (-0,1%). Due to the higher outperformance of the direct return, Vesteda outperformed the benchmark with a 3 year annualised total return of 8,4%.

Note: Outperformance is not calculated as an subtraction but relative. Due to rounding the stated relative performance might not add up to the shown numbers.
Relative return = ((1+Fund TR) / (1+ Benchmark TR) - 1)*100

2022 returns



3 year annualised return



Pipeline acquisitions 2022

Committed acquisition pipeline at year-end 2022

Residential building	Location	Number of units	Type	Region	Rental segment	Completion
Regent II	Den Haag	98	Multi-family	Primary	Mid	2023
Waterburcht	Helmond	70	Multi-family	Primary	Mid	2023
The Ox	Amsterdam	168	Multi-family	Primary	Reg Mid/Mid	2024
Grote Beer	Rotterdam	193	Multi-family	Primary	Reg Mid	2024
Frank is een Binck	Den Haag	205	Multi-family	Primary	Reg/Reg Mid/Mid	2024
Imagine	Rotterdam	133	Multi-family	Primary	Reg Mid/Mid	2024
Typisch Tuinstad	Amsterdam	120	Multi-family	Primary	Reg Mid	2024
New Brooklyn	Almere	167	Single & Multi-family	Primary	Reg Mid/Mid	2024
De Weverij	Enschede	116	Multi-family	Primary	Mid	2025
Podium	Amersfoort	68	Multi-family	Primary	Reg/Reg Mid/Mid	2025
De Kuil	Rotterdam	120	Multi-family	Primary	Reg Mid/Mid	2025
Singelblok	Amsterdam	185	Multi-family	Primary	Reg Mid/Mid	2025
Loos	Den Haag	78	Multi-family	Primary	Reg Mid/Mid	2025
Total		**1,721**				

- The total committed pipeline represents an estimated value of € 602 million per the end of December 2022.
- The pipeline will be financed by the two EIB loans of € 150m each. 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.

Committed pipeline of 1,721 units, concentrated in the Primary regions

1 Loos, The Hague

78 multi-family homes

2 The Ox, Amsterdam

168 multi-family homes

3 Regent II, The Hague

98 multi-family homes

4 Waterburcht, Helmond

70 multi-family homes

5 Grote Beer, Rotterdam

193 multi-family homes

6 Frank is een Binck, The Hague

205 multi-family homes

7 De Weverij, Enschede

116 multi-family homes

8 Imagine, Rotterdam

133 multi-family homes

9 Singelblok, Amsterdam

185 multi-family homes

10 Typisch Tuinstad, Amsterdam

120 multi-family homes

11 Podium, Amersfoort

68 multi-family homes

12 De Kuil, Rotterdam

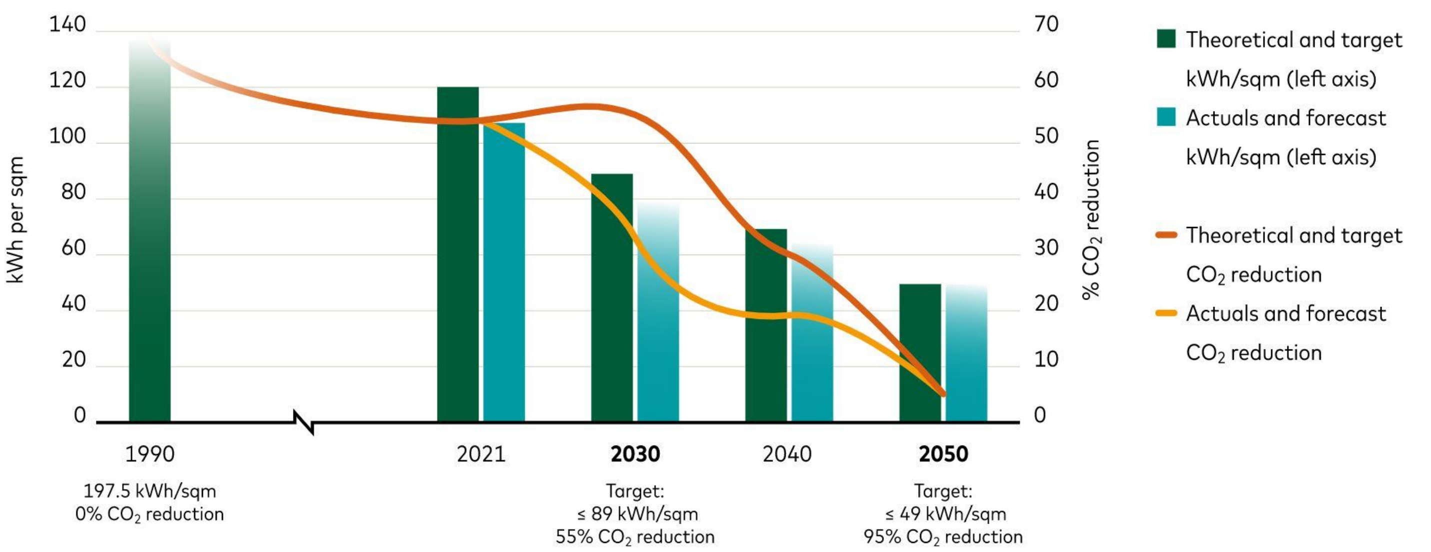
120 multi-family homes

13 New Brooklyn, Almere

167 single & multi-family homes

Source: Vesteda

Focus on reducing our energy consumption

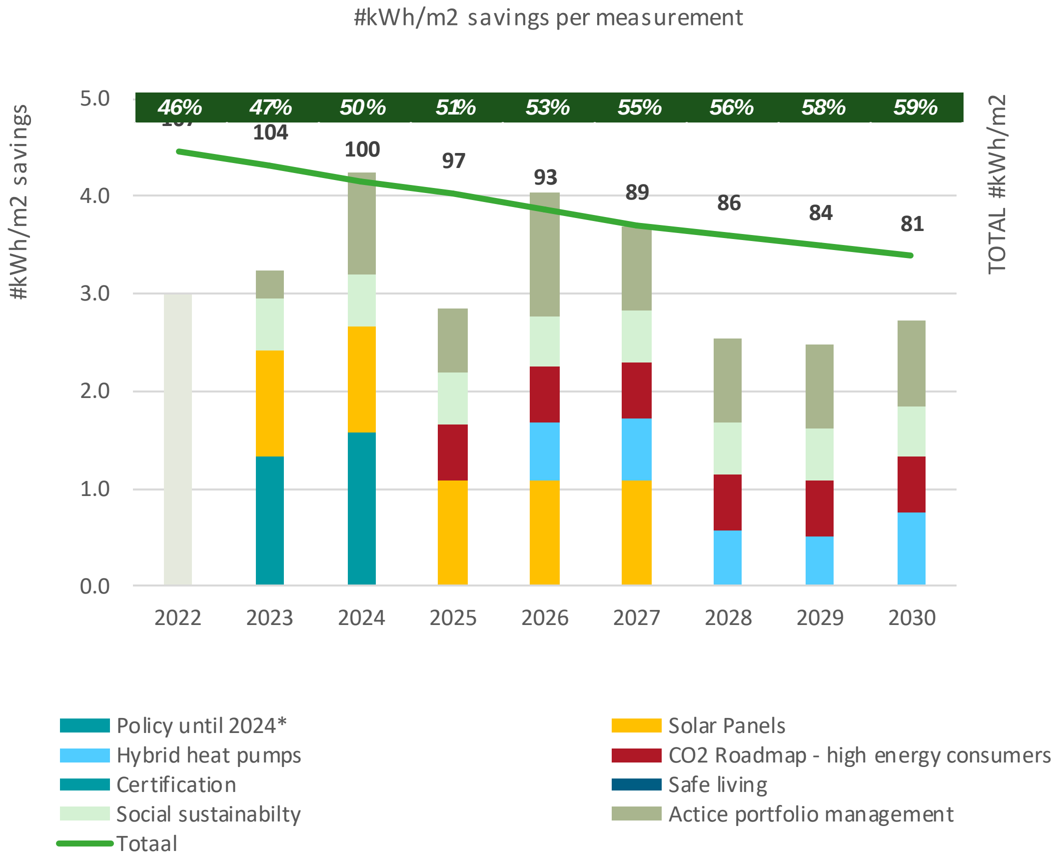


Impact on energy consumption (Kwh/m^2)

