IRISH RESIDENTIAL PROPERTIES REIT PLC

INTERIM REPORT AND CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 1 JANUARY 2019 TO 30 JUNE 2019 (UNAUDITED)

Contents

9 August 2019
LATEST RESULTS

IRISH RESIDENTIAL PROPERTIES REIT PLC
RESULTS FOR THE SIX MONTHS TO 30 JUNE 2019

Irish Residential Properties REIT plc ("**I-RES**" or the "**Company**"), an Irish real estate investment company focused on residential rental accommodation, today issues its Group[1] interim results for the period from 1 January 2019 to 30 June 2019.

Key Financial Highlights

Strong financial performance:

- 17.6% increase in Net Rental Income to €22.7 million (30 June 2018: € 19.3 million) and an improvement in net rental income margin to 81.6% (2018: 80.3%).
- Increase in EPRA Earnings for the period ended 30 June 2019 of 17.7% to €15.3 million (30 June 2018: €13.0 million) and basic EPRA EPS up 12.9% to 3.5 cents, (30 June 2018: 3.1 cents.)
- EPRA NAV per share up 3.5% to 146.9 cents (31 December 2018: 142.0 cents), post payment of a 3.0 cent per share dividend (€13.0 million) on 29 March 2019.
- A €22.5 million increase in the fair value of investment properties due to revaluation.
- Profit for the period was €34.1 million (30 June 2018: €69.5 million) and basic EPS is 7.8 cents (30 June 2018: 16.5 cents.)
- Intention to declare an interim dividend of 2.7 cents per share for the six months ended 30 June 2019.
- Group gearing of 38.6% as at 30 June 2019, within LTV policy of 45.0%.

Commenting on the results, Margaret Sweeney, Chief Executive Officer, said:

"Building from our successful year in 2018, I-RES continues to deliver strong growth in H1, 2019. We delivered a profit of €34.1m for the period, which included a €22.5 million increase in the fair value of our investment properties. Since I-RES was established in 2007, we have invested a total of €1.035 billion in the Irish housing market resulting in an overall supply of 3,884 professionally managed units (this includes our recent Marathon acquisition). Our long term commitment to the Irish market is now well established and we are well underpinned for future growth. The strategy we are deploying is delivering both for our shareholders and for the Irish economy.

The first six months of 2019 have been busy on a number of fronts:

- *We continued our investment in the supply of apartments and houses for rent in line with our strategy, through a combination of acquisitions and new developments. As at 30 June 2019, our portfolio had increased to 2,771 residential units with a further 298 units contracted at 30 June 2019 under pre-purchase contracts and development. Together with the recently announced acquisition of the Marathon Portfolio of 815 units, this will increase our portfolio to 3,884 units, representing growth of c.45% since December 2018. In addition IRES has the potential opportunity to invest in delivering 628 units on owned sites, 200 of which have planning permission with 428 units at Rockbrook in the planning process, awaiting decision.*
- *We completed the refinancing of our debt facilities during April 2019 with a new Syndicated Revolving Credit Facility of €450 million in April 2019 and increased this to €600 million in June 2019, to part finance the Marathon acquisition and other purchase contracts. This facility is at a lower interest cost than the previous facility and extends the maturity to 2024, with options to extend further to 2026.*
- *We successfully completed a Placing of 86.55 million new shares with shareholders, raising net proceeds of approximately €131million to support the funding of our growth strategy including the acquisition of the Marathon Portfolio.*

We are also delighted to report continued strong operating metrics and supported by Ires Fund Management's strong operations platform, we expect to integrate the Marathon portfolio and other developments efficiently and effectively to provide a professionally managed service to our new tenants and a desirable standard of living for everyone. This will enable us to continue delivering value for our stakeholders."

[1] This report ("**Report**") incorporates the financial information of the Company and its wholly-owned subsidiary, IRES Residential Properties Limited, together referred to as the "**Group**", for the period from 1 January 2019 to 30 June 2019.

Financial and Operating Highlights

For the six months ended	30 June 2019	30 June 2018
Operating Performance		
Revenue from Investment Properties (€ millions)	27.8	24.1
Net Rental Income (€ millions)	22.7	19.3
EPRA Earnings (€ millions)	15.3	13.0
EPRA Earnings per share (cents)(2)	3.5	3.1
Profit (€ millions)	34.1	69.5
Basic EPS (cents)	7.8	16.5
Portfolio Performance		
Total Number of Residential Units at period end	2,771	2,608
Overall Portfolio Occupancy Rate(2)	98.3%	98.7%
Overall Portfolio Average Monthly Rent (€)(2)	1,598	1,539
Gross Yield at Fair Value(1)(2)	6.0%	6.2%

As at	30 June 2019	31 December 2018
Liquidity and Leverage		
Total Property Value (€ millions)	989.5	921.3
Net Asset Value (€ millions)	705.5	618.7
EPRA Net Asset Value (€ millions)	707.0	619.6
Basic NAV per share (cents)	147.7	142.5
EPRA NAV per share (cents)(2)	146.9	142.0
Group Total Gearing(3)	38.6%	33.6%
Other		
Market Capitalisation (€ millions)	805.2	586.1
Weighted Average Number of Shares – Basic	437,512,043	427,164,632
Outstanding Number of Shares	477,569,340	434,153,946

(1) Excluding fair value of development land and investment properties under development.

(2) For definitions, method of calculation and other details, refer to pages 22 to 24 of Business Performance Measures under the Business Review section of the Investment Manager's Review.

(3) For definitions, method of calculation and other details, refer to page 22 of Liquidity and Financial Condition under the Operational and Financial Results.

Continued investment in portfolio growth and operational excellence supported by strong market fundamentals

- Continued growth in our revenue from investment properties to €27.8 million for the six months was driven by the addition of new rental units, consistently high occupancies and rents growth.
- The Group has achieved residential occupancy levels of 98.3% as at 30 June 2019 (June 2018: 98.7%).
- Solid rental rate growth during the period arising from acquisitions, renewals and turnovers of residential units.
- Net rental income "**NRI**" margin of 81.6% for the period ended 30 June 2019, compared to 80.3% for the period ended 30 June 2018.
- Our professional property management is supported by the strong economic fundamentals of the Irish economy as well as the continued strong demand arising from population growth and increasing foreign direct investment creating value added jobs.

Disciplined capital allocation delivering continued growth in asset portfolio and value for shareholders

Acquisitions and Developments

- Investment during the period of c. €45.7 million in acquisitions, development and maintenance of the asset portfolio.
- I-RES continues to add high quality assets to the portfolio through acquisition and development. Together with the contracts entered into in October and November 2018 with:
    - DHGL Limited to develop 69 residential units adjacent to the Tara Towers Hotel on Merrion Road, Dublin 4, expected to be delivered in or around Q4 2020 with a long-stop date during Q4 2021 for €47.16 million (including VAT but excluding other transaction costs) and expected to have a year 1 gross yield of c. 5.6% growing to 6.09% in year 3; and
    - a development agreement with Garlandbrook and Newline Homes Limited to develop 95 residential units on the Hansfield site for a total consideration of €26.7 million (including VAT but excluding transaction costs), expected to be completed by the end of July 2020 and expected to have a gross yield of c.6.58% growing to 7.11% by year 3; the Group has continued to deliver on growth opportunities as follows:
- On 20 February 2019, I-RES announced acquisition of 52 residential units at the Coast, Baldoyle for a total purchase price of €14.0 million (including VAT but excluding other transaction costs) and expected to generate a gross yield of 6.2%.
- In April 2019, I-RES entered into contracts to develop 173 residential units (118 houses located in two excellent suburbs at Taylor Hill and Semple Woods in County Dublin, and 55 apartments and duplexes at Waterside, Malahide, Co Dublin) through forward purchases for a total purchase price of €56.7 million (including VAT but excluding other transaction costs.) I-RES has received 39 houses during the first six months of 2019, with the remaining units expected to be completed and handed over by end of 2019. Based on management's expectation of rents at the time of letting and the fixed price cost of completion, expected gross yield for these two transactions range between 6.7% to 7.0%.
- On 14 June 2019, I-RES announced it had signed and exchanged contracts to acquire the Marathon property portfolio, comprising of 815 residential units across 16 high-quality developments for a total purchase price of €285 million (including VAT but excluding other transaction costs). This acquisition was completed on 1st August 2019 and the expected gross yield in the first full year is 5.1%.

Funding Strategy

- I-RES entered in a new revolving credit facility agreement in April 2019 for €450 million. In June 2019, the Company exercised its option under this credit facility to extend its committed facilities from €450 million to €600 million and has amended the credit facility to include a new uncommitted accordion facility in the amount of €50 million. The new facility has a five-year term from 12 June 2019, which can be extended to seven years. It has a reduced margin compared to the previous revolving credit facility.

- I-RES successfully completed a placing of 86,550,000 new Ordinary Shares (the "**Placing Shares**") in the Company at a price of €1.55 per Placing Share, raising gross proceeds of approximately €134.2 million (before commissions, fees and expenses) in two tranches. The first tranche of the Placing Shares, consisting 43,415,394 shares, were issued on 18 June 2019. The allotment and issue of the remaining Placing Shares, 43,134,606, was conditional on shareholder approval at an extraordinary general meeting ("**EGM**"). The EGM was held on 9 July 2019 and the second tranche of Placing Shares were issued on 10 July 2019.

Dividends

It is intended that the declaration of an interim dividend of 2.7 cents per share (€14.0 million) for the period ended 30 June 2019 be announced by the Company on or about 9 August 2019 and such interim dividend be paid on a subsequent date as notified in such announcement following the filing of the relevant financial statements for the Company with the Companies Registration Office in Dublin, Ireland on or about 9 August 2019 and such interim dividend be paid on a subsequent date as notified in such announcement

Chairman's Statement

The Board is very satisfied with the performance of the Group under the management of our CEO, Margaret Sweeney, and investment manager, I-RES Fund Management Limited. They continue to focus on achieving the strategic priorities established by the Board to deliver solid and growing yields and profits for investors through accretive acquisitions and developments and professional property management and service.

The Group has successfully invested approximately €750 million in building a portfolio of 2,771 residential units across 24 properties in the Dublin area as at June 2019. The Board sees continuing growth opportunities supported by strong market fundamentals in Ireland, and will continue its focus on disciplined capital allocation delivering value for shareholders. We are very appreciative of our supportive banking syndicate and our shareholders, including CAPREIT, who supported the Company strongly in its financing during this period, including an increase in the Revolving Credit Facility to €600 million at attractive rates and the very successful circa 20% equity raise by way of Share Placing, raising €131 million (net) to fund our continuing growth strategy. The Board is delighted that the Group has successfully acquired the Marathon portfolio of assets, an established portfolio of scale and a very strategic acquisition for IRES.

Financial Results

The Group has generated strong growth in revenues and profits for the six months ended 30 June 2019 due to acquisitions, rental growth and strong occupancy levels across the portfolio.

Basic EPRA EPS is 3.5 cents for the period ended 30 June 2019, an increase of 12.9% compared to the same period last year (30 June 2018: 3.1 cents)

EPRA NAV per share increased by 3.5% for the period ended 30 June 2019 compared to 31 December 2018. This growth was driven mainly by increases in the valuation of the investment properties and acquisitions completed during the period, and NRI, partially offset by dividends paid in March 2019.

Investment Manager

The Board continues to be very satisfied with the significant contribution that I-RES Fund Management Limited, the Company's alternative investment fund manager ("**I-RES Fund Management**" or the "**Investment Manager**"), and senior management and staff of CAPREIT Limited Partnership ("**CAPREIT LP**") have made. CAPREIT LP and I-RES Fund Management provide significant support, including senior and other personnel, an advanced SAP systems platform and other important contributions supporting I-RES.

Outlook

In summary, the Board is pleased to report continuing successful Group performance. The Board believes the positive economic outlook for Ireland and the property market will lead to continuing growth of the private residential rental sector and delivery of our growth strategy, should result in continued accretive growth and value generation on a sustainable basis.

Declan Moylan
Chairman

Chief Executive Officer's Statement

We have had a very productive first half year in 2019 as we continued to deliver on our growth strategy with disciplined capital allocation to add high quality residential units to the asset portfolio, successful funding through new debt financing and an approximately 20% equity raise, in addition to the continuing strong performance of the business.

We continued our investment in the supply of apartments and houses for rent in line with our strategy, through a combination of acquisitions and new developments. We added 92 residential units in the first 6 months with an additional 134 residential units contracted to be delivered before the end of the year. In addition we signed and exchanged contracts in June to acquire the Marathon property portfolio, comprising of 815 residential units across 16 high-quality developments for a total purchase price of €285 million (including VAT but excluding other transaction costs). I am delighted to report that we successfully completed this strategic acquisition on 1st August 2019.

As at 30 June 2019, the portfolio consisted of 2,771 high-quality, well-located residential units along with associated commercial space and owned development sites (31 December 2018: 2,679 residential units), at a total value of €989.5 million. All of our residential units are in the Dublin area near important transportation links and employment centres.

With a further 298 units contracted at 30 June 2019 under pre-purchase contracts, together with the recently announced acquisition of the Marathon Portfolio of 815 units, this will increase our portfolio to 3884 homes, growth of circa 45% since 31 December 2018.

We entered into a new Syndicated Revolving Credit Facility for €450 million in April 2019 and subsequently exercised the accordion option to increase this to €600 million in June in order to fund our acquisitions and development contracts, including the Marathon acquisition. This facility is at a lower interest cost than the previous facility and extends the maturity to 2024, with options to extend further to 2026.