- We presented our CO_2 roadmap in 2020.
- Updated data and methodologies (CRREM) give actual insights.
- Our current (2021 data) energy consumption is 107 kWh/m^2
- Our target has been revised to a reduction of **55% by 2030**, considering future regulations and leading to a **2030 target of: 89 kWh/m^2.**
- The roadmap continues to stay dynamic, since governmental targets en CRREM pathways can be updated

Sustainability target 2030 – Vision update

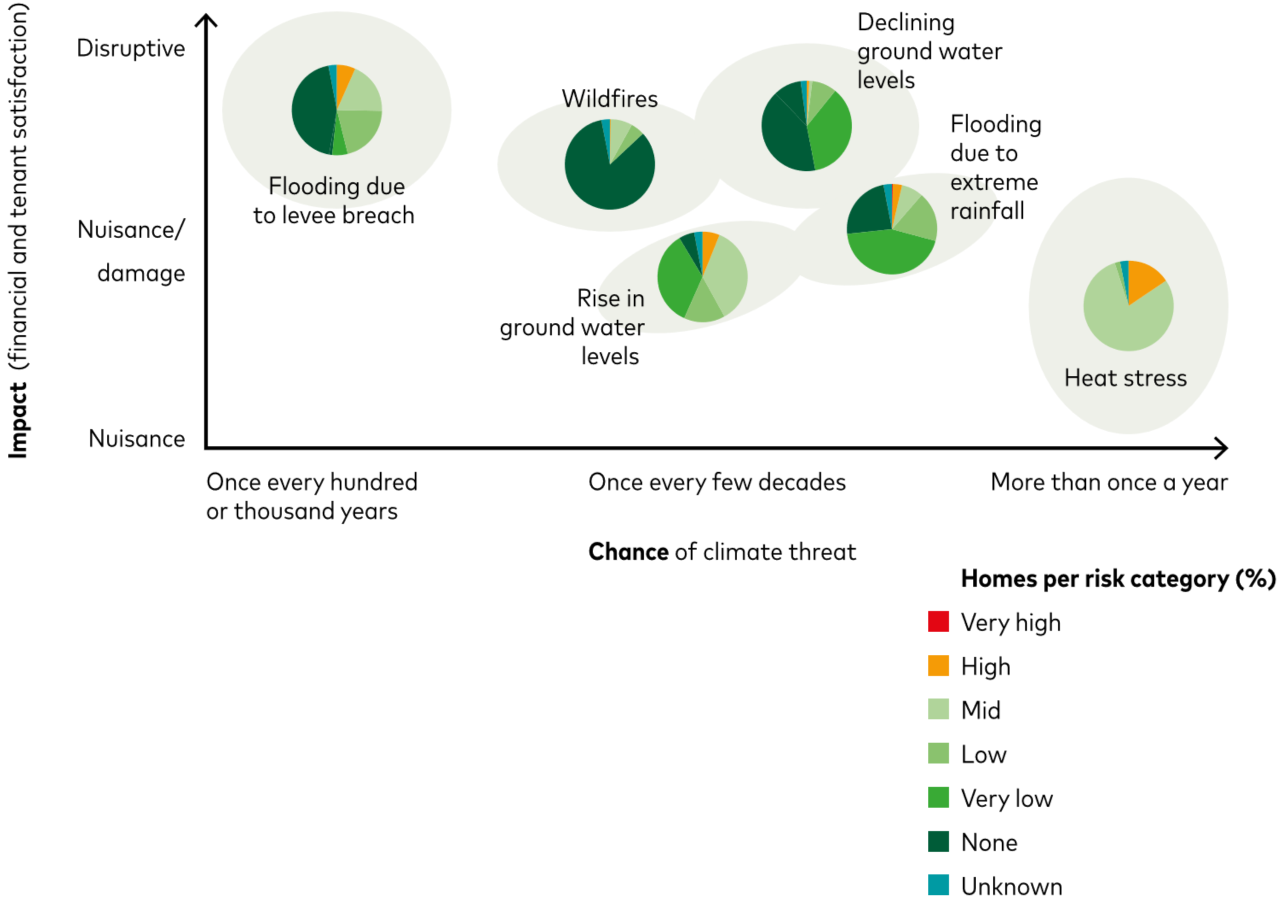
Impact on energy consumption (Kwh/m^2 and %)



- The 2030 forecast in the concept CO_2 roadmap leads to (more than) achieving the Paris Proof targets.
- The proposed measures make a substantial contribution to moving from the current kWh/m2 saving of 47% (2021) to the target of at least 55% (2030).
- It is expected that the target based on the proposed roadmap will be exceeded and a saving of 59% on kWh/m2 consumption compared to 1990 will be achieved in 2030.

Physical climate risks

- Combining the environmental risks with building-specific characteristics give a good insight in the actual climate risk.
  - Property can have a positive effect (flooding due to extreme rainfall) and negative effect (heat stress) on the climate risk.
- Limited impact (< 2% of the portfolio is exposed to elevated risks).



Policy on physical climate risks

- **Specified for heat stress and flooding**
  - All very high-risk assets are mitigated by the end of 2024.
  - All high-risk assets have a plan for mitigation measures by the end of 2025.
  - Budget is made available for mitigation measures.

- **Other risks**
  - Are identified and being monitored.
  - Are used for tactical consideration.

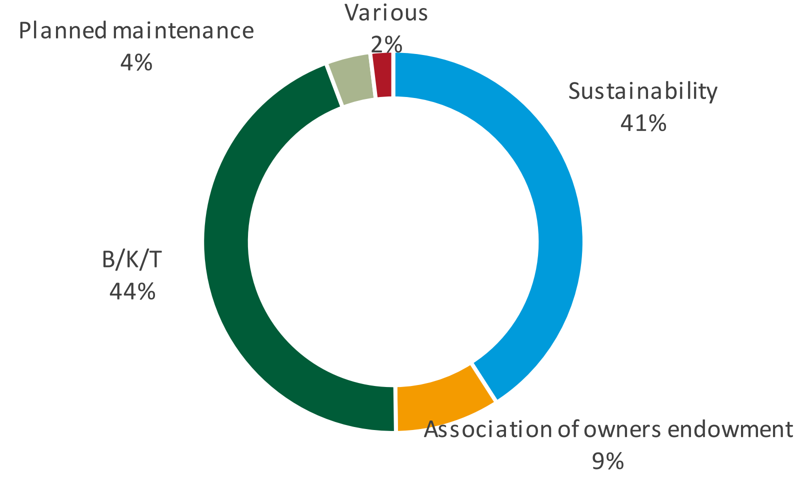
- **Framework for Climate Adaptive Buildings**
  - Vesteda is initiator of the Dutch National Standard regarding physical climate risks on real estate.

Capital expenditure

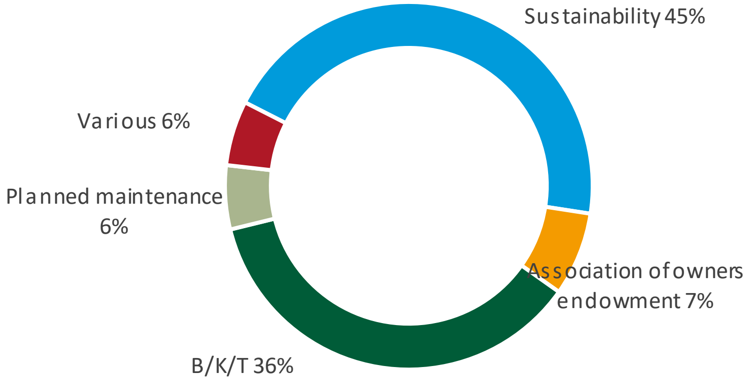
- Capital expenditures of the total portfolio of Vesteda are estimated to equal €326 m the next five years (2023 – 2027), an average 11,5% of the yearly gross rental income
    - The largest consists of the replacement of bathrooms, kitchens and toilets (44%) due to age and commercial considerations.
    - Capital expenditures regarding the sustainability of the portfolio equal € 133m (41%) and are used to implement energy-saving measures and to reduce our CO_2 footprint.