I-RES successfully raised gross proceeds of €134 million through the issuance of new shares in a placing with shareholders, which was very strongly supported. The net proceeds from issuance of shares was received in two tranches in June and July 2019.

Growth Strategy

We continue to deliver on the growth strategy which we outlined during 2018. Due to the limited supply of completed rental accommodation in the Irish market and continued growing demand, I-RES' strategy is to invest in supply through a combination of:

- Continued acquisition of completed assets at accretive yields
- Investment in new supply through development (subject to planning consent) on all I-RES owned sites
- Investing in future supply through development partnerships with developers for Private Rented Sector ("**PRS**") assets

During the first half of 2019, we made steady progress across all three strands of this strategy.

Acquisitions

Name	Purchase Price [1,2]	Gross Yield	Units	Closed Date
The Coast	€14.0	6.2%	52	20-Feb-19

Name	Purchase Price [1,2]	Gross Yield	Total Units	Closed Date
Marathon	€285.0	5.1%	815	1 Aug 2019

Forward Purchases in 2019

Name	Purchase Price [1,2]	Gross Yield	Total Units	Units completed	Remaining units expected to be completed	Expected date of completion

Taylor Hill	€22.5	6.7%	78	39	39	December 2019
Semple Woods	€15.7	6.7%	40	0	40	December 2019
Waterside	€18.5	7.0%	55	0	55	September 2019
Total	€56.7		173	39	134	

Note 1: Including VAT, but excluding other transaction costs

Note 2: In millions of euros.

Development of I-RES owned sites

Location	No. of Residential Units at Completion	Status
Tallaght Cross West	18	Under Construction
Bakers Yard	61	Planning Permission Granted
Coldcut (Conversion)	1	Construction Completed
Priorsgate (Bruce House)	31	Planning Permission Granted
Priorsgate (Conversion)	5	Planning Permission Granted
Beacon Square South (B4)	84	Planning Permission Granted
Rockbrook	428	Planning application submitted
Total	628	

Following consultation with the local Planning Authority the final planning application for 428 residential units at Rockbrook has been submitted to An Bord Pleanala. A final decision in respect of this planning application is expected in the coming weeks.

Environmental, Social and Governance (ESG) Strategy

We continue to evolve our ESG strategy for the Group and explore opportunities for longer-term value creation across our managed real estate assets including, continuing to focus on ESG deliverables throughout our operations with the assistance of Ires Fund Management and CAPREIT. The Group has a strong Governance structure in place in line with the UK Corporate Governance Code including Irish Corporate Governance Annex thereto. I-RES is dedicated to delivering high quality and high performing buildings and has a programme that includes sustainable building management practices, community engagement and tenant comfort and safety. I-RES is currently developing its structures to inform a set of wide-ranging operational and corporate sustainability programs and practices and our development of new buildings, provides opportunity to embrace new standards for sustainability.

Results

Below is a table summarising the Group's financial position as at 30 June 2019 and Statement of profit or loss results for the period ended 30 June 2019:

Statement of Financial Position:	**As at 30 June 2019**	**As at 31 December 2018**
Total Property Value (€ millions)	989.5	921.3
Net Asset Value (€ millions)	705.5	618.7
EPRA Net Asset Value (€ millions)	707.0	619.6
Basic NAV per Share (cents)	147.7	142.5

EPRA NAV per Share (cents)	146.9	142.0
Bank Indebtedness (€ millions)	377.8	307.5
Group Total Gearing	38.6%	33.6%

Statement of Profit or Loss and Other Comprehensive Income:	**For the period ended 30 June 2019**	**For the period ended 30 June 2018**
Revenue from Investment Properties (€ millions)	27.8	24.1
Net Rental Income (€ millions)	22.7	19.3
EPRA Earnings (€ millions)	15.3	13.0
Profit (€ millions)	34.1	69.5
Basic EPS (cents)	7.8	16.5
Diluted EPS (cents)	7.7	16.3
EPRA EPS (cents)	3.5	3.1

The Property Assets at 30 June had increased to €989.5m from acquisitions and a €22.5 million increase in the fair value of the investment properties held as at 30 June 2019. The main drivers of this valuation increase in the period were continued rental growth and capitalisation rate compression.

Basic NAV per share and EPRA NAV per share were 147.7 cents and 146.9 cents, respectively, as at 30 June 2019, having increased by 3.6% and 3.5% from 142.5 cents and 142.0 cents, respectively, as at 31 December 2018.

The Groups increased its LTV to 38.6% at 30 June 2019, up from 33.6% at 31 December 2018, to support additional acquisitions and development. In order to fund its growth opportunities, the Group entered into a new accordion credit facility up to €450 million. Shortly after, the Group exercised its option under the credit facility to extend its committed facilities from €450 million to €600 million and has amended the credit facility to include a new uncommitted accordion facility in the amount of €50 million. The facility has a five-year term from 12 June 2019, which can be extended to seven years. It has a reduced margin compared to the previous revolving credit facility.

Average Monthly Rent (**"AMR"**) for the total portfolio increased by 3.8% per month from €1,539 per residential unit as at 30 June 2018 to €1,598 per residential unit as at 30 June 2019. A significant proportion of the assets are covered by Rent Regulation which permits a maximum annual rent increase of 4% per annum for properties located in Rent Pressure Zones. The Government has recently extended the rent regulation on the same terms for a further 3 years to December 2022.

As a result of strong property management programmes and strong market fundamentals in the Irish residential rental sector, the residential occupancy level remains high at 98.3% at 30 June 2019, compared to 98.7% as at 30 June 2018.

The excellent operating platform of Ires Fund Management continues to deliver operating efficiencies. Net Rental Income for the period increased by 17.6% to €22.7 million compared to the same period last year, and the NRI margin increased to 81.6% from 80.3% for the same period last year.

We are delighted to continue our strategy of earnings growth with EPRA EPS increasing by 12.9% to 3.5 cents for the period ended 30 June 2019 compared to 3.1 cents for the same period last year. This was due to organic rental growth and accretive acquisitions and developments.

Dividends

Under the Irish REIT regime, subject to having sufficient distributable reserves, the Company is required to distribute to shareholders at least 85% of the Property Income of its Property Rental Business for each financial year. The Company paid an additional dividend of 3.0 cents per share (€13.0 million) on 29 March 2019 in respect of the year ended 31 December 2018, representing a total dividend of 5.6 cents per share for the 2019 financial year

It is the intention of the Board that the declaration of an interim dividend of 2.7 cents per share (€14.0 million) for the six months ended 30 June 2019 be announced by the Company following the filing of the relevant financial statements for the Company in Dublin, Ireland on or about 9 August 2019 and such interim dividend be paid on a subsequent date as notified in such announcement.

Subsequent Events

On 10 July 2019, an additional 43,134,606 shares were issued after approval at the Extraordinary General Meeting and admitted to trading on Euronext Dublin. On admission of the shares, the Company has a total of 520,703,946 Ordinary Shares in issue.

On 1 August 2019, I-RES has completed the acquisition of the Marathon property portfolio, comprising of 815 residential units across 16 high-quality developments for a total purchase price of €285 million (including VAT but excluding other transaction costs).

Based on the 30 June 2019 balance sheet along with the above noted subsequent events, the Company has acquisition (including development) capacity of circa €70 million, based on a target gearing of 45% and subject to availability of debt.

Positive Outlook

Despite improvements in housing output, the main theme in the residential market in Ireland remains a large mismatch between supply and demand for homes, including for private rental accommodation. Strong FDI, growth in the indigenous economy, behavioural and social shifts together with continued strong population growth, continue to support a very favourable environment for continued investment by the Group and delivering sustainable long term returns for shareholders.

The latest Q2 2019 Quarterly Bulletin from the Central Bank of Ireland projects housing completions of 24,000 in 2019 and 28,000 next year. It will be some time in the next decade before output rises to meet the 'flow' of new demand.
The unemployment rate is estimated to stand at 4.4%, its lowest since February 2005. Tighter labour market conditions have placed upward pressure on wages, with the latest data showing annual growth of 3.4% in Q1 2019. Allied with the rent regulation for rent pressure zones limiting rent increases to a maximum of 4% per annum, this suggests that affordability has stabilised at close to last years' levels.

We continue to monitor the impact and potential risks and opportunities for the Group from market events such as Brexit and US policy on Foreign Direct Investment in Ireland. The Group is closely monitoring the situation with Brexit. It could have an impact on housing demand, which would be beneficial to the Group. However, depending on trade and supply chain impacts, the withdrawal could drive up the costs of inputs, such as building materials and equipment, which could impact the Group's development plans, as well as maintenance activities for existing assets. We believe, however, that it is too early to definitively gauge the likely impact for Ireland and potentially for the Irish residential real estate market.

We are confident that the quality of the portfolio and market fundamentals will continue to drive strong occupancies and increasing property income over the long term. As we continue to increase the size and scale of our property portfolio, we will benefit from economies of scale and operating synergies, further enhancing our organic growth.

In closing, I would like to express how impressed I am with the quality of all of the team that makes I-RES such a success. From our operations team on the ground who take such excellent care of our tenants to the entire I-RES Fund Management group here in Dublin, our partners and colleagues in CAPREIT and the Board of Directors of the Company, it is a remarkable group. It is an exciting time for I-RES and I look forward to working with everyone as we move toward continued success in the future.

Margaret Sweeney

Margaret Sweeney
Chief Executive Officer

Investment Manager's Statement

It was a strong half-year for our team in Ireland, solidifying our ability to deliver consistent yields for investors. In particular, we enhanced our capacity to deliver high-quality accommodations and services for tenants while continuing to pursue our strategy for growth.

I-RES is distinctive in the market not only for its professional property management model but also for our commitment to placemaking and community building. Our highly qualified and talented operations team offers extensive supports such as a 24-hour emergency line, leads the way nationally. They build close relationships with tenants and ensure that our reputation for quality assets is sustained through proactive and attentive maintenance. It is our objective to ensure that people simply love to live in our buildings, which leads to the consistently high occupancy rates we have delivered year after year.

Our local capabilities are amplified by our access to the global expertise, systems and technology platforms of CAPREIT, a Canadian leader in the professional property management of rental accommodation. Building on the CAPREIT model, which features open and regular communication with residents, best practices in employee development, and innovative strategies for attracting and retaining tenants, we continually improve our offerings to tenants to ensure that the service we provide exceeds expectations.

With this solid foundation of tenant satisfaction in place, and the benefit of market fundamentals that are highly favourable to a residential REIT model, we continue to pursue the Group's three-pronged growth strategy of acquiring completed assets, engaging in partnerships to pursue new asset development and moving forward with developing existing I-RES properties.

Future progress will build on the existing base of properties we have already acquired and developed– diversified high-quality assets distributed around Dublin and located close to transport hubs, schools and major employers. In these areas, we have expanded our community engagement activities and worked with local residents to deepen our relationships with neighbours and tenants. These activities are all part of our effort to deliver exceptional living experiences that encourage tenants to put down roots and stay.

Ireland remains one of the fastest growing economies in the European Union, and the consistently high demand for quality rental properties, combined with a growing appreciation of the value of I-RES' professional property management approach, is perfectly aligned with the I-RES model of long-term commitment to a residential market.

I look forward to another successful year of delivering exceptional service to tenants and consistent yields for investors.

Scott Cryer
Director of I-RES Fund Management

Business Review

The Irish residential market continues to see low levels of new apartment building against the backdrop of a significant supply and demand imbalance. Accordingly, the rental market remains robust with strong demand and effective 100% occupancy across the Company's portfolio.

The I-RES strategy for future growth is focused around:

- Acquisition of quality completed assets
- Development partnerships/pre-purchase contracts
- Development and intensification of existing sites and buildings

The Company continues to seek accretive acquisitions and pre-purchase commitments within key urban centres in Ireland in order to grow its portfolio. Additionally, the Company owns a number of well-located development sites which have the capacity to deliver circa 628 new units, subject to planning permission. The Company has made significant progress through 2018 and 2019 in placing all its development sites into the planning process, with a number of significant planning grants having been achieved during the year.

Whilst the focus of the Group's acquisition and development activity to date has been on the Dublin and Dublin commuter belt markets, the Company continues to explore opportunities in the regional markets. The recently completed Marathon Acquisition provides our first step into the Cork market with 50 well established rental apartments in the city. We will continue to seek accretive opportunities in urban centres of scale.

High-Quality Acquisitions in 2019

We continued our successful acquisitions strategy during the first half of 2019, adding further high quality homes to the asset portfolio.

The Coast, Baldoyle, Dublin 13

The Company acquired 52 residential units at the Coast, Baldoyle, Dublin 13 in Q1 2019 for €14.0 million (inclusive of VAT, but excluding other transaction costs). The Coast is a quality residential development, laid out as two developments, Red Arches and Myrtle. The residential units acquired are dispersed throughout the scheme, with 39 units located in Myrtle and 13 in Red Arches.

The Coast is located approximately 12kms from the City Centre and 11kms from Dublin Airport. Clongriffin DART (light rail link) is within 500m of the residential units, providing a direct link to the City Centre. The Coast is situated in close proximity to a range of amenities and employers including numerous golf clubs, Baldoyle Bay, hotels, shops and restaurants. Local employers include An Post, Niche Generics, Mylan & Busch and the Baldoyle Industrial Estate.

Pre-Purchase Contracts 2019

Balgriggan and Donabate (118 residential units)

In March 2019, the Company entered in to contracts for the forward purchase of 118 houses located in two excellent suburbs in County Dublin (Balbriggan and Donabate) from a subsidiary of Glenveagh Properties PLC for a total purchase price of €38.2 million (including VAT, but excluding others transaction costs).

<u>78 Houses in Taylor Hill, Balbriggan, Co. Dublin</u>

This scheme is situated close to excellent infrastructure including transport, schools and employment, with an Irish Rail Station in the town and Dublin Airport approximately 20-minute drive away. The local area provides a host of amenities for prospective residents including local parks, sport facilities, restaurants and shopping including the Millfield Shopping Centre.

Construction of the houses is well advanced with the residential units due to be handed over turn-key to I-RES in phases by the end of 2019 and are expected to be fully leased up by Q1 2020. To date, 39 of the houses have been completed and handed over to I-RES by the developer.

40 Houses in Semple Woods, Donabate, Co Dublin
This scheme is situated close to excellent infrastructure including transport, schools and employment, with an Irish Rail Station in the town and Dublin Airport approximately 15-minute drive away. The local area provides a host of amenities for prospective residents including Newbridge House, local parks, sport facilities, golf courses, restaurants and shopping.

Construction of the houses is well advanced with the residential units due to be handed over turn-key to I-RES in phases by the end of 2019 and are expected to be fully leased up by Q1 2020.

Waterside, Malahide, Co Dublin

I-RES entered into contract for the forward purchase of 55 apartments and duplexes at Waterside, Malahide, Co Dublin for a total purchase price of €18.51 million (including VAT, but excluding other transaction costs).

Waterside is located close to excellent infrastructure, including transport, schools and employment, with Dublin Airport approximately 10-minute drive away. The local area provides a host of amenities for prospective residents including transport, schools and employment, with Dublin Airport approximately a 10-minute drive away.

Construction of the houses is well advanced with the residential units due to be handed over turn-key to I-RES in phases by the end of 2019 and are expected to be fully leased up by Q1 2020.

Development and Intensification of Existing Assets

I-RES is heavily focused on development opportunities in response to the significant supply and demand imbalance in the Dublin area. During 2018, I-RES submitted planning applications to build circa 628 residential units across its various existing sites. To date, the Company has received planning permissions to build 200 residential units.

Tallaght Cross West, Dublin 24
In March 2018, the Company received a grant of planning permission for the conversion of unused commercial space to 18 residential units. Construction works are currently underway since Q1 2019, with planned completion in Q4 2019.

Coldcut Park, Clondalkin, Dublin 22
In July 2018, the Company received a grant of planning permission to convert an unused crèche (day-care facility) into a three-bedroom duplex residential unit. Works are completed and I-RES has received the statutory compliance certificate for occupancy in July 2019.

Bakers Yard, Great Portland Street, Dublin 1
The Company owns a 0.18 ha (0.45 acre) development site at the Bakers Yard scheme. In December 2017, a planning application was submitted for 61 residential units, three commercial units and 33 surface-level car spaces. The site is very well located within walking distance of the International Financial Services Centre, Trinity College and the Mater Hospital.

In September 2018, a final grant of planning permission for the proposed 61 residential unit development was granted. Demolition and clearance of the site commenced in Q4 2018 and was completed in Q2 2019.

Bruce House, Priorsgate, Tallaght, Dublin 24
The Company has received planning permission for 31 residential units above ground floor commercial space from the local planning authority.

Planning permission has been granted. I-RES is currently preparing the detailed design and tender process for approval in Q3 2019.

Priorsgate, Tallaght, Dublin 24
The Company received planning permission for the conversion of unused commercial space into five residential units and is currently at detailed design and the tender stage including cost management review.

Rockbrook, Sandyford
The Company owns a development site of approximately 1.13 ha (2.8 acres) at the Rockbrook scheme in Sandyford. On acquisition of the site the Company inherited significant in-place infrastructure, in particular the three-level basement car park that was partially completed by the original developer.

The Company appointed a new local design team in early 2018 to prepare an entirely new design and planning application for the site. The planning application follows the new planning process known as the '*Strategic Housing Development*' application, whereby planning applications for residential schemes of over 100 units are presented direct to An Bord Pleanala. Following consultation with the local planning authority, the Company's planning application for 428 residential units has been submitted to An Bord Pleanala. It is anticipated that a final decision with regards to the planning application will be available in early Q3 2019.

Site B4, Beacon South Quarter, Sandyford
Site B4 is strategically located at the entrance to the Sandyford Business District between the Beacon Private Hospital and The Maple apartments.

A planning application was submitted for 84 residential units above ground floor commercial space which received a Grant from the local authority and following appeal was granted final planning permission in June 2019.

Site B3, Beacon South Quarter, Sandyford
Site B3 fronts Blackthorn Drive next to the I-RES owned Gates Block of residential units at Beacon South Quarter. A pre-planning submission has been issued to the local planning authority for a scheme of 45 residential units.
The project team is currently completing a planning submission for Q3 2019.

Property Portfolio Overview

The following tables provides an overview of the Group's property portfolio as at 30 June 2019. There were no disposals during the year.

	Property Location	Location	Year Built	Date Acquired	# of Apts. Owned(1)	Annualised Passing Rent as at 30 June 2019(1)(3) €'000	Value as at 30 June 2019(1)(2)	Gross Yield at Fair Value
City Centre								
1	Kings Court	Smithfield	2006	10-Sep-13	83	€ 1,586	25.8	6.2%
2	The Marker	Docklands	2012	18-Jul-14	85	€ 3,253	75.1	4.3%
3	Bakers Yard	Portland Street North	2007 /2008	7-Oct-14	86	€ 1,646	26.7	6.8%
4	City Square(4)	Gloucester Street	2006	7-Apr-16	24	€ 505	8.6	5.9%
Total City Centre					**278**	**€ 6,990**	**136.2**	**5.8%**
Prime Suburbs								
5	Beacon South Quarter	Sandyford	2007 /2008	7-Oct-14	225	€ 5,910	86.9	7.4%
6	Grande Central(5)	Sandyford	2007	10-Sep-13	65	€ 1,351	25.4	5.3%
7	Rockbrook Grande Central(5)	Sandyford	2007	31-Mar-15	81	€ 1,908	33.6	5.7%
8	Rockbrook South Central	Sandyford	2007	31-Mar-15	189	€ 3,931	90.3	5.5%
9	The Forum	Sandyford	2007	17-Feb-16	8	€ 174	3.0	5.8%
10	The Maple	Sandyford	2017	12-Jul-17	68	€ 1,662	32.0	5.2%
11	Elmpark Green	Merrion	2006	25-May-16	201	€ 3,921	73.9	5.3%
12	Bessboro	Terenure	2008	11-Dec-15	40	€ 820	16.1	5.1%
Total Prime Suburbs					**877**	**€ 19,677**	**361.2**	**5.7%**
Secondary Suburbs								
13	Priorsgate	Tallaght	2007	10-Sep-13	103	€ 1,642	26.0	6.6%
14	The Laurels	Tallaght	2007	27-Jun-14	19	€ 347	3.9	8.9%
15	Charlestown	Finglas	2007	7-Oct-14	235	€ 3,992	69.3	5.8%
16	Tallaght Cross West	Tallaght	2008	15-Jan-16	442	€ 7,822	117.9	6.7%
17	Coldcut Park	Clondalkin	2012	31-Aug-16	90	€ 1,600	21.9	7.3%
18	Hansfield Wood I	Ongar	2018	15-Nov-17	99	€ 2,525	37.6	6.7%
	Hansfield Wood II (6)	Ongar	2018	8-Oct-18	-	n/a	25.6	n/a
19	Hampton Woods	Finglas	2018	21-May-18	128	€ 2,631	41.6	6.3%
Total Secondary Suburbs					**1,116**	**€ 20,559**	**343.8**	**6.9%**
Inchicore/Drimnagh								
20	Camac Crescent	Inchicore	2008	10-Sep-13	90	€ 1,518	21.9	6.9%
21	Lansdowne Gate	Drimnagh	2005	7-Oct-14	224	€ 4,359	72.9	6.0%
22	Tyrone Court	Inchicore	2014	5-Jun-15	95	€ 1,808	28.4	6.4%
Total Inchicore/Drimnagh					**409**	**€ 7,685**	**123.2**	**6.4%**
Total owned portfolio as at 31 December 2018					**2,680**	**€ 54,911**	**964.4**	**6.0%**
23	**The Coast**	Baldoyle	2006	20-Feb-19	52	€ 863	14.0	6.2%
24	**Taylor Hill**	Balbriggan	2019	17-Jun-19	39	€ 125	11.1	1.1%
Total investment properties owned as at 30 June 2019					**2,771**	**€ 55,899**	**989.5**	**6.0%**

(1) As at 30 June 2019.

(2) In millions of euros.

(3) Annualised Passing Rent is defined as actual monthly rents under contract with residential and commercial tenants as at the stated date, multiplied by 12, to annualize the monthly rents, which is then used to calculate the Gross Yield. Actual monthly rents under contract for the portfolio as at 30 June 2019 was €4,659,000 multiplied by 12 is €55,899,000.

(4) I-RES acquired one additional unit at City Square in April 2019.

(5) Total number of owned apartments at Grande Central as of 30 June 2019 is 146.

(6) Includes apartments under development that are valued at €25.6 million as at 30 June 2019. On 8 October 2018, I-RES acquired the land for €3.3 million. 95 residential units will be completed over the next year.

Property Overview - AMR and Occupancy

	Property Location	Location	# of Apts. Owned(1)	Commercial Space Owned (sq.m.)(1)	Average Monthly Rent Per Apt. as at 30 June 2019(2)(3)	Occupancy(1)(2)
	City Centre					
1	Kings Court	Smithfield	83	566	€ 1,494	100.0%
2	The Marker	Docklands	85	1,218	€ 2,843	98.8%
3	Bakers Yard(4)	Portland Street North	86	792	€ 1,505	100.0%
4	City Square	Gloucester Street	24	57	€ 1,693	100.0%
	Total City Centre		**278**	**2,633**	**€ 1,927**	**99.7%**
	Prime Suburbs					
5	Beacon South Quarter	Sandyford	225	2,395	€ 1,894	100.0%
6	Grande Central	Sandyford	65	-	€ 1,732	98.5%
7	Rockbrook Grande Central	Sandyford	81	3,529	€ 1,691	100.0%
8	Rockbrook South Central	Sandyford	189	1,136	€ 1,716	100.0%
9	The Forum	Sandyford	8	-	€ 1,811	100.0%
10	The Maple	Sandyford	68	-	€ 2,037	97.1%
11	Elmpark Green	Merrion	201	-	€ 1,625	100.0%
12	Bessboro	Terenure	40	-	€ 1,707	100.0%
	Total Prime Suburbs		**877**	**7,060**	**€ 1,765**	**99.4%**
	Secondary Suburbs					
13	Priorsgate	Tallaght	103	2,538	€ 1,211	99.0%
14	The Laurels	Tallaght	19	190	€ 1,302	100.0%
15	Charlestown	Finglas	235	-	€ 1,416	100.0%
16	Tallaght Cross West	Tallaght	442	18,344	€ 1,321	100.0%
17	Coldcut Park	Clondalkin	90	-	€ 1,482	98.9%
18	Hansfield Wood I(5)	Ongar	29	-	€ 2,125	100.0%
	Hansfield Wood II(6)	Ongar	-		n/a	n/a
19	Hampton Wood	Finglas	128	-	€ 1,713	99.2%
	Total Secondary Suburbs		**1,046**	**21,072**	**€ 1,415**	**99.6%**
	Inchicore/Drimnagh					
20	Camac Crescent	Inchicore	90	-	€ 1,405	98.9%
21	Lansdowne Gate	Drimnagh	224	-	€ 1,622	99.1%
22	Tyrone Court	Inchicore	95	-	€ 1,586	98.9%
	Total Inchicore/Drimnagh		**409**	**-**	**€ 1,566**	**99.0%**
Total owned portfolio as at 30 June 2018			**2,610**	**30,765**	**€ 1,611**	**99.6%**
18	Hansfield Wood I(4)	Ongar	70	-	€ 2,125	100.0%
23	The Coast	Baldoyle	52	-	€ 1,383	100.0%
24	Taylor Hill	Balgriggan	39	-	€ 1,372	14.0%
Total owned portfolio as at 30 June 2019			**2,771**	**30,765**	**€ 1,598**	**98.3%**

(1) As at 30 June 2019.

(2) Based on residential units.

(3) Average monthly rent (AMR) is defined as actual monthly residential rents, net of vacancies, as at the stated date, divided by the total number of apartments owned in the property. Actual monthly residential rents, net of vacancies, as at 30 June 2019 was €4,428,058 divided by 2,771 units (which are the total units owned as at 30 June 2019) resulting in AMR of € 1,598.

(4) Additional apartment converted from commercial accommodation to a residential apartment in Q4 2018.

(5) 29 of the 99 houses were complete by 30 June 2018. The remaining 70 units were completed by the end 2018.

(6) As at 30 June 2019, Hansfield Wood Phase II was still under construction.

Operational and Financial Results

Net Rental Income and Profit for the Six Months Ended

	30 June 2019	30 June 2018
	€'000	€'000
Operating Revenues		
Revenue from investment properties	**27,844**	24,058
Operating Expenses		
Property taxes	**(300)**	(316)
Property operating costs	**(4,822)**	(4,421)
	(5,122)	(4,737)
Net Rental Income ("NRI")	**22,722**	19,321
General and administrative expenses	**(1,961)**	(1,545)
Asset management fee	**(1,775)**	(1,478)
Share-based compensation expense	**(55)**	(125)
Net movement in fair value of investment properties	**22,531**	57,017
(Loss) on derivative financial instruments	**(526)**	(486)
Depreciation of property, plant and equipment	**(1)**	(3)
Financing costs on credit facility	**(6,824)**	(3,172)
Profit for the Period	**34,111**	69,529

Operating Revenues

For the period ended 30 June 2019, total operating revenues increased by 15.7% compared to the period ended 30 June 2018, due to contributions from prior year acquisitions, acquisitions in the current period, increased monthly rents and consistently high occupancy levels.