- Capital expenditures of the total portfolio of Vesteda in 2023 are estimated to equal €75,2 m. This is 20% of the gross rental income in 2022.
    - Due to an extra focus on sustainability in 2023 (and 2024), expenditures are temporarily higher.

Capital expenditure 2023-2027: € 326m total



Capital expenditure 2023: € 75,2m total



Performance 2022

Investment Portfolio

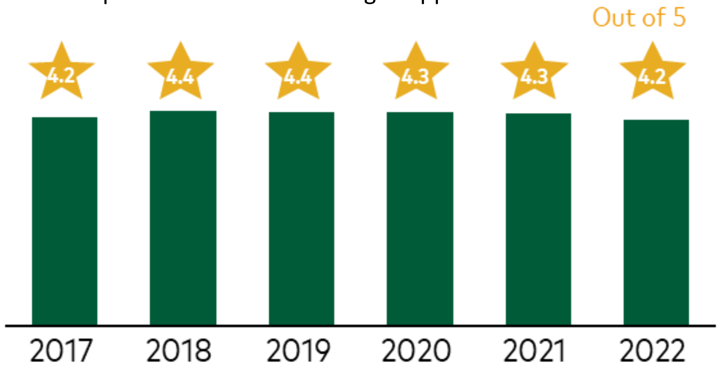
Funding Equity/ Debt

Appendix

Strong and international investor base

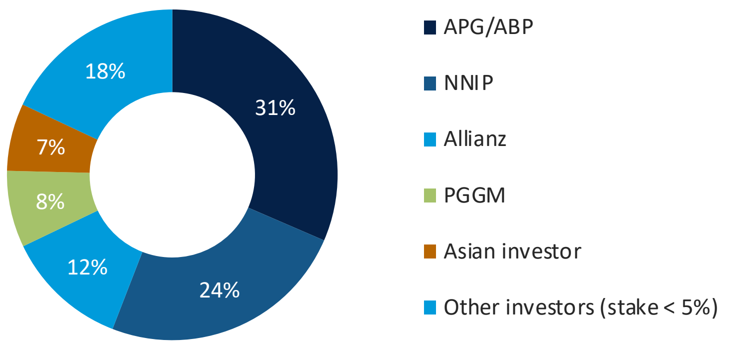
Prominent investors hold large stakes

- 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
- Vonovia entered the fund in June 2020, following secondary transactions with ASR and APG.
- Participants show continued high support



Participants' score[3]

Ownership distribution (YTD)



Vesteda is taking the lead in searching new investors to provide liquidity for redeeming participants*

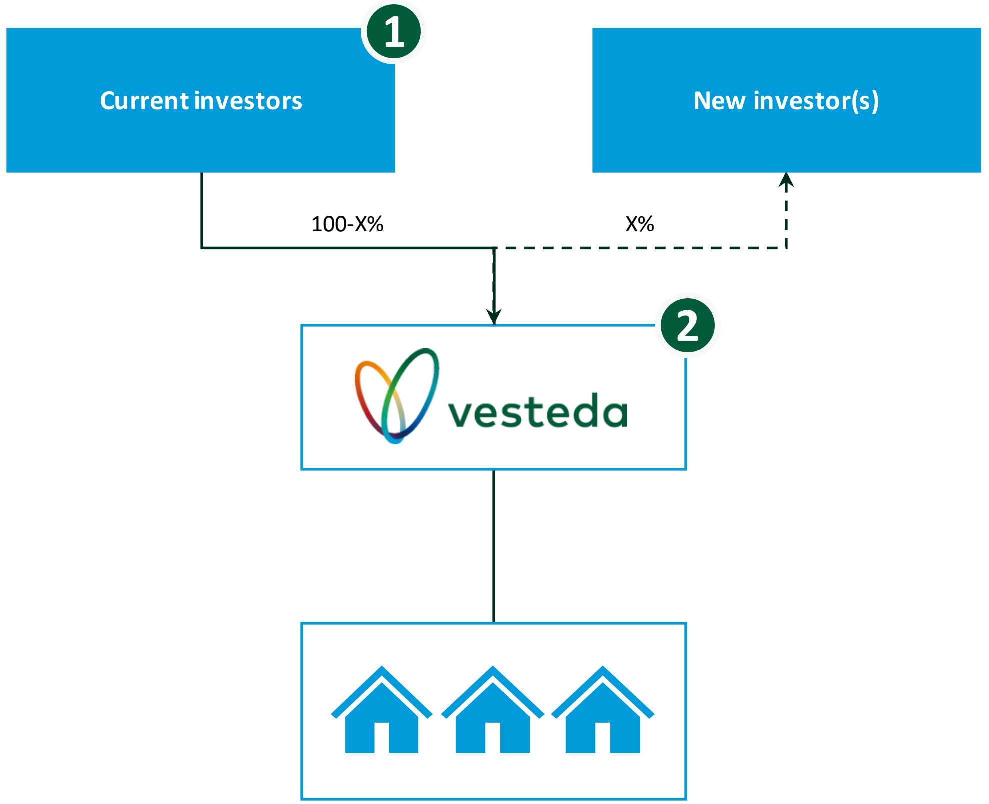
1 Secondary: current investors offer liquidity

- Current investors in Vesteda are offering portions of their stakes for new entrants
- Portfolio rebalancing is the main driver for most investors to offer liquidity, no current participant has indicated a desire to sell its entire stake
- As required by Vesteda's fund structure, Vesteda can redeem participation rights of existing investors and issue a corresponding amount of new participation rights to new investors, i.e. there is no direct trading between buyers and sellers

2 Primary: Vesteda has a growth ambition

- The Dutch housing market is experiencing a large shortage, caused by structurally low supply and high demand (especially in the mid-rental segment)
- As the leading Dutch housing platform, Vesteda has a role to play in battling this imbalance by investing more in new housing
- Vesteda has an LTV target of 30%, meaning its growth ambition will require new equity in due time
- New investors in Vesteda can support this growth ambition by participating in future capital raises

Transaction structure



* Vesteda is supported by an external advisor in this process

Solid funding structure

Instrument maturity overview Q4 2022 (*€ million*)

Committed instrument	Size (€ million)	Drawn (€ million)	Weight	Maturity	Tenor
Bond 2.00%	500	500	22.9%	2026	3.5 yr
Green Bond 1.50%	500	500	22.9%	2027	4.4 yr
Green Bond 0.75%	500	500	22.9%	2031	8.8 yr
EMTN PP 1.93%	35	35	1.6%	2027	5.0 yr
EMTN PP 2.50%	65	65	3.0%	2032	10.0 yr
Pricoa USPP 1.8%	100	100	4.6%	2026	4.0 yr
AIG Private Placement 1.03%	50	50	2.3%	2030	8.0 yr
NYL Private Placement 1.38%	50	50	2.3%	2035	13.0 yr
Syndicated RFA	700	-	0.0%	2025	2.4 yr
EIB Facility	150	150	6.9%	2032	9.7 yr
EIB 2 Facility[1]	150	-	0.0%	2033	10.0 yr
Total	**2,800**	**1,950**			

[1] EIB 2 Facility of €150 million not fully assigned to committed projects yet.