Net Rental Income

The NRI margin has been presented as the Company believes this measure is indicative of the Group's operating performance. For the period ended 30 June 2019, NRI increased by 17.6% primarily due to developments completed in the prior year having an impact, acquisitions and organic rental growth. The NRI margin for the current period increased to 81.6% compared to 80.3% for comparable prior period.

General and Administrative ("G&A") Expenses

G&A expenses include costs directly attributable to head office, such as executives' salaries, director fees, professional fees for audit, legal and advisory services, investor relations, depository, and other general and administrative expenses.

Asset Management Fee Expenses

Pursuant to the investment management agreement between IRES Fund Management and I-RES, effective on 1 November 2015 (the "**Investment Management Agreement**"), I-RES pays 3.0% per annum of its gross rental income as property management fees (included under property "Operating Expenses" above) and 0.5% per annum of its net asset value, together with relevant reimbursements, as asset management fees to the Investment Manager. The Investment Management Agreement governs the provision of portfolio management, risk management and other related services to the Company by the Investment Manager on a day-to-day basis. It has an initial term of five years, unless it is duly terminated pursuant to a provision of the Investment Management Agreement, and thereafter shall continue in force for consecutive five-year periods. After 1 November 2019, IRES Fund Management may serve 12 months' notice of its intention to terminate the Investment Management Agreement. Asset management fee expenses for the period ended 30 June 2019 were €1.8 million compared to €1.5 million for the period ended 30 June 2018. See note 17 to the Financial Statements for further details of the Investment Management Agreement.

Share-based Compensation Expenses
Options are issuable pursuant to I-RES' share-based compensation plan, namely the long-term incentive plan ("**LTIP**"). Options were granted on 26 March 2015 and 16 April 2014 by I-RES to certain trustees and employees of CAPREIT and its affiliates and to the Company's former Chief Executive Officer.

On 16 November 2017, 2,000,000 options were granted to Margaret Sweeney, Chief Executive Officer of I-RES.

On, 18 June 2019, 1,302,461 options were granted to Ms. Sweeney in connection with the 1st tranche placing of new ordinary shares. The options will have a maximum life of seven years less a day and will vest over three years from the date of grant on the basis of one third per year the recipient of the option completes in respect of the relevant service which has qualified him or her for an option grant. The LTIP limit cannot exceed 10% of I-RES' issued ordinary share capital (adjusted for share issuance and cancellation) during the 10-year period prior to that date. The fair value of options has been determined as at the grant date using the Black-Scholes model. The share compensation amortisation is the highest in the first year of the grant and decreases over the vesting term.

Subsequent to 30 June 2019, an additional 1,294,038 options were granted to Ms. Sweeney in connection with the 2nd tranche placing of the new ordinary shares.

Unrealised Gain on Revaluation of Investment Properties
I-RES recognises its investment properties at fair value at each reporting period, with any unrealised gain or loss on remeasurement recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income for the period ended 30 June 2019. The fair value gain on investment properties is mainly due to (i) the continued rental growth from income properties, and (ii) capitalisation rate compression, which has led to an increase in value of €22.5 million for the period ended 30 June 2019.

Gain (Loss) on Derivative Financial Instruments
I-RES entered into interest rate swap agreements aggregating to €204.8 million. The agreements effectively convert borrowings on a EURIBOR-based floating rate credit facility to a fixed rate facility, the fixed portion being EURIBOR rate of circa minus 0.09% per annum and will mature in January 2021. For the year ended 30 June 2019, there was a fair value loss of circa €0.5 million recorded in the statement of profit or loss compared to fair value loss of circa €0.5 million for 2018.

Financing Costs on Credit Facility
Financing costs, which include the amortisation of certain financing expenses, interest and commitment costs, increased for the period ended 30 June 2019 to €6.8 million from €3.2 million for the period ended 30 June 2018. The increase is mainly due to the costs written off and incurred relating to the termination of the previous facility of € 350 million, amounting to circa €3.2 million. The new facility has a lower margin as compared to previous facility.

Property Portfolio Overview

<u>Property Capital Investments</u>

The Group capitalises all capital investments related to the improvement of its properties. For the period ended 30 June 2019, the Group made property capital investments of €2.6 million, compared to €2.0 million for the period ended 30 June 2018, including building and in-suite improvements.

At Beacon South Quarter, in addition to the capital expenditure work that has already been completed, water ingress and fire remediation works were identified in 2016, and I-RES is working with the Beacon South Quarter owners' management company to resolve these matters. In 2017, in relation to these water ingress and fire remedial works, levies were approved by the members of the Beacon South Quarter owners' management company. I-RES' portion of these levies as at 30 June 2019 is circa €965,000. There is also an active insurance claim with respect to the water ingress and related damage.

Liquidity and Financial Condition

Liquidity and Capital Resources
The Company ensures there is adequate overall liquidity by maintaining an available credit facility sufficient to fund maintenance and property capital investment commitments and distributions to shareholders, and to provide for future growth in the business. The Group's business continues to be stable and is expected to generate sufficient cash flow from operating activities to fund the current level of distributions.

I-RES takes a proactive approach to ensure the Group's overall leverage ratios and interest and debt service coverage ratios are maintained at a sustainable level. In addition, the Group focuses on maintaining capital adequacy by complying with its investment and debt restrictions and financial covenants in its credit facility agreement.

The Group is in compliance with all of its investment and debt restrictions and financial covenants contained in its facility agreement with Barclays Bank Ireland PLC, Ulster Bank Ireland DAC, The Governor and Company of the Bank of Ireland, Allied Irish Banks, P.L.C and HSBC Bank PLC.

Group Total Gearing

At 30 June 2019, capital consists of equity and debt, with Group Total Gearing of 38.6%, which is well below the Board's target of 45% and the 50% maximum allowed by the Irish REIT Regime.

I-RES' Credit Facility borrowing capacity is as follows:

As at	**30 June 2019**	**30 June 2018**
	(€'000)	(€'000)
Facility(1)	600,000	350,000
Less: Drawdowns	382,020	287,850
Available Borrowing Capacity	217,980	62,150
Weighted Average Interest Rate	1.90%	2.05%

(1) On 18 April 2019, I-RES entered into a new revolving and accordion credit facility of up to €450 million with a syndicate of five banks, which can be extended to €600 million. On 12 June 2019, I-RES exercised its option under the Company's facility noted above to extend its committed facilities from €450 million to €600 million.

Business Performance Measures

The Group, in addition to the Operational and Financial results presented above, has defined business performance indicators to measure the success of its operating and financial strategies:

*Average Monthly Rent ("**AMR**")*

AMR is calculated as actual monthly residential rents, net of vacancies, as at the stated date, divided by the total number of residential units owned in the property- as at the stated date. Through active property management strategies, the lease administration system and proactive capital investment programmes, I-RES increases rents as market conditions permit and subject to applicable laws. It has been presented as the Company believes this measure is indicative of the Group's performance of its operations.

Occupancy

Occupancy rate is calculated as the total number of residential units occupied over the total number of residential units owned as at the reporting date. I-RES strives, through a focused, hands-on approach to the business, to achieve occupancies that are in line with, or higher than, market conditions in each of the locations in which it operates. Occupancy rate is used in conjunction with AMR to measure the Group's performance of its operations.

Gross Yield at Fair Value

Gross Yield is calculated as the Annualised Passing Rents as at the stated date, divided by the fair market value of the investment properties as at the reporting date, excluding the fair value of development land and investment properties under development. Through generating higher revenues compared to the prior period and maintaining high occupancies, I-RES' objective is to increase the Annualised Passing Rent for the total portfolio, which will positively impact the Gross Yield. It has been presented as the Company believes this measure is indicative of the rental income generating capacity of the total portfolio.

*European Public Real Estate Association ("**EPRA**") Earnings per Share*

EPRA Earnings represents the earnings from the core operational activities (recurring items) for the Group. It is intended to provide an indicator of the underlying performance of the property portfolio and therefore excludes all components not relevant to the underlying and recurring performance of the portfolio, including any revaluation results and results from the sale of properties. EPRA EPS is calculated by dividing EPRA Earnings for the reporting period attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period. It has been presented as the Company believes this measure is indicative of the Group's performance of its operations.

EPRA NAV per Share

EPRA NAV measures the fair value of net assets on an ongoing, long-term basis in accordance with guidelines issued by EPRA. EPRA NAV excludes the net mark-to-market value of financial instruments used for hedging purposes, where a company has the intention to keep the hedge position until the end of the contractual duration, and deferred tax in respect of any difference between the fair value and the book value of the investment properties. EPRA NAV is then divided by the diluted number of ordinary shares at the reporting date. To optimise this measure, I-RES focuses on growing asset value and maximising shareholder value through active and efficient asset and property management. It has been presented as the Company believes this measure is indicative of the Group's operating performance and value growth.

Average Monthly Rents and Occupancy

	Total Portfolio					**Properties Owned Prior to 30 June 2018**					**Properties Acquired After 30 June 2018**	
	2019		**2018**			**2019**		**2018**				
As at 30 June	**AMR**	**Occ. %**	**AMR**	**Occ. %**	**AMR change %**	**AMR**	**Occ. %**	**AMR**	**Occ. %**	**AMR change %**	**AMR**	**Occ. %**
Residential	**€1,598**	**98.3%**	€1,539	98.7%	3.8%	**€1,611**	**99.6%**	€1,539	98.7%	4.7%	**€1,401**	**77.6%**

The Group has generated strong rental growth and maintained a high level of residential occupancy across the portfolio during the period, indicative of the strong market fundamentals in the Irish residential rental sector. AMR increased to €1,611 per residential unit as at 30 June 2019 for Properties Owned prior to 30 June 2018, up 4.7% from €1,539 at 30 June 2018, largely due to strong increases in monthly rental rates during the period and higher occupancy rates compared to last year. During the six month period ending 30 June 2019, there was circa 42% of combined renewals and turnovers.

Gross Yield at Fair Value

As at	**30 June 2019**	**30 June 2018**
	(€'000)	(€'000)
Annualised Passing Rent	**55,899**	47,774
Aggregate fair market value as at reporting date	**933,361**	770,160
Gross Yield	**6.0%**	6.2%

The portfolio Gross Yield at fair value was 6.0% as at 30 June 2019 compared to 6.2% as at 30 June 2018, excluding the fair value of development land and investment properties under development. The NRI margin was approximately 81.6% for the six months ended 30 June 2019 (80.3% for the six months ended 30 June 2018).

EPRA Earnings per Share

For the six months ended	30 June 2019	30 June 2018
Total comprehensive income for the year attributable to shareholders (€'000)	**34,111**	69,529
Adjustments to calculate EPRA Earnings exclude:		
Costs associated with early close out of debt instrument (€'000)	**3,153**	-
Changes in fair value on investment properties (€'000)	**(22,531)**	(57,017)
Changes in fair value of derivative financial instruments (€'000)	**526**	486
EPRA Earnings (€'000)	**15,259**	12,998
Basic weighted average number of shares	**437,512,043**	420,696,540
Weighted average number of shares	**440,513,572**	426,743,195
EPRA Earnings per share (cents)	**3.5**	3.1
EPRA Diluted Earnings per share (cents)	**3.5**	3.0

EPRA NAV per Share

As at	30 June 2019	31 December 2018
Net assets (€'000)	**705,536**	618,724
Adjustments to calculate EPRA net assets exclude:		
Fair value of derivative financial instruments (€'000)	**1,438**	913
EPRA net assets (€'000)	**706,974**	619,637
Number of shares outstanding	**477,569,340**	434,153,946
Diluted number of shares outstanding	**481,268,406**	436,272,927
Basic Net Asset Value per share (cents)	**147.7**	142.5
EPRA Net Asset Value per share (cents)	**146.9**	142.0

EPRA EPS for the period was 3.5 cents for the period ended 30 June 2019.

EPRA NAV was circa €707.0 million, with EPRA NAV per share of 146.9 cents as at 30 June 2019. EPRA NAV per share increased by 3.5% for the period ended 30 June 2019 compared to 31 December 2018, as a result of property valuation increases and rental profit in the period, offset by dividends paid in March 2019.

Market Update

The Irish economy has continued to perform well generally, delivering Q1 2019 GDP growth of 6.3% compared to Q1 2018. For 2019 in total, GDP is expected to increase by over 3%, according to Bloomberg, which will once again make Ireland one of the fastest growing economies in the eurozone (eurozone growth is expected to be 1.1% in 2019). The growth is broad based, with consumer demand, trade and investment all contributing meaningfully compared to the previous year.

This buoyant growth backdrop is mirrored in the labour market, where the most recent data from the Central Statistics Office (CSO) show that employment grew by 3.7% year-on-year (yoy) in Q1. The unemployment rate has dropped to a new cycle low of 4.5% during the summer from a high of 16.0% in early 2012. As the country has trended towards full employment, the lack of spare capacity has led to an inevitable increase in income. Weekly earnings are increasing steadily (3.4% yoy in Q1) and household disposable income is rising even faster (c.6% in 2018 and expected to be at a similar level in 2019) as these increasing wages are compounded by higher participation rates and lower tax burdens.

The consumer remains buoyant, with consumer spending 2.9% higher in Q1 2019 compared to Q1 2018. This strength has also been evident in retail sales, which delivered 5.4% growth in the year-to-date on a volume basis (excluding the volatile motor trades sector).

The housing market continues to be characterised by an acute undersupply of new homes. Demand forecasts for new homes remain at c.35,000 per annum. In contrast, new dwelling completions in the 12 months to March were a mere 18,900. While this figure represents growth of close to 25% compared to the previous year, there are signs from some leading indicators that this will slow in the coming quarters. New commencements are only 2.5% higher in the year to May compared to the previous year. Secondary supply is also thin, with 24,200 homes available for sale nationally, according to Daft, almost 40% below the ten-year average.

House price inflation has slowed over the last year from a double-digit percentage rate to 2.8% in May. Although this is a more sustainable level, it is likely to further curtail the supply response from builders. The slowdown in inflation in the sales market has been primarily driven by a cooling effect from the Central Bank's macro prudential rules.

Rental inflation is robust across the economy, with residential rents 8% higher in the year to April. The availability of rental properties continues to be an acute issue, with listings of rental properties down to c.2,700 in May, according to Daft. This is the lowest reading on record and 75% below the ten-year average. This environment should maintain upward pressure on rents at least in the short term.

Brexit continues to add uncertainty to the progress we have seen to date in each of the above areas. The political backdrop in the UK generally and the relationship that emerges between a new UK leadership and the EU in the coming months could have a meaningful impact on confidence in Ireland. With the high level of uncertainty around the likely timing and type of Brexit, it is too early to assess the potential effect in our industry.

Principal risks and uncertainties

The directors of the Company consider the principal risks and uncertainties that the Group is exposed to which may impact performance in the financial year and coming six months. The Group proactively identifies, assesses, monitors and manages these risks with the assistance of the Investment Manager and the combined expertise of its Board. The principal risks and uncertainties have not changed significantly since the publication of 2018 Annual Report.

Statement of Directors' Responsibilities

For the six months ended 30 June 2019

The Directors are responsible for preparing this interim management report in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, the Transparency (Directive 2004/109/EC) (Amendment) Regulations 2017 ("Transparency Directive"), and the Transparency Rules of the Central Bank of Ireland.

In preparing the interim financial information, the directors are required to:

- prepare and present the interim financial information in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, the Transparency (Directive 2004/109/EC) (Amendment) Regulations 2017 ("Transparency Directive"), and the Transparency Rules of the Central Bank of Ireland;
- ensure the interim financial information has adequate disclosures;
- select and apply appropriate accounting policies; and
- make accounting estimates that are reasonable in the circumstances.

The directors are responsible for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of the interim financial information that is free from material misstatement whether due to fraud or error.

We confirm that to the best of our knowledge:

(1) the condensed set of financial statements in the half-yearly financial report of Irish Residential Properties REIT plc ("the Company") for the six months ended 30 June 2019 ("the interim financial information") which comprises the Consolidated Statement of Financial Position, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and the related explanatory notes, have been presented and prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union.

(2) The interim financial information presented, as required by the Transparency (Directive 2004/109/EC) (Amendment) Regulations 2017, includes:
   A. an indication of important events that have occurred during the first 6 months of the financial year, and their impact on the condensed set of financial statements;
   B. a description of the principal risks and uncertainties for the remaining 6 months of the financial year;
   C. related parties' transactions that have taken place in the first 6 months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and
   D. any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first 6 months of the current financial year.

Signed on behalf of the Board
8 August 2019

Declan Moylan
Chairman

Margaret Sweeney
Executive Director

Independent Review Report to Irish Residential Properties REIT plc

Introduction

We have been engaged by the company to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2019 which comprises the Consolidated Statement of Financial Position, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and the related explanatory notes. Our review was conducted having regard to the Financial Reporting Council's ("FRCs") International Standard on Review Engagements ("ISRE") (UK and Ireland) 2410, *'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.*

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly report for the six months ended 30 June 2019 is not prepared, in all material respects, in accordance with IAS 34 '*Interim Financial Reporting'* as adopted by the EU, the Transparency (Directive 2004/109/EC) (Amendment) Regulations 2017 ("Transparency Directive"), and the Transparency Rules of the Central Bank of Ireland.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for ensuring that the condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review having regard to the Financial Reporting Council's International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Review Repot to Irish Residential Properties REIT plc *(continued)*

We read the other information contained in the half-yearly financial report to identify material inconsistencies with the information in the condensed set of consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the review. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

KPMG

KPMG
Chartered Accountants
1 Stokes Place,
St Stephens Green
Dublin 2
Ireland

8 August 2019

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	(Unaudited) 30 June 2019 €'000	(Audited) 31 December 2018 €'000
Assets			
Non-Current Assets			
Investment properties	5	**989,531**	921,316
Other non-current assets	6	**5**	6
		989,536	921,322
Current Assets			
Other current assets	6	**52,139**	12,633
Cash and cash equivalents		**61,658**	7,626
		113,797	20,259
Total Assets		**1,103,333**	941,581
Liabilities			
Non-Current Liabilities			
Bank indebtedness	8	**377,795**	307,494
Derivative Financial instruments	12	**1,438**	913
		379,233	308,407
Current Liabilities			
Accounts payable and accrued liabilities	7	**12,959**	9,156
Security Deposits		**5,605**	5,294
		18,564	14,450
Total Liabilities		**397,797**	322,857
Shareholders' Equity			
Share capital	10	**47,757**	43,414
Share premium	10	**433,806**	370,855
Other reserve		**1,043**	988
Retained earnings		**222,930**	203,467
Total Shareholders' Equity		**705,536**	618,724
Total Shareholders' Equity and Liabilities		**1,103,333**	941,581
IFRS NAV per share	21	**147.7**	142.5
EPRA NAV per share	21	**146.9**	142.0

The accompanying notes form an integral part of these condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Note	(Unaudited) **30 June 2019** €'000	(Unaudited) **30 June 2018** €'000
Operating Revenues			
Revenue from investment properties	11	**27,844**	24,058
Operating Expenses			
Property taxes		**(300)**	(316)
Property operating costs		**(4,822)**	(4,421)
		(5,122)	(4,737)
Net Rental Income ("NRI")		**22,722**	19,321
General and administrative expenses		**(1,961)**	(1,545)
Asset management fee	17	**(1,775)**	(1,478)
Share-based compensation expense	9	**(55)**	(125)
Net movement in fair value of investment properties	5	**22,531**	57,017
(Loss) on derivative financial instruments	12	**(526)**	(486)
Depreciation of property, plant and equipment	6	**(1)**	(3)
Financing costs	16	**(6,824)**	(3,172)
Profit for the Period		**34,111**	69,529
Total Comprehensive Income for the Period			
Attributable to Shareholders		**34,111**	69,529
Basic Earnings per Share (cents)	20	**7.8**	16.5
Diluted Earnings per Share (cents)	20	**7.7**	16.3

The accompanying notes form an integral part of these condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

		Share Capital	Share Premium	Retained Earnings	Other Reserve	Total
(Unaudited)	Note	€'000	€'000	€'000	€'000	€'000
Shareholders' Equity at 1 January 2019		**43,414**	**370,855**	**203,467**	**988**	**618,724**
Total comprehensive income for the period						
Profit for the period		-	-	34,111	-	34,111
Total comprehensive income for the period		-	-	34,111	-	34,111
Transactions with owners, recognised directly in equity						
Long-term incentive plan	9	-	-	-	55	55
Share issuance	10	4,343	62,951	(1,623)	-	65,671
Dividends paid	15	-	-	(13,025)	-	(13,025)
Transactions with owners, recognised directly in equity		4,343	62,951	(14,648)	55	52,701
Shareholders' Equity at 30 June 2019		**47,757**	**433,806**	**222,930**	**1,043**	**705,536**

	Note	Share Capital	Share Premium	Retained Earnings	Other Reserve	Total
(Unaudited)		€'000	€'000	€'000	€'000	€'000
Shareholders' Equity at 1 January 2018		**42,027**	**354,978**	**104,844**	**2,135**	**503,984**
Total comprehensive income for the year						
Profit for the period		-	-	69,529	-	69,529
Total comprehensive income for the year		-	-	69,529	-	69,529
Transactions with owners, recognised directly in equity						
Long-term incentive plan	9	-	-	-	125	125
Share premium allocation		(298)	298	-	-	-
Share issuance	10	1,309	12,083	1,065	(1,065)	13,392
Dividends paid	15	-	-	(11,267)	-	(11,267)
Transactions with owners, recognised directly in equity		1,011	12,381	(10,202)	(940)	2,250
Shareholders' Equity at 30 June 2018		**43,038**	**367,359**	**164,171**	**1,195**	**575,763**

The accompanying notes form an integral part of these condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

		(Unaudited)	(Unaudited)
		30 June 2019	**30 June 2018**
For the six months ended 30 June 2019	Note	€'000	€'000
Cash Flows from Operating Activities:			
Operating Activities			
Profit before taxes		**34,111**	69,529
Adjustments for non-cash items:			
Fair value adjustment - investment properties	5	**(22,531)**	(57,017)
Depreciation of property, plant and equipment		**1**	3
Amortisation of other financing costs		**1,878**	417
Share-based compensation expense	9	**55**	125
Loss on derivative financial instruments	12	**526**	486
Straight-line rent adjustment	5	**6**	(72)
Interest accrual relating to derivatives	16	**(1)**	-
		14,045	13,471
Interest cost on credit facility		**4,858**	2,755
Changes in operating assets and liabilities	16	**(900)**	7,556
Net Cash Generated from/(Used in) Operating Activities		**18,003**	23,782
Cash Flows from Investing Activities			
Deposit on acquisition of investment properties		**(37,583)**	-
Acquisition of investment properties	5	**(26,067)**	(41,310)
Development of investment properties	5	**(13,738)**	(17,189)
Investment property enhancement expenditure	5	**(2,630)**	(1,984)
Direct leasing cost	5	**(29)**	(33)
Net Cash Used in Investing Activities		**(80,047)**	(60,516)
Cash Flows from Financing Activities			
Financing fees on credit facility	16	**(4,438)**	(20)
Interest paid on loan drawn down	16	**(4,993)**	(2,755)
Credit Facility drawdown	16	**409,511**	53,000
Credit Facility repayment	16	**(336,650)**	(13,000)
Proceeds on issuance of shares	16	**67,294**	13,392
Share issuance costs	16	**(1,623)**	-
Dividends paid to shareholders	15	**(13,025)**	(11,267)
Net Cash Generated from Financing Activities		**116,076**	39,350
Changes in Cash and Cash Equivalents during the Period		**54,032**	2,616
Cash and Cash Equivalents, Beginning of the Period		**7,626**	6,792
Cash and Cash Equivalents, End of the Period		**61,658**	9,408

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Notes to Condensed Consolidated Interim Financial Statements

1. General Information

Irish Residential Properties REIT plc ("I-RES" or the "Company") is a company located in Ireland. The address of the Company's registered office is Unit 4B Lazer Lane, Grand Canal square, Dublin 2, Ireland.

On 16 April 2014, I-RES obtained admission of its ordinary shares to the primary listing segment of the Official List of the Irish Stock Exchange for trading on the regulated market for listed securities of the Irish Stock Exchange (now Euronext Dublin).

These unaudited condensed consolidated interim consolidated financial statements as at and for the six months ended 30 June 2019 encompass the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). I-RES does not consolidate owner management companies in which it holds majority voting rights on the basis of materiality. For further details please refer to note 17.

2. Significant Accounting Policies

a) *Basis of preparation*

These condensed consolidated interim financial statements of the Group have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 and in accordance with International Accounting Standards 34 (**"Interim Financial Reporting"**) as adopted by the European Union (**"EU"**). This interim report (**"Report"**) should be read in conjunction with the annual financial statements for the period 1 January 2018 to 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards (**"IFRS"**) and IFRS Interpretations Committee (**"IFRIC"**) interpretations as adopted by the EU and with those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

These condensed consolidated interim financial statements of the Group do not comprise statutory financial statement within the meaning of the Companies Act 2014. The statutory financial statements were prepared for the year ended 31 December 2018, approved by the board of directors (**"the Board")** on 21 February 2019, accompanied by an unqualified audit report and were delivered to the Registrar of Companies on 10 June 2019.

The condensed consolidated interim financial statements of the Group are prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of investment properties, derivative financial instruments fair value and share options at grant date through profit or loss in the condensed consolidated interim statement of profit or loss and other comprehensive income. The condensed consolidated interim financial statements of the Group have been presented in euros which is the Company's functional currency.

The condensed consolidated interim financial statements of the Group cover the six months period 1 January 2019 to 30 June 2019. These statements are unaudited but reviewed by our auditors; KPMG Ireland.

The accounting policies are consistent with those of the previous financial year and corresponding interim reporting period, except for those detailed below.

New and amended standards adopted by the group
A number of new and amended standards became applicable for the current reporting period. However, except for the adoption of IFRS 16, Leases as detailed below, the adoption of new accounting standards did not result in any material changes from the Group's existing accounting policies or result in retrospective adjustments. The potential impact of any future changes have not changed the assessment set out in the annual report for the year ended 31 December 2018.

Going concern
The Group meets its day-to-day working capital requirements through its cash and deposit balances. The Group's plans indicate that it should have adequate resources to continue operating for the foreseeable future. Accordingly, the directors of the Company ("**Directors**") consider it appropriate that the Group adopts the

going concern basis of accounting in the preparation of the condensed consolidated interim financial statements.

b) Basis of consolidation

These condensed consolidated interim financial statements incorporate the financial statements of I-RES and its subsidiary, I-RES Residential Properties Limited. I-RES controls I-RES Residential Properties Limited by virtue of its 100% shareholding in that company. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiaries
Subsidiaries are entities controlled by I-RES. I-RES controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial information of subsidiaries (except owners' management companies) is included in the condensed consolidated interim financial statements from the date on which control commences until the date on which control ceases. I-RES does not consolidate owners' management companies in which it holds majority voting rights. For further details, please refer to note 17.