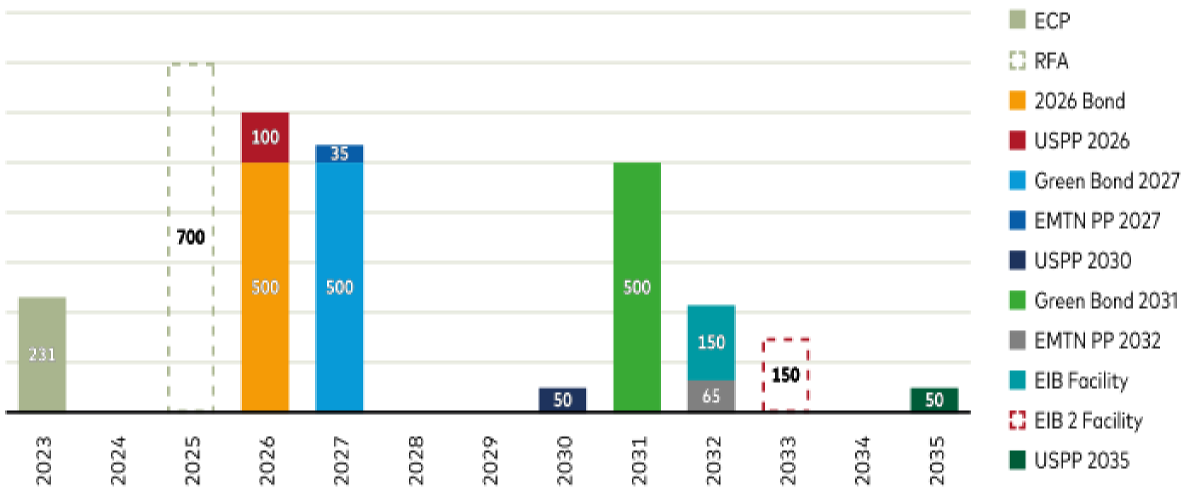
Uncommitted instrument	Size (€ million)	Drawn (€ million)	Weight
SMBC Uncommitted Facility	200	0	0.0%
Euro Commercial Paper programme	1,000	231	10.6%
Total	1,200	231	

2022 Transactions

- In March, we extended the availability period of the €150 million EIB facility to May 2023, allowing Vesteda to make withdrawals under this facility until this date.
- In June we amended the EIB facility that enables Vesteda to switch from a floating disbursement to a fixed disbursement, or the other way around, during the lifetime of the facility.
- In July we repaid the €300 million bond early and made a drawdown under the EIB facility of €75 million.
- In October we made a second drawdown under the EIB facility of €75 million, this facility is now fully drawn.
- December 20th the second EIB facility of €150 million was signed. This facility has an availability period up to 3 years and a tenor of 10 years.
- December 23rd the EMTN Update for 2022 was finalised.

Solid financial structure

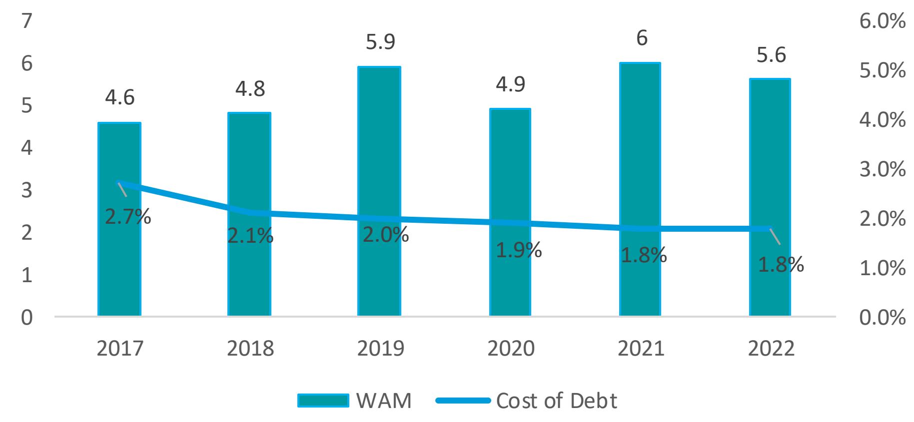
Debt maturity schedule



Key credit metrics (2022)

€2.2bln Total debt	**22.9%** LTV[1]	**7.1x** ICR[2]
1.8% Cost of debt	**9.4x** Net debt / EBITDA	**5.6 years** Weighted average maturity

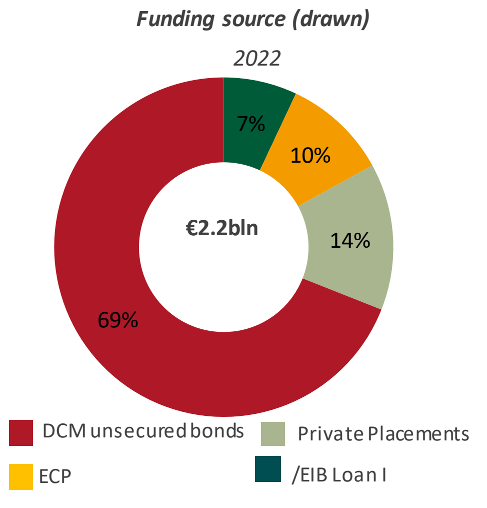
Cost of debt and average maturity

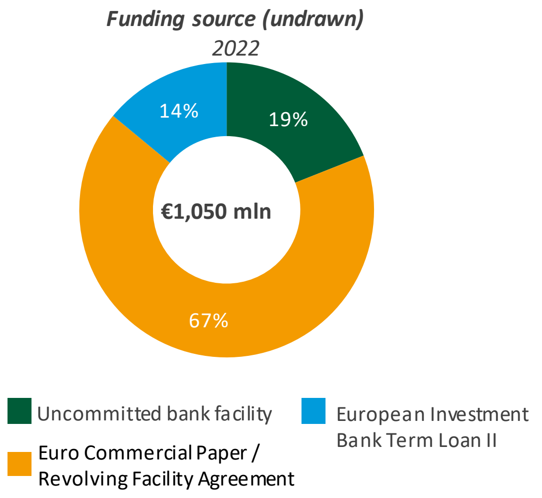


[1] Excluding IFRS 16
[2] Based on covenant calculation

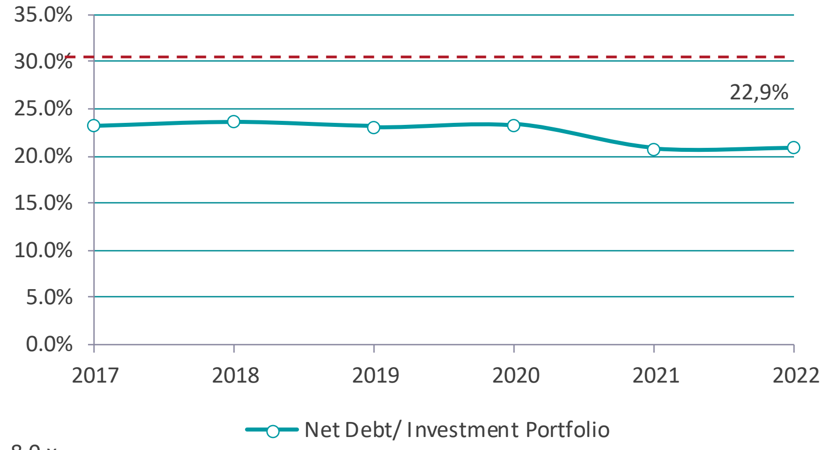
Solid financial structure

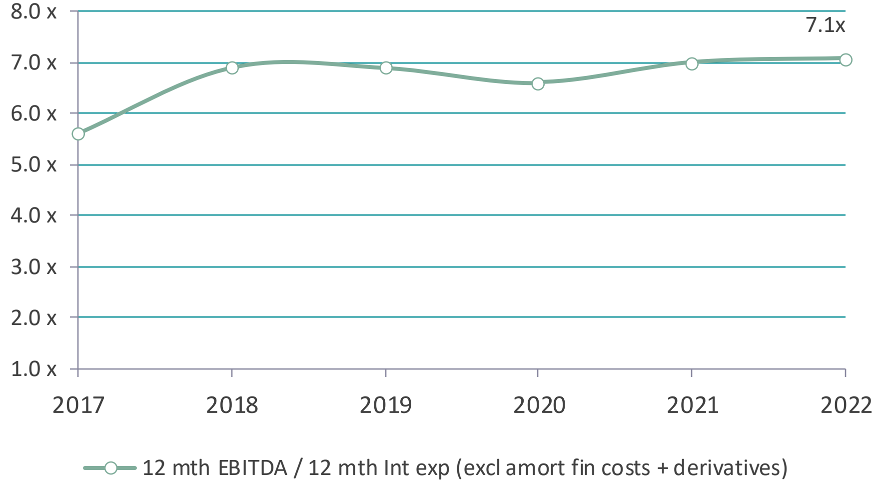
A well diversified unsecured funding structure…





…catering for a low LTV and increasing ICR





[1] Excluding IFRS 16

Vesteda has met all of its funding targets

	Long-term targets	2022
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	• 22.8% ✓
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	• 83% • 5.6 years • 4 sources of funding ✓
3 Maturity and encumbrance	• Well-balanced maturity calendar with < 35% maturing in a single year • Asset encumbrance of < 15%	• 25% 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 ✓

Debt funding strategy

Long-term financing structure according to Business Plan

- Changed interest environment expected to increase Vesteda's funding cost only marginally due to:
  - long dated debt maturity profile
  - >70% fixed rate debt
  - Strategy to reduce debt to mitigate higher interest rates and maintain a conservative LTV
  - Reduction in levels of acquisitions
  - Undertake non-core disposals as and when economically sensible
- Forecast incremental funding spike of c.€400m in 2023 due to peak IPUC needs
  - Expected to decrease from 2025 onwards
- Enhance diversification of funding sources whilst maintaining >70% fixed rate
  - Make use of EIB LT financing
  - Access ST floating rate debt only if backed by LT committed lines of credit
  - Arrange extra liquidity via new MT committed bank lines of credit

	2022	2023	2024	2025
Total assets *(€bn)*	9.7	9.7	9.4	9.5
Debt capital *(€bn)*	2.2	2.4	2.5	2.6
LTV ex IFRS 16 (%)	23%	25%	27%	27%
S&P Financial ratios				
Net Debt/ EBITDA (ratio)	9.4	9.9	10.0	9.8
Net Debt/ Net debt + equity (%)	24.1%	26.4%	28.4%	28.3%
EBITDA/ Interest (ICR ratio)	5.8x	5.5x	5.3x	5.0x

Green Finance Framework

vesteda

Eligibility Criteria

Energy efficient residential buildings	Refurbished residential buildings
✓ Existing buildings constructed before 31-12-2020 with at least an EPC label of “A” or better, or belonging to the top 15% of the Dutch residential building stock in terms of primary energy demand. ✓ New residential buildings that are permitted before 1-1-2021 and constructed after 1-1-2021 with an energy performance coefficient of at least 0.4. ✓ New residential buildings permitted and constructed after 1-1-2021 for which the primary energy demand is at least 10% below the Dutch Nearly Zero-Energy Building (NZEB) requirements.	✓ Existing buildings which have realised a reduction in primary energy demand (PED) of at least 30% and achieved an EPC label of “C” or better. The 30% reduction in primary energy demand took place after obtaining ownership by Vesteda and will be verified by an external advisor.
c. € 3,778 million	**c. € 563 million**

- Following the second green bond issue in October 2021, Vesteda published the impact and allocation report, that was reviewed by Sustainalytics. All of the proceeds of the last bond have been used, 64% of the proceeds have been used to refinance existing debt (a maturing €300m bond).
- An updated Green Finance Framework will be provided, incorporating an improved mapping on the EU Taxonomy Climate Delegated Act. The framework will be subject to pre-issuance verification by a Second Party Opinion provider.

BREEAM-NL certification

Vesteda certified almost its entire residential portfolio of 27,500 homes according to the new BREEAM-NL In-Use Homes guideline.

This makes it the world's largest ever residential certification achieved in one go. It also immediately creates the **largest BREEAM-certified property portfolio** in the world.

BREEAM® NL

CFP GREEN BUILDINGS

DGBC Dutch Green Building Council

LONGEVITY PARTNERS

vesteda

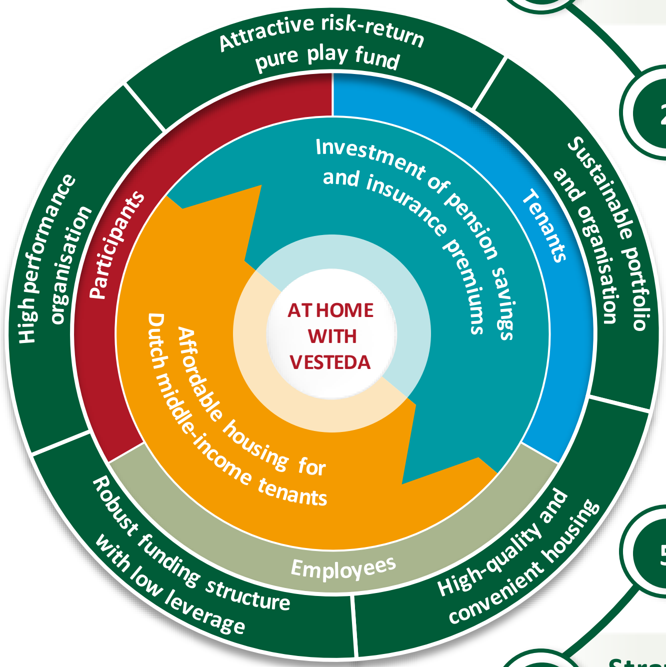
Performance 2022

Investment Portfolio

Funding Equity/ Debt

Appendix

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

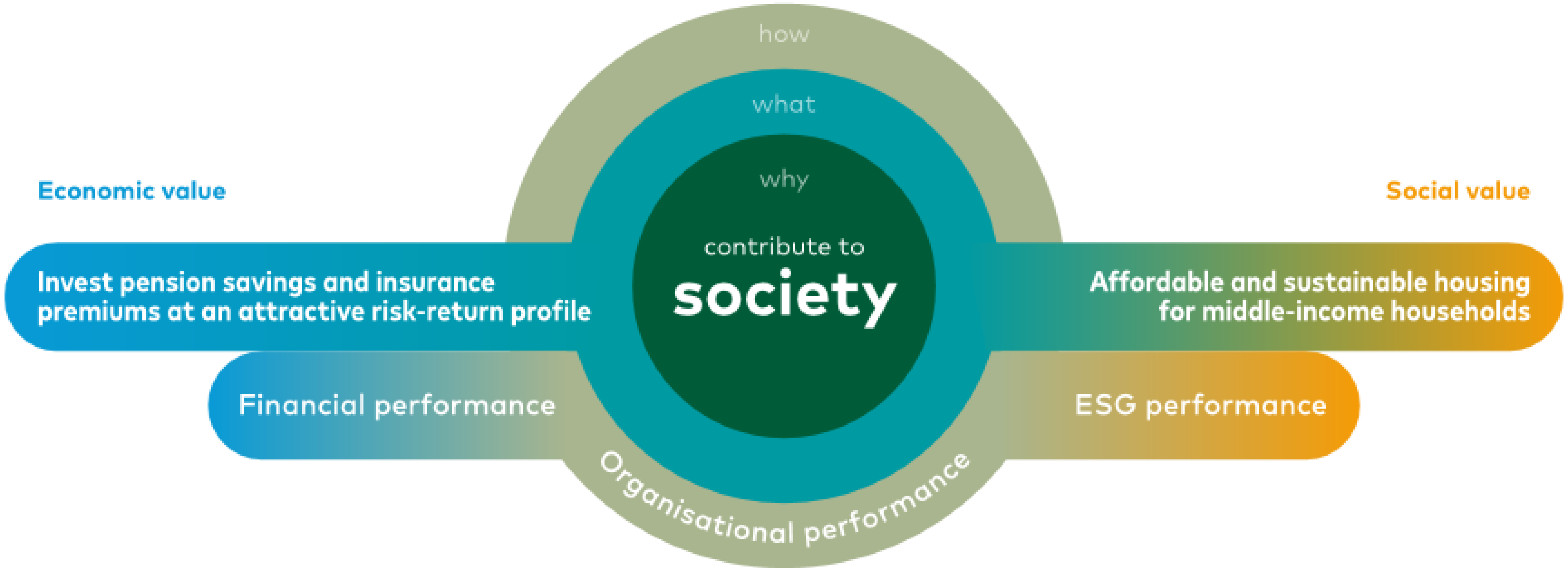
5 **Strong and supportive broad institutional shareholder base with a long-term holding strategy**