I-RES has applied IFRS 16 with a date of initial application of 1 January 2019 and has applied it retrospectively. As a result, I-RES has changed its accounting policy for lease contracts as detailed below.

c) Accounting Policies Adopted Starting 1 January 2019

(i) IFRS 16, Leases ("IFRS 16")

Change in accounting policy

I-RES has adopted IFRS 16 with effect from 1 January 2019. IFRS 16 introduces a single, lease accounting model for lessees which brings right of use assets and lease liabilities onto the statement of financial position for all leases, regardless of whether they are operating or finance leases. Lessors are still required to classify leases as operating or finance leases based on an assessment of whether the lease transfers significantly all of the risks and rewards incidental to ownership of the underlying asset to the lessee. This standard replaces the guidance in IAS 17 and also amends the definition of a lease, the definition of the lease payments, and establishes principles for reporting useful information to users of financial statements about leasing activities. I-RES has applied IFRS 16 using the retrospective approach.

I-RES does not have any arrangements where it is considered the lessee.

I-RES was not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for the evaluation of lease and non-lease components of its rental revenue, which required the reclassification of certain incomes within what was previously treated as Rental Income as revenue to be accounted for under IFRS 15

Leases

At inception of a contract, I-RES assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, I-RES assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The lessee has the right to direct the use of the asset. The lessee has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

Where a contract contains a lease and a non-lease component, I-RES allocated the amounts payable under the contract to the lease and non-lease components based on their standalone prices. The non-lease component is then accounted for under the appropriate standard.

When I-RES acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, I-RES makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, I-RES considers certain indicators such as whether the lease if for the major part of the economic life of the asset, the present value of lease payments and any option included in the lease. I-RES has determined that all its leases are operating leases.

I-RES has applied this approach to contracts in place on 1 January 2019 or subsequently entered into.

On modification of a contract that contains a lease component and a non-lease component, I-RES allocates the consideration in the contract to each of the components on the basis of their relative stand-alone prices.

(ii) Revenue from lease contracts

I-RES retains substantially all of the risks and benefits of ownership of its investment properties and therefore accounts for leases with its tenants as operating leases. Rent represents lease revenue earned from the conveyance of the right to use the property, including access to common areas, to a lessee for an agreed period of time. The contract also contains a performance obligation that requires I-RES to maintain the common areas to an agreed standard. This right of use and performance obligation is governed by a single rental contract with the tenant. In accordance with the adoption of IFRS 16, Leases, I-RES has evaluated the lease and non-lease components of its rental revenue and has determined that common area maintenance services constitute a single non-lease element, which is accounted for as one performance obligation under IFRS 15 and is recognised separately to Rental Income as Revenue under IFRS 15 Revenue from Contracts with Customers.

Rental revenue includes amounts earned from tenants under the rental contract which are allocated to the lease and non-lease components based on relative stand-alone selling prices. The stand-alone selling prices of the lease components are determined using an adjusted market assessment approach and the stand-alone selling prices of the service components are determined using the input method based on the expected costs plus an estimated market-based margin for similar services.

Rental income from the operating lease component is recognised on a straight-line basis over the lease term in accordance with IFRS 16 Leases. When I-RES provides incentives to its tenants, the cost of such incentives is recognised over the lease term, on a straight-line basis, as a reduction of revenue.

Revenue from maintenance services represents the service component of the REIT's rental contracts and is accounted for in accordance with IFRS 15, Revenue from Contracts with Customers ("IFRS15"). These services consist primarily of the recovery of utility, property and other common area maintenance and amenity costs where I-RES has determined it is acting as a principal.

These services constitute a single non-lease component, which is accounted for as one performance obligation under IFRS 15 as the individual activities that comprise these services are not distinct in the context of the contract. The individual activities undertaken to meet the performance obligation may vary from time to time but cumulatively the activities undertaken to meet the performance obligation are relatively consistent over time. The tenant simultaneously receives and consumes the benefits provided under the performance obligation as I-RES performs and consequently revenue is recognised over time, typically on a monthly basis, as the services are provided.

3. Critical Accounting Estimates, Assumptions and Judgements

The preparation of the condensed consolidated interim financial statements in accordance with IFRS requires the use of estimates, assumptions and judgements that in some cases relate to matters that are inherently uncertain, and which affect the amounts reported in the condensed consolidated interim financial statements and accompanying notes. Areas of such estimation include, but are not limited to, valuation of investment properties. Changes to estimates and assumptions may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates under different assumptions and conditions.

The valuation estimate of investment properties is deemed to be more significant. See notes 13(a) and 5 for a detailed discussion of valuation methods and the significant assumptions and estimates used.

4. Recent Investment Property Acquisitions and Developments

For the period 1 January 2019 to 30 June 2019

Property	Acquisition Date	Apartment Count	Region	Total Acquisition Costs €'000
The Coast	20 February 2019	52	Dublin, Ireland	14,322
Taylor Hill[1]	25 March 2019	39	Dublin, Ireland	11,317
City Square	29 April 2019	1	Dublin, Ireland	428
		92		26,067

(1) I-RES entered into a forward contract agreement for 78 properties at Taylor Hill on 25 March 2019. During the period ended 30 June 2019, I-RES has received 39 of the 78 properties.

For the year 1 January 2018 to 31 December 2018

Property	Acquisition or Development Completion Date	Apartment Count	Region	Total Acquisition or Development Costs €'000
Hampton Wood	21 May 2018	128	Dublin, Ireland	40,888
The Marker	12 March 2018	1	Dublin, Ireland	473
		129		41,361

Property	Development Contract Date	Apartment Count	Region	Total Costs Spent in 2018 €'000	Total Fixed Price Contract (incl land cost) €'000
Hansfield Wood Development	25 May 2018	99	Dublin, Ireland	20,587	31,560
Hansfield Phase II Development[2]	16 November 2018	95	Dublin, Ireland	10,542	30,000
		194		31,129	61,560

(2) On 16 November 2018, I-RES acquired a 1.3 acre development site at Hansfield Wood Phase II Development and entered into a development agreement to develop 95 apartments. The entire transaction is at € 30 million including the purchase of land.

Notes to Condensed Consolidated Interim Financial Statements

5. Investment Properties

Valuation basis

Investment properties are carried at fair value, which is the amount at which the individual properties could be sold in an orderly transaction between market participants at the measurement date, considering the highest and best use of the asset, with any gain or loss arising from a change in fair value recognised in profit or loss in the condensed consolidated interim statement of profit or loss and other comprehensive income for the period.

The fair values of all of the Group's investment properties as at 31 December 2018 and 30 June 2019 are determined by Coldwell-Banker Richard Ellis (CBRE), the Company's external independent valuer. The valuer employs qualified valuation professionals and has recent experience in the location and category of the respective property. Valuations are prepared on a bi-annual basis at the interim reporting date and the annual reporting date.

The information provided to the valuer, and the assumptions and valuation methodologies and models used by the valuer, are reviewed by management. The valuer meets with the Audit Committee and discusses the valuation results as at 31 December and 30 June directly. The Board determines the Group's valuation policies and procedures for property valuations. The Board decides which independent valuer to appoint for the external valuation of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

Investment property producing income

For investment property, the income approach/yield methodology involves applying market-derived capitalisation rates to current and projected future income streams. These capitalisation rates and future income streams are derived from comparable property transactions and are considered to be the key inputs in the valuation. Other factors that are taken into account include the tenure of the lease, tenancy details, and planning, building and environmental factors that might affect the property.

Investment property under development

In the case of investment property under development, the approach applied is the "residual method" of valuation, which is the investment method as described above with a deduction for the development costs necessary together with an allowance for the remaining risk.

During 2019, the Company has incurred development costs of €16.7 million relating to the current properties under development.

Borrowing cost capitalized of €135,000 (€218,000 as at 31 December 2018) is included in capitalized development costs. The weighted average interest rate used to capitalise the borrowing costs is 1.90% (2018: 1.93%).

Development land

In the case of development land, the approach applied is the comparable sales approach, which considers recent sales activity for similar land parcels in the same or similar markets. Land values are estimated using either a per acre or per buildable square foot basis based on highest and best use. Such values are applied to the Group's properties after adjusting for factors specific to the site, including its location, zoning, servicing and configuration.

Information about fair value measurements using unobservable inputs (Level 3)

At 30 June 2019, the Group considers that all of its investment properties fall within Level 3 fair value as defined by IFRS 13. As outlined in IFRS 13, a Level 3 fair value recognises that the significant inputs and considerations made in determining the fair value of property investments cannot be derived from publicly available data, as the valuation methodology in respect of a property also has to rely on a number of unobservable inputs including technical reports, legal data, building costs, rental analysis, professional opinion on profile, lot size, layout and presentation of accommodation. In addition, the valuers utilise proprietary databases maintained in respect of properties similar to the assets being valued.

The Group tests the reasonableness of all significant unobservable inputs, capitalisation rates and stabilised net rental income (**"Stabilised NRI"**) used in the valuation and reviews the results with the independent valuer for all independent valuations. The Stabilised NRI represents property revenue less property operating expenses, adjusted for market-based assumptions such as long-term vacancy rates, management fees, repairs and maintenance.

Sensitivity analysis

Stabilised NRI and market-observed Capitalisation Rates are key inputs in the valuation model used. For example, completed properties are valued mainly using a term and reversion model: i.e., the present values of future cash flows from expected rental receipts are calculated. For the existing rental contract or term, this is the expected net rents from tenants over the period to the next lease break option or expiry. After this period, the reversion, estimated Stabilised NRI is used to calculate cash flows based on expectations from current market conditions. Thus, a decrease in the estimated Stabilised NRI will decrease the fair value, and an increase in the estimated Stabilised NRI will increase the fair value.

The Capitalisation Rates magnify the effect of a change in Stabilised NRI, with a lower Capitalisation Rate resulting in a greater effect on the fair value of investment properties than a higher Capitalisation Rate.

Across the entire portfolio of investment properties, an increase of 1% in the Equivalent Capitalisation Rate would have the impact of a €156.5 million reduction in fair value while a decrease of 1% in the Equivalent Capitalisation Rate would result in a fair value increase of €238.3 million. An increase of 1% in Stabilised NRI would have the impact of a €9.2 million increase, while a decrease of 1% in Stabilised NRI would result in a reduction of €9.2 million in fair value. I-RES believes that 1% change in Stabilised NRI is a reasonable estimate in the next six months.

The direct operating expenses recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income for the Group is €5.1 million for the period ended 30 June 2019 (2018: €4.7 million), arising from investment property that generated rental income during the period. The direct operating expenses are comprised of the following significant categories: property taxes, utilities, repairs and maintenance, wages, insurance, service charges and property management fees.

The direct operating expenses recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income arising from investment property that did not generate rental income for the period ended 30 June 2019 and 30 June 2018 was not material.

An investment property is comprised of various components, including undeveloped land and vacant residential and commercial units; no direct operating costs were specifically allocated to the components noted above.

Quantitative information

A summary of the Equivalent Capitalisation Rates and ranges along with the fair value of the total portfolio of the Group as at 30 June 2019 is presented below:

As at 30 June 2019

Type of Interest	Fair Value	WA NRI(1)	Rate Type(2)			
	€'000	€'000		Max.	Min.	Weighted Average
Investment properties	933,361	2,996	Equivalent Capitalisation Rate	6.18%	4.15%	4.88%
Properties under development	27,220	n/a	Average Development Cost (per sq ft.)	€383.1	€275.2	€369.2
		1,341	Equivalent Capitalisation Rate	5.80%	4.65%	4.79%
Development land(3)	28,950	n/a	Market Comparable (per sq ft.)	€154.7	€35.6	€129.6
Total investment properties	989,531					

(1) Calculated as the Stabilised NRI of each property weighted by its fair value over the total fair value of the investment properties ("WA NRI").

(2) The Equivalent Capitalisation Rate disclosed above is provided by CBRE.

(3) Development land is fair-valued based on the value of the undeveloped site per square foot.

As at 31 December 2018

Type of Interest	Fair Value	WA NRI(1)	Rate Type(2)			
	€'000	€'000		Max.	Min.	Weighted Average
Investment properties	882,416	2,970	Equivalent Capitalisation Rate	6.27%	4.14%	4.97%
Properties under development	10,500	n/a	Average Development Cost (per sq ft.)	€383.1	€383.1	€383.1
		1,577	Equivalent Capitalisation Rate	4.65%	4.65%	4.65%
Development land(3)	28,400	n/a	Market Comparable (per sq ft.)	€154.7	€35.6	€125.1
Total investment properties	921,316					

(1) Calculated as the Stabilised NRI of each property weighted by its fair value over the total fair value of the investment properties ("WA NRI").

(2) The Equivalent Capitalisation Rate disclosed is provided by CBRE.

(3) Development land is fair-valued based on the value of the undeveloped site per square foot.