✓ 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

Long-term value creation for stakeholders

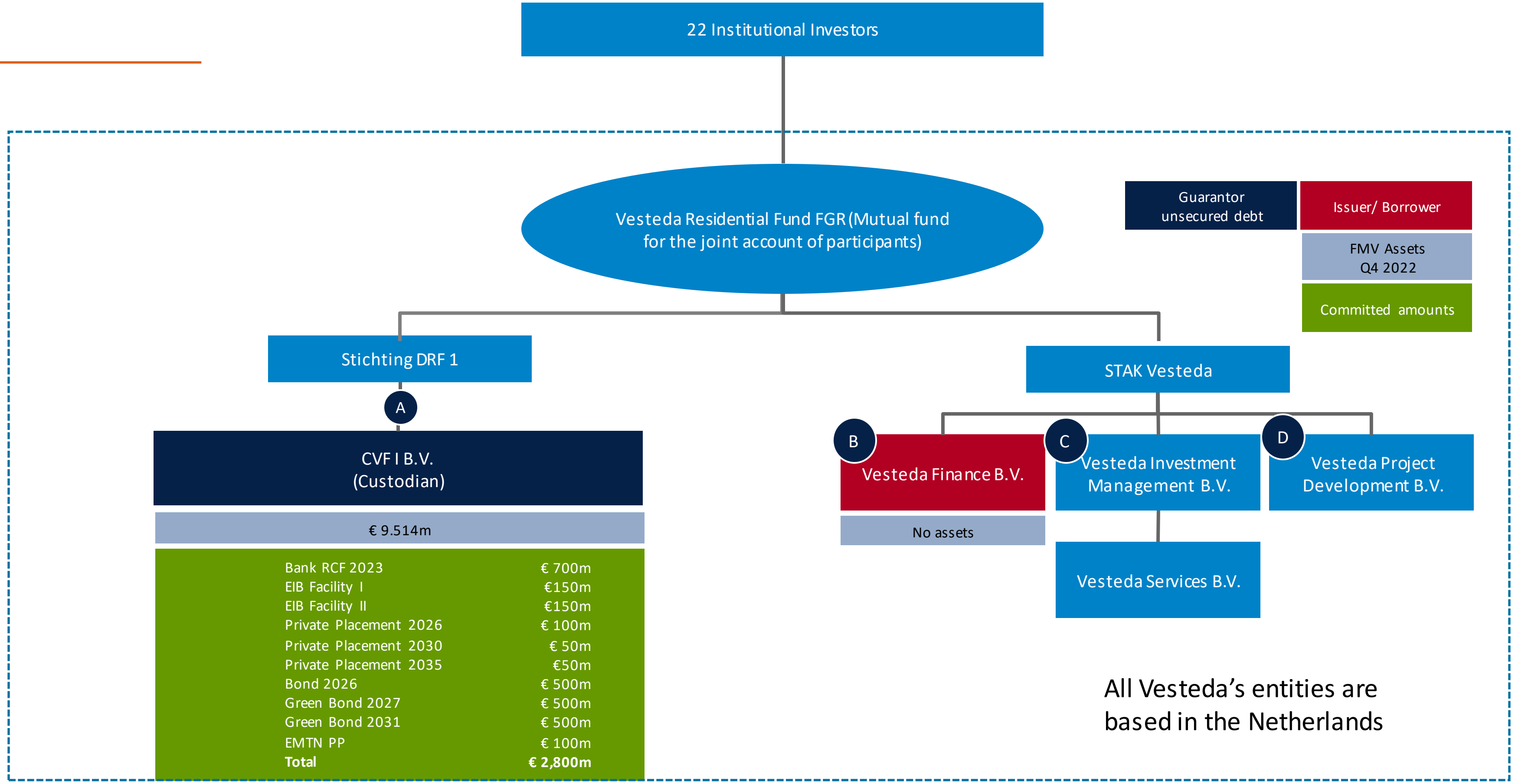


Vesteda's strategic ambitions & targets

KPIs	Drivers	Targets 2023
Social value	Environmental	• Energy reduction in kWh/m ≈ 55% in 2030 (compared to 1990) • All elevated climate risks mitigated, or measures planned for by 2025
	Social	• Tenant satisfaction > benchmark (Customeyes) • Limit total cost of living by stimulating behaviour of tenants to reduce energy consumption
	Governance	• GRESB 5 stars and compete for top 3 position • Create Vesteda governance score (2023) and use annual outcomes to continuously improve the business operations
Economic value	Portfolio performance	• Total return[1] > MSCI benchmark Dutch residential 3-yr average • Inflow (regulated) mid-rental assets ≥ IRR requirements
	Cost of management	• TER[1] ≤ 35 bps
	Funding	• Leverage[1] ≤ 30% (B2023: 25%) • Hedge and fixed interest rate[1] > 70% (B2023: 74%) • Diversification[1] > 3 sources of funding • Liquidity headroom: Sufficient for refinancing debt, RAC, and committed pipeline (B2023: €366m)
	Participants	• Participant satisfaction score ≥ 4.0 (out of 5) • Distribution yield[1] ≥ 2.7% (Terms & conditions: 4.5%)
Organisation	Organisational performance	• HPO score of 8.5 or higher • Reputation > benchmark on bi-annual reputation survey (IVRM)