The following table summarises the changes in the investment properties portfolio during the periods:

Reconciliation of carrying amounts of investment properties

For period ended	30 June 2019			
	Income Properties	Properties Under Development	Development Land	Total
	€'000	€'000	€'000	€'000
Balance at the beginning of the year	**882,416**	**10,500**	**28,400**	**921,316**

Acquisitions	**26,067**	**-**	**-**	**26,067**
Development expenditures	**-**	**16,678**	**286**	**16,964**
Reclassification	**-**	**450**	**(450)**	**-**
Property capital investments and intensification	**2,630**	**-**	**-**	**2,630**
Capitalised leasing costs (1)	**(6)**	**-**	**-**	**(6)**
Direct leasing costs (2)	**29**	**-**	**-**	**29**
Unrealised fair value movements	**22,225**	**(408)**	**714**	**22,531**
Balance at the end of the year	**933,361**	**27,220**	**28,950**	**989,531**

For the year ended	**31 December 2018**			
	Income Properties	**Properties Under Development**	**Development Land**	**Total**
	€'000	€'000	€'000	€'000
Balance at the beginning of the year	**716,785**	**11,600**	**22,550**	**750,935**
Acquisitions	**41,361**	**-**	**-**	**41,361**
Development expenditures	**-**	**31,129**	**-**	**31,129**
Recalssification (3)	**32,849**	**(33,449)**	**600**	**-**
Property capital investments and intensification	**4,987**	**-**	**-**	**4,987**
Capitalised leasing costs	**22**	**-**	**-**	**22**
Direct leasing costs	**218**	**-**	**-**	**218**
Unrealised fair value movements	**86,194**	**1,220**	**5,250**	**92,664**
Balance at the end of the year	**882,416**	**10,500**	**28,400**	**921,316**

(1) Straight-line rent adjustment.

(2) Includes cash outlays for new tenants.

(3) Reclassified Hansfield Wood Phase I from properties under development to income properties, and development site from income properties to development land.

Most of the residential leases are for one year or less.

The carrying value of the Group investment properties of €989.5 million for the investment properties at 30 June 2019 (€921.3 million at 31 December 2018) was based on an external valuation carried out as at that date. The valuations were prepared in accordance with the RICS Valuation – Global Standards, 2017 (Red Book) and IFRS 13.

Notes to Condensed Consolidated Interim Financial Statements

6. Other Assets

As at	30 June 2019	31 December 2018
	€'000	€'000
Other Non-Current Assets		
Property, plant and equipment		
At cost	**59**	59
Accumulated amortisation	**(54)**	(53)
Net property, plant and equipment	**5**	6
Total	**5**	6

As at	30 June 2019	31 December 2018
	€'000	€'000
Other Current Assets		
Prepayments(1)	**6,791**	4,254
Deposits on acquisitions(2)	**42,244**	4,661
Other receivables(3)	**965**	1,595
Trade receivables	**2,139**	2,123
Total	**52,139**	12,633

(1) Includes specific costs relating to preparing planning applications of development lands.

(2) Relates to deposits paid for forward purchases and acquisitions to be completed.

(3) Relates to levies received in respect of services to be incurred.

7. Accounts Payable and Accrued Liabilities

As at	30 June 2019	31 December 2018
	€'000	€'000
Accounts Payable and Accrued Liabilities(1)		
Rent - early payments	**1,561**	1,605
Trade creditors	**1,017**	2,369
Accruals(2)	**10,223**	5,080
Value Added Tax	**158**	102
Total	**12,959**	9,156

(1) The carrying value of all accounts payable and accrued liabilities approximates their fair value.

(2) Includes property related accruals, development accruals, professional fees property management fees and asset management fees accruals.

8. Credit Facility

As at	30 June 2019	31 December 2018
	€'000	€'000
Bank Indebtedness		
Loan drawn down	**382,020**	309,159
Deferred loan costs, net	**(4,225)**	(1,665)

Total	**377,795**	307,494

On 18 April 2019, I-RES entered into a new accordion credit facility of up to €450 million with a syndicate of five banks, which can be extended to €600 million, (subject to certain terms and conditions) (the "**New Revolving Credit Facility**") replacing the existing €350 million revolving and accordion credit facility which was due to mature January 2021 (the "**Previous Revolving Credit Facility**"). There was a cancellation fee associated with paydown of the Previous Revolving Credit Facility.

The New Revolving Credit Facility has a five year term, which can be extended to seven years (subject to certain conditions) and is secured by a floating charge over assets of the Company and I-RES Residential Properties Limited, its subsidiary, and a fixed charge over the shares held by the Company in I-RES Residential Properties Limited. It has reduced margin compared to the Previous Revolving Credit Facility. This facility is being provided by Barclays Bank Ireland PLC, Ulster Bank Ireland DAC, The Governor and Company of the Bank of Ireland, Allied Irish banks, P.L.C. and HSBC Bank PLC.

On 12 June 2019, the Company exercised its option under the New Revolving Credit Facility and restated on 12 June 2019 to extend its committed facilities from €450 million to €600 million and amended the New Revolving Credit Facility to include a new uncommitted accordion facility in the amount of €50 million. The New Revolving Credit Facility (as amended and restated on 12 June 2019) matures on 11 June 2024. The interest on the New Revolving Credit Facility (as amended and restated on 12 June 2019) is set at the annual rate of 1.75%, plus the one-month or three-month EURIBOR rate (at the option of I-RES).

The interest rate swap agreements effectively convert the hedged portion of the Credit Facility (€204.8 million) from a variable rate to a fixed rate facility up to the maturity date (see note 12 for further details). The weighted fixed interest rate is at 0.09% per annum plus the fixed margin on the New Revolving Credit facility is the effective new interest rate.

I-RES has complied with all externally imposed capital requirements to which it was subject during the year.

9. Share-based Compensation

Options are issuable pursuant to I-RES' share-based compensation plan, namely, the long-term incentive plan (**"LTIP"**). Options were granted on 26 March 2015 and 16 April 2014 by I-RES to certain trustees and employees of Canadian Apartment Properties Real Estate Investment Trust (**"CAPREIT"**) and its affiliates and to the former Chief Executive Officer of I-RES. On 16 November 2017, an additional 2,000,000 options were granted to Margaret Sweeney, Chief Executive Officer of I-RES.

On 18 June 2019, an additional 1,302,461 options were granted to the Chief Executive Officer. The Chief Executive Officer received options, calculated as 3% of the new Ordinary Shares issued, at an exercise price of €1.71 per share, in accordance with her employment agreement.

All options have a maximum life of seven years less a day and will vest over three years from the date of grant on the basis of one third per completed year the recipient of the option completes in respect of the relevant service which has qualified him or her for an option grant. The LTIP limit cannot exceed 10% of I-RES' issued ordinary share capital (adjusted for share issuance and cancellation) during the 10-year period prior to that date. As at 30 June 2019, the maximum number of additional options issuable under the LTIP is 18,425,527 (30 June 2018: 15,008,770).

LTIP **For the year ended**	**WA exercise price**	**30 June 2019**	**30 June 2018**
Share Options outstanding as at 1 January	€1.11	10,875,000	27,736,940

Issued, cancelled or granted during the period:			
Issued or granted	€1.71	1,302,461	-
Exercised or settled		-	(13,085,219)
Share Options outstanding			
as at 30 June	**€1.18**	**12,177,461**	**14,651,721**

(1) Cancelled/forfeited - the unvested shares resulting from the departure of certain CAPREIT employees.
(2) Of the Share Options outstanding above, 9,541,667 were exercisable at €1.06 at 30 June 2019 (31 December 2018: 9,541,667).

The fair value of options has been determined as at the grant date using the Black-Scholes model. The assumptions utilised in the model to arrive at the estimated fair value for the outstanding grants at the respective periods are listed below.

LTIP

Issuance Date	**18 June 2019**
Number of shares	**1,302,461**
Share price on date of grant (€)	**1.710**
Award grant price (€)	**1.710**
Risk-free rate (%)	**1.93**
Distribution yield (%)	**3.60**
Expected years	**7.0**
Volatility (%)	**16.56**
Award option value (€)	**0.17**

The share-based compensation expense during the period ended 30 June 2019 was €55,000 (30 June 2018: €125,000).

10. Shareholders' Equity

All equity shares outstanding are fully paid and are voting shares. Equity shares represent a shareholder's proportionate undivided beneficial interest in I-RES. No equity share has any preference or priority over another. No shareholder has or is deemed to have any right of ownership in any of the assets of I-RES. Each share confers the right to cast one vote at any meeting of shareholders and to participate pro rata in any distributions by I-RES and, in the event of termination of I-RES, in the net assets of I-RES remaining after satisfaction of all liabilities. Shares will be issued in registered form and are transferable.

I-RES successfully completed a placing of 86,550,000 new Ordinary Shares (the "Placing Shares") in the Company at a price of €1.55 per Placing Share, raising gross proceeds of approximately €134.2 million (before commissions, fees and expenses) in two tranches. The first tranche of the Placing Shares, consisting 43,415,394 shares, were issued on 18 June 2019. The allotment and issue of the remaining Placing Shares, 43,134,606, was conditional on shareholder approval at an extraordinary general meeting ("EGM"). The EGM was held on 9 July 2019 and the second tranche of Placing Shares were issued on 10 July 2019.

The number of shares authorised is as follows:

For the period ended	**30 June 2019**	**30 June 2018**
Authorised Share Capital	**1,000,000,000**	1,000,000,000
Ordinary shares of €0.10 each		

The number of issued and outstanding ordinary shares is as follows:

For the period ended	30 June 2019	30 June 2018
Ordinary shares outstanding, beginning of period	**434,153,946**	417,292,006
New shares issued(1)	**43,415,394**	13,085,219
Ordinary shares outstanding, end of year	**477,569,340**	430,377,225

(1) On 12 June 2019, I-RES successfully completed a placing of 43,415,394 new Ordinary Shares at a price of €1.55 per share rasing gross proceeds of approximately €67.3 million (before commissions, fees and expenses).

The CEO received options, calculated as 3% of the new Ordinary Shares issued, at an exercise price of €1.71 per share, in accordance with her employment agreement.

11. Revenue

I-RES generates revenue primarily from the rental income from investment properties. Rental income represents lease revenue earned from the conveyance of the right to use the property, including access to common areas, to a lessee for an agreed period of time. The rental contract also contains an undertaking that common areas and amenities will be maintained to a certain standard. This right of use of the property and maintenance performance obligation is governed by a single rental contract with the tenant. In accordance with the adoption of IFRS 16, Leases, I-RES has evaluated the lease and non-lease components of its rental revenue and has determined that common area maintenance services constitute a single non-lease element, which is accounted for as one performance obligation under IFRS 15 and is recognised separately to Rental Income.

	30 June 2019	30 June 2018
	€'000	€'000
Rental Income	**24,531**	21,011
Revenue from services	**3,053**	2,779
Car park income	**260**	268
Revenue from contracts with customers	**3,313**	3,047
Total Revenue	**27,844**	24,058

12. Realised and Unrealised Gains and Losses on Derivative Financial Instruments

On 28 February 2017, I-RES entered into interest rate swap agreements aggregating to €160 million. The agreements have an effective date of 23 March 2017 and a maturity date of January 2021. On 15 September 2017, I-RES entered into a new interest rate swap agreement totalling €44.8 million. The new agreement has an effective date of 15 September 2017 and a maturity date of January 2021. The interest rate swap agreements effectively convert the hedged portion of the New Revolving Credit Facility (as amended and restated on 12 June 2019) (€204.8 million) from a variable rate to a fixed rate facility for the duration of the swap (see note 8 for further details).

For the period ended 30 June 2019, the Group recorded a fair value loss of €526,000 (2018: €486,000) in the condensed consolidated interim statement of profit or loss. The fair value of the interest rate swaps was a liability of €1,438,000 at 30 June 2019 (31 December 2018: liability of €913,000).

13. Financial Instruments, Investment Properties and Risk Management

a) *Fair value of financial instruments and investment properties*

The Group classifies and discloses the fair value for each class of financial instrument based on the fair value hierarchy in accordance with IFRS 13. The fair value hierarchy distinguishes between market value data obtained from independent sources and the Group's own assumptions about market value. The hierarchy levels are defined below:

Level 1 - Inputs based on quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs based on factors other than quoted prices included in Level 1 and may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates and yield curves that are observable at commonly quoted intervals; and

Level 3 - Inputs which are unobservable for the asset or liability, and are typically based on the Group's own assumptions as there is little, if any, related market activity.

The Group's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement, and considers factors specific to the asset or liability.

The following table presents the Group's estimates of fair value on a recurring basis based on information available as at 30 June 2019, aggregated by the level in the fair value hierarchy within which those measurements fall.

As at 30 June 2019

	Level 1	**Level 2**	**Level 3**	
	Quoted prices in active markets for identical assets and liabilities	Significant other observable inputs	Significant unobservable inputs[1]	**Total**
	€'000	**€'000**	**€'000**	**€'000**
Recurring Measurements - Assets				
Investment properties	**-**	**-**	**989,531**	**989,531**
Mandatory at FVTPL				
Derivative financial instruments - interest[2]	**-**	**1,438**	**-**	**1,438**
Total	**-**	**1,438**	**989,531**	**990,969**

As at 31 December 2018

	Level 1	**Level 2**	**Level 3**	
	Quoted prices in active markets for identical assets and liabilities	Significant other observable inputs	Significant unobservable inputs[1]	**Total**
	€'000	**€'000**	**€'000**	**€'000**
Recurring Measurements - Assets				
Investment properties	**-**	**-**	**921,316**	**921,316**
Derivative financial instruments-interest[2]	**-**	**913**	**-**	**913**
Total	**-**	**913**	**921,316**	**922,229**

(1) See note 5 for detailed information on the valuation methodologies and fair value reconciliation.