1. Terms & conditions of Vesteda applicable
Source: Vesteda

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

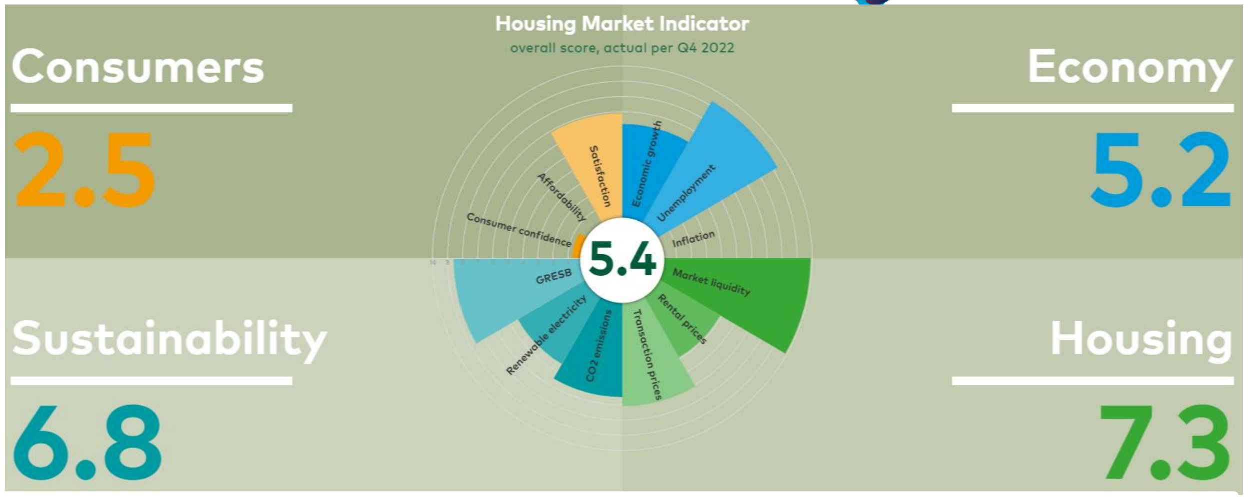
Total cost of living has risen sharply

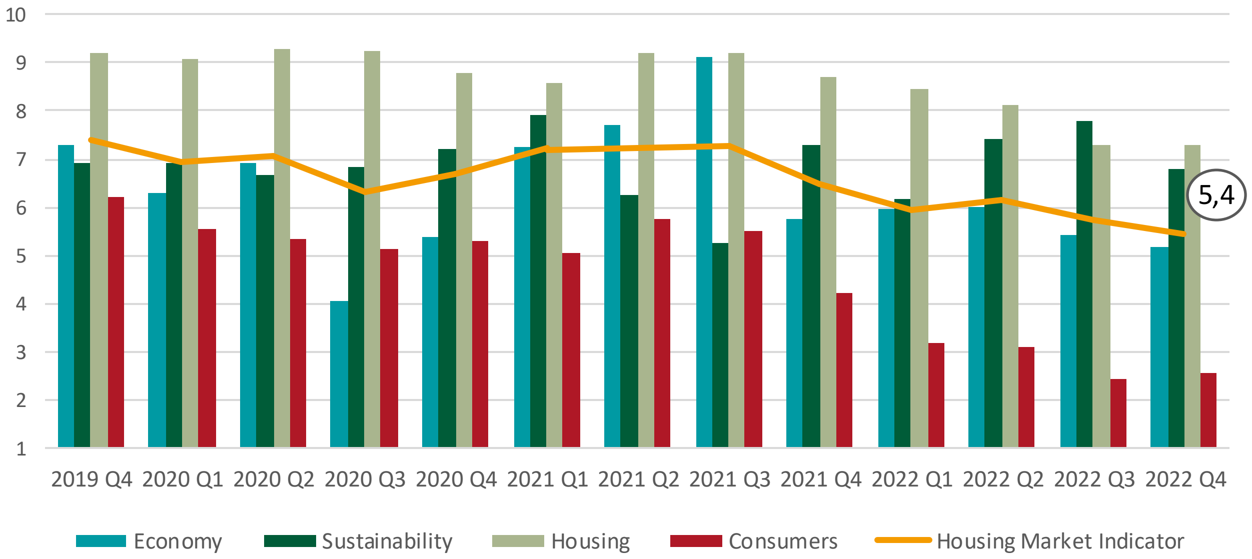
- Energy costs per month are more than three times higher (households with 2 children in a single family home, Nibud).
- Damping effect: energy compensation government:
    - Energyprice cap
    - Compensation of € 190 per month Nov/Dec 2022
    - Reduced energy tax
    - Extra allowance low-income households.
- Other daily costs also increased, including food.
- Wage growth and indexation of pensions is relatively high, however it is less than the increase of inflation

Energy cost development per household (Households with 2 children, Nibud)

Turbulent market circumstances reflected by all-time low of HMI

- The Housing Market Indicator dropped to 5.4*, coming from 5.7 in Q3. The overall market sentiment is still negative.
- The negative score is mainly influenced by the low consumer confidence, the high level of inflation and the pressure on affordability.
- This quarter the high(er) energy demand in the winter drove up the CO_2 emissions and resulted in a decline in the sustainability score. However, emissions are at normal levels for the time of the year.
- Furthermore, economic growth is levelling off and there is a slight decrease of the unemployment rate.
- On the housing market, house prices decreased slightly, as an effect of rising interest rates. Total cost of living remains a matter of concern.



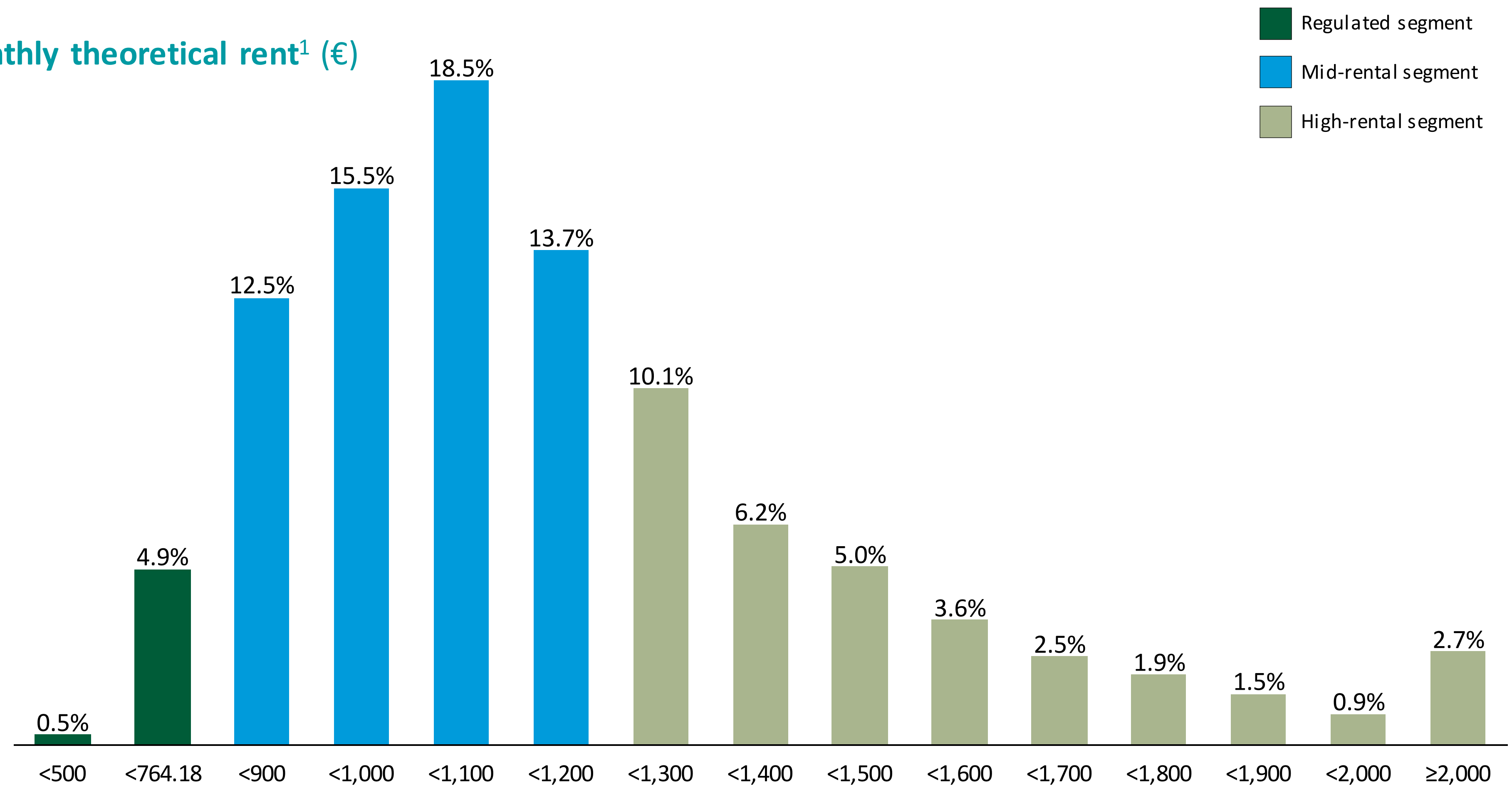


The Housing Market Indicator is made by Vesteda and provides an overview of the Dutch housing market froma residential investor's perspective. More information: www.vestedamarketwatch.com

* This is a preliminary score, not all data of Q4 2022 is available yet.

Vesteda has a well-balanced portfolio, with a strong focus on the mid-rental segment

Monthly theoretical rent[1] (€)



Regulated segment

Mid-rental segment

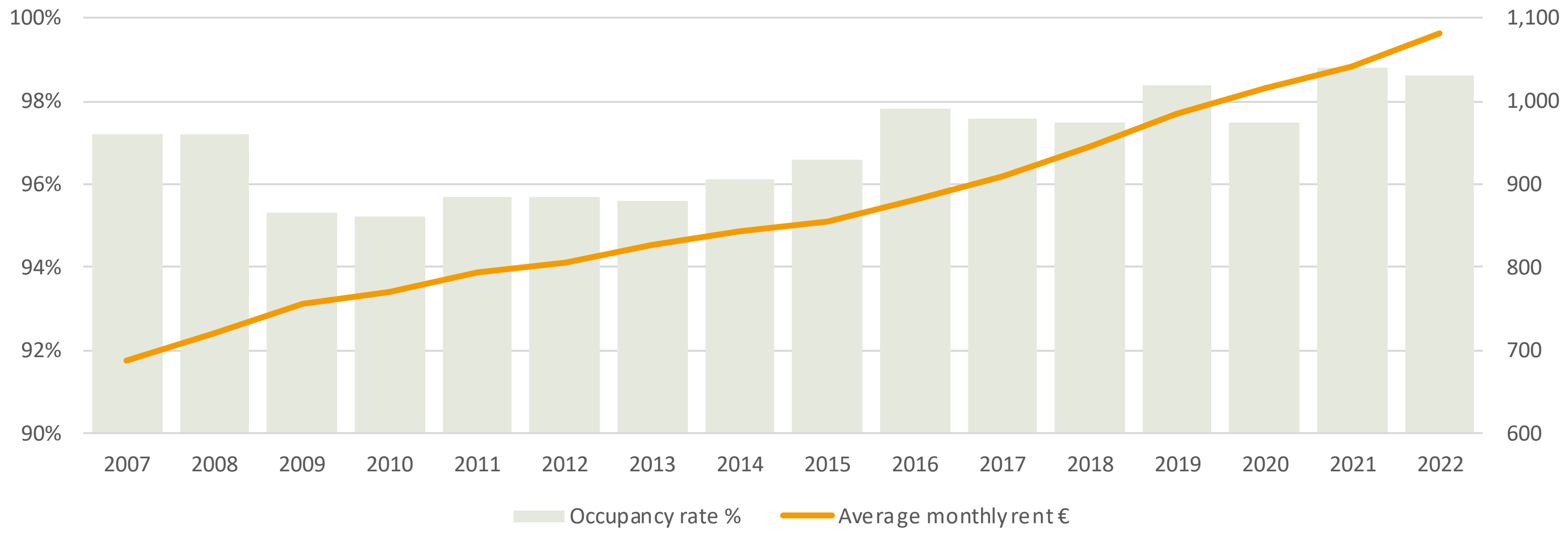
High-rental segment

1. Rent levels based on 100% occupancy. The distribution is based on market values

Source: Vesteda

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

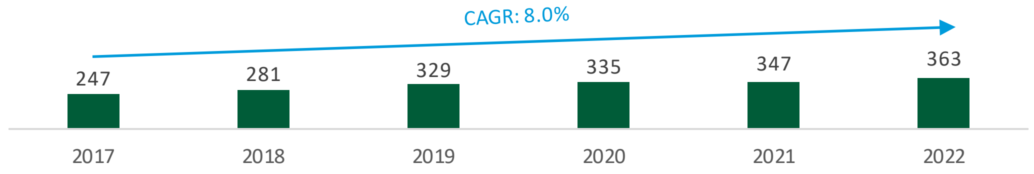
Vesteda's occupancy rate & average monthly rent 2007 - 2022



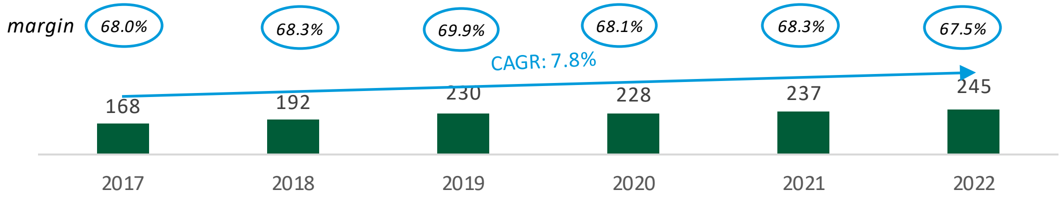
- Vesteda's occupancy rate stayed above 95% since 2007, despite the financial crisis and the Euro crisis and COVID-19. The lower occupancy in 2020 was due to rising vacancy in the higher rental segment which is now under control.

Historical results – Key KPIs and ratios

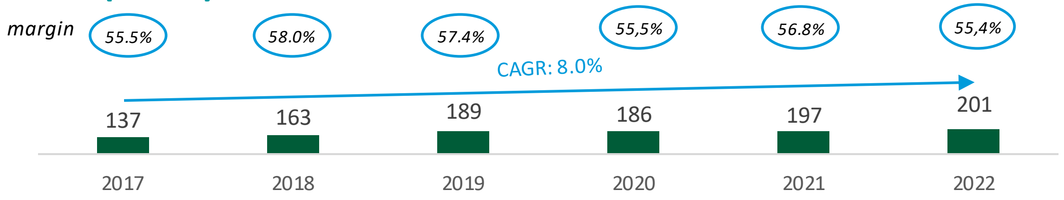
GRI (€mln)



EBITDA[1] (€mln)

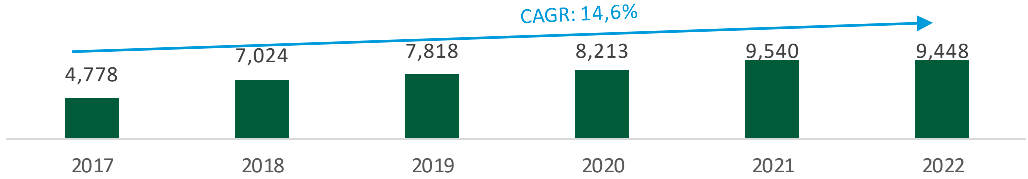


FFO[2] (€mln)

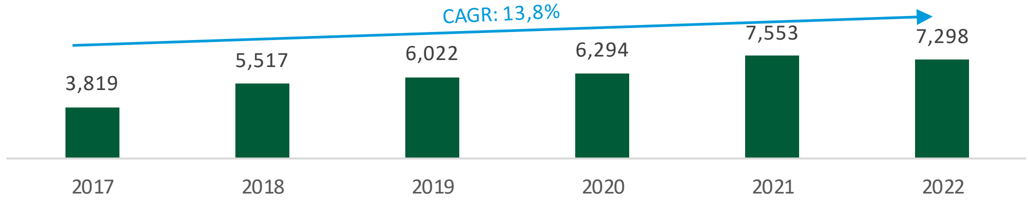


- **GRI growth** driven by annual rent increase from **like-for-like growth, re-lettings** and higher number of units from **acquisitions and pipeline projects**
- **Stable EBITDA and FFO margins**
- **Cost of debt[4]** from 2.2% in 2017, to 1.8% in 2022

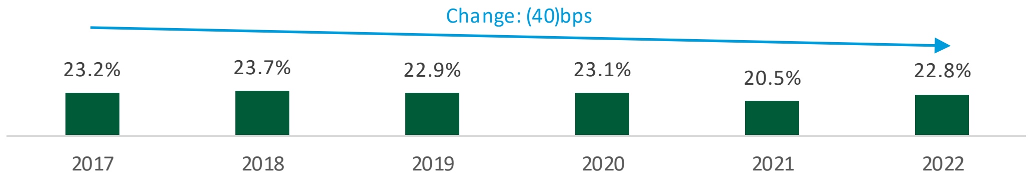
Investment property (€mln)



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, or withdrawn in 20212. Redemption payment of Eur 50m in 2022
- **Higher leverage** due to higher amount of drawn debt in combination with a negative 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

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