(2) The valuation of the interest rate swap instrument is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivatives. The fair value is determined using the market-standard methodology of netting the discounted future fixed cash payments and the discounted expected payments of the derivatives. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rates. If the total mark-to-market value is positive, I-RES will consider a current value adjustment to reflect the credit risk of the counterparty, and if the total mark-to-market value is negative, I-RES will consider a current value adjustment to reflect I-RES' own credit risk in the fair value measurement of the interest rate swap agreements.

b) Risk management

The main risks arising from the Group's financial instruments are market risk, interest rate risk, liquidity risk and credit risk. The Group's approach to managing these risks is summarised in the 2018 Annual Report.

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties in accessing capital markets and refinancing its financial obligations as they come due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors the level of expected cash inflows on trade and other receivables, together with expected cash outflows on trade and other payables and capital commitments.

	6 months or less(1)	**6 to 12 months(1)**	**1 to 2 years (1)**	**2 to 5 years(1)**	**More than 5 years(1)**
As at 30 June 2019	€'000	€'000	€'000	€'000	€'000
Loan drawn down	-	-	-	382,020	-
Bank indebtedness interest (2)	3,703	3,764	7,488	22,055	-
Other liabilities	12,801	-	-	-	-
Derivative financial instruments	-	-	-	1,438	-
Security deposits	5,605	-	-	-	-
	22,109	3,764	7,488	405,513	-

(1) Based on carrying value at maturity dates.

(2) Based on current in-place interest rate for the remaining term to maturity.

	6 months or less(1)	**6 to 12 months(1)**	**1 to 2 years (1)**	**2 to 5 years(1)**	**More than 5 years(1)**
As at 31 December 2018	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Loan drawn down	-	-	-	309,159	-
Bank indebtedness interest (2)	2,980	3,030	6,027	231	-
Other liabilities	9,054	-	-	-	-
Derivative financial instruments	-	-	-	913	-
Security deposits	5,294	-	-	-	-

	17,328	3,030	6,027	310,303	-

(1) Based on carrying value at maturity dates.
(2) Based on current in-place interest rate for the remaining term to maturity.

14. Taxation

I-RES elected for REIT status on 31 March 2014. As a result, from this date the Group is exempt from paying Irish corporation tax on the profits and gains from qualifying rental business in Ireland provided it meets certain conditions.

Instead, dividends paid to shareholders in respect of the Property Rental Business are treated for Irish tax purposes as income in the hands of shareholders. Corporation tax is still payable in the normal way in respect of income and gains from any residual business (generally including any property trading business) not included in the Property Rental Business. I-RES is also liable to pay other taxes such as VAT, stamp duty, land tax, local property tax and payroll taxes in the normal way.

Within the Irish REIT Regime, for corporation tax purposes the Property Rental Business is treated as a separate business from the residual business. A loss incurred by the Property Rental Business cannot be offset against profits of the residual business.

An Irish REIT is required, subject to having sufficient distributable reserves, to distribute to its shareholders (by way of dividend), on or before the filing date for its tax return for the accounting period in question, at least 85% of the Property Income of the Property Rental Business arising in each accounting period. Failure to meet this requirement would result in a tax charge calculated by reference to the extent of the shortfall in the dividend paid. A dividend paid by an Irish REIT from its Property Rental Business is referred to as a property income distribution. Any normal dividend paid from the residual business by the Irish REIT is referred to as a non-property income distribution dividend.

The Directors confirm that the Group has remained in compliance with the Irish REIT Regime up to and including the date of this Report and that there has been no profit arising from residual business activities.

15. Dividends

Under the Irish REIT Regime, subject to having sufficient distributable reserves, I-RES is required to distribute to shareholders at least 85% of the Property Income of its Property Rental Business for each accounting period, provided it has sufficient distributable reserves.

On 22 February 2019, the Directors resolved to pay an additional dividend of €13.0 million for the year ended 31 December 2018. The dividend of 3.0 cents per share was paid on 29 March 2019 to shareholders on record as of 8 March 2019.

On 3 August 2018, the Directors declared an interim dividend of €11.3 million for the period ended 30 June 2018. The dividend of 2.6 cents per share was paid on 7 September 2018 to shareholders on record as at 17 August 2018.

	30 June 2019	**30 June 2018**
	€'000	€'000
Profit for the period	**34,111**	69,529
Less: net movement in fair value of investment properties	**(22,531)**	(57,017)
Property Income of the Property Rental Business	**11,580**	12,512
Add back:		
Share-based compensation expense	**55**	125
Unrealised change in fair value of derivatives	**526**	486
Distributable Reserves	**12,161**	13,123

16. Supplemental Cash Flow Information

For the period ended	30 June 2019	30 June 2018
	€'000	€'000
Financing costs on credit facility as per the condensed consolidated interim statement of profit or loss and other comprehensive income	**6,824**	3,172
Capitalised interest	**135**	-
Less: interest accrual	**(88)**	
Less: amortisation of financing fees	**(1,878)**	(417)
Financing costs on credit facility	**4,993**	2,755

Changes in operating assets and liabilities

For the period ended	30 June 2019	30 June 2018
	€'000	€'000
Prepayments	**(2,537)**	(2,530)
Trade receivables	**(16)**	(176)
Other receivables	**630**	1,164
Accounts payable and other liabilities	**712**	8,423
Security deposits	**311**	675
Changes in operating assets and liabilities	**(900)**	7,556

For the period ended	30 June 2019	30 June 2018
	€'000	€'000
Issuance of shares	**67,294**	**13,392**
Share issuance costs	**(1,623)**	**-**
Net proceeds	**65,671**	**13,392**

		Changes from Financing Cash Flows			Non-cash Changes			
Liabilities	**2018**	**Credit Facility drawdown**	**Credit Facility repayment**	**Deferred Loan fees**	**Amortisation of other financing costs**	**Loss on derivative financial instruments**	**Interest accrual relating to derivatives**	**2019**
Bank indebtedness	309,159	409,451	(336,590)	-	-	-	-	382,020
Deferred loan costs, net	(1,665)	-	-	(4,438)	1,878	-	-	(4,225)
Derivative financial instruments	913	-	-	-	-	526	(1)	1,438
Total liabilities from financing activities	**308,407**	**409,451**	**(336,590)**	**(4,438)**	**1,878**	**526**	**(1)**	**379,233**

17. Related Party Transactions

CAPREIT LP has an indirect 18.2% beneficial interest in I-RES and has determined that it has significant influence over I-RES. The beneficial interest is held through a qualifying investor alternative investment fund, Irish Residential Properties Fund, CAPREIT LP's wholly-owned subsidiary.

Effective 1 November 2015, CAPREIT LP's wholly-owned subsidiary, IRES Fund Management Limited (**"Investment Manager"**) entered into the investment management agreement with I-RES (the **"Investment Management Agreement"**), as amended or as may be amended from time to time, pursuant to which I-RES pays 3.0% per annum of its gross income as property management fees and 0.5% per annum of its net asset value together with relevant reimbursements as asset management fees to the Investment Manager. The Investment Management Agreement governs the provision of portfolio management, risk management and other related services to the Company by the Investment Manager on a day-to-day basis. It has an initial term of five years, unless it is duly terminated pursuant to a provision of the Investment Management Agreement, and thereafter shall continue in force for consecutive five-year periods.

The Investment Manager has the ability to terminate the Investment Management Agreement by serving 12 months' notice of termination at any time after 1 November 2019. The Investment Manager may also terminate the Investment Management Agreement at any time if required to do so by any competent regulatory authority, if the Company commits a material breach of the agreement which remains unremedied for 30 days, or if the Company enters an event of insolvency.

The Company may terminate the Investment Management Agreement if the Investment Manager commits a material breach of the agreement which remains unremedied for 30 days, enters an event of insolvency, is no longer authorised to carry out the services under the Investment Management Agreement or if CAPREIT LP (or one of its affiliate) ceases to beneficially own 5% of the Company or ceases to control the Investment Manager. The Company may also terminate the Investment Management Agreement on or after 1 November 2020 if it determines that internalisation of the management of the Company, subject to relevant regulatory approval, is in the Company's best interests. In such circumstances, the Company is required to purchase the issued shares of the Investment Manager on a liability free/cash free basis for €1.

Certain transitional provisions apply under the Investment Management Agreement upon its termination in order to effect an orderly transition of the services to the Company. Other than fees or other monies accrued up to the point of termination, the Investment Manager is not entitled to compensation on termination of the agreement.

In providing its services to the Company under the Investment Management Agreement, the Investment Manager also has access to the expertise and resources provided by CAPREIT LP, pursuant to the Services Agreement between among the Company, CAPREIT LP and the Investment Manager (as amended from time to time), which covers the performance of property and asset management services by CAPREIT LP. Among other standard termination provisions, the Services Agreement terminates on the termination of the Investment Management Agreement or where CAPREIT LP (or one of its affiliates) ceases to control the Investment Manager.

For the period ended 30 June 2019, I-RES incurred €1.8 million in asset management fees. In addition, €0.8 million in property management fees were incurred and recorded under operating expenses. For the period ended 30 June 2018, €1.5 million in asset management fees and €0.7 million in property management fees were recorded.

The amount payable to CAPREIT LP (including I-RES Fund Management) totalled €1.3 million as at 30 June 2019 (€0.9 million as at 31 December 2018) related to asset management fees, property management fees, payroll-related costs and other miscellaneous expenses incurred by CAPREIT LP on behalf of the Group. All charges from CAPREIT LP are benchmarked at normal commercial terms and on an arm's length basis. The amount receivable from CAPREIT LP (including I-RES Fund Management) totalled €nil as at 30 June 2019 (€0.1 million as at 31 December 2018) related to the leasing of office space and other miscellaneous expenses incurred by I-RES on behalf of CAPREIT LP.

I-RES Fund Management has multiple leases for office space with I-RES. The rental income for the office space for the period ended 30 June 2019 was €58,000 (€61,000 for the six months ended 30 June 2018). The leases expire on 1 March 2020, 1 December 2020 and 1 December 2021. Minimum annual rental payments from I-RES Fund Management for the next three years are as follows:

	2020	2021	2022
	€'000	€'000	€'000
Minimum annual rent payments from I-RES Fund Management	61	34	-

Executive Members

Effective 31 December 2018, David Ehrlich retired as a director of the Company.

The Company announced the appointment of Mark Kenney to the Board as a non-independent non-executive director with effect from 1 January 2019. Mr. Kenney succeeds Mr. Ehrlich as I-RES Fund Management Limited's nominee on the Board. Mark Kenney is the President and Chief Executive Officer of CAPREIT.

The only executive member of the Board is Margaret Sweeney, who was appointed as the Chief Executive Officer of the Company on 1 November 2017. All other members of the Board are non-executive directors. Ms. Sweeney will be eligible to participate in the LTIP and, under her employment contract, she will be awarded options to acquire 3% of the number of shares issued by the Company from time to time pursuant to any equity raise. On 18 June 2019, Ms. Sweeney was granted an additional 1,302,461 options.

Purchase of I-RES Shares

On 18 June 2019, CAPREIT LP purchased 8,778,387 shares of I-RES. As at 30 June 2019, CAPREIT LP's beneficial interest in I-RES increased to 18.2% (2018: 18.0%) due to the share purchases.

Expenses

Total expenses are comprised of remuneration of the non-executive Directors of €189,000 for the period ended 30 June 2019 and €154,000 for the period ended 30 June 2018, excluding expenses related to the Chief Executive Officer and Directors.

Owners' management companies not consolidated

As a result of the acquisition by the Group of apartments or commercial space in certain residential rental properties, the Group holds voting rights in the relevant owners' management companies associated with those developments. Where the Group holds the majority of those voting rights, this entitles it, inter alia, to control the composition of such owners' management companies' boards of directors. However, as each of those owners' management companies is incorporated as a company limited by guarantee for the purpose of owning the common areas in residential or mixed-use developments, they are not intended to be traded for gains. I-RES does not consider these owners' management companies to be material for consolidation as the total assets of the owners' management companies is less than 1% of the Group's total assets. I-RES has considered the latest available financial statements of these owners' management companies in making this assessment.

The total service fees billed in the period by the owner's management companies were €2.4 million, of which €1.0 million was payable and €0.9 million was prepaid as at 30 June 2019.

18. Contingencies

The Group has contingent liabilities related to an income generating property, in respect of potential costs relating to certain structural remediation works, the amount of which cannot be currently measured with sufficient reliability.

19. Commitments

In March 2018, planning permission was granted for the conversion of 18 units at Tallaght Cross West. Total consideration for the project is expected to amount to €4.69 million (including VAT, but excluding other transaction costs), which is due for completion in December 2019. The outstanding amount is circa €2.7 million.

In October 2018, the Company entered into a development agreement to develop 95 apartments for a total consideration of €26.7 million (including VAT but excluding other transaction costs). The project is currently still under construction and the amount outstanding is circa €5.2 million.

In November 2018, the Company entered into a share purchase agreement to develop 69 residential units for a total consideration of €47.16 million (including VAT but excluding other transaction costs). Practical completion of the units is expected to be on or around Q4 2020 with a long-stop date of Q4 2021.

In March 2019, the Company entered into contracts for the forward purchase of 118 houses for a total consideration of €38.2 million (including VAT, but excluding other transaction costs). Construction of the houses is well advanced with the residential units due to be handed over turn-key to I-RES in phases by the end of 2019. The amount outstanding is circa €27.4 million.

In May 2019, the Company entered into contract for the forward purchase of 55 apartments and duplexes for a total purchase price of €18.51 million (including VAT, but excluding transaction costs).

In June 2019, the Company announced that the Board of Directors have approved the acquisition of the Marathon Portfolio, comprising 815 residential units across 16 high-quality developments, for a total purchase price of €285 million (including VAT, but excluding other transaction costs). I-RES has exchanged contracts and following the satisfaction of certain conditions (including the approval of the Competition and Consumer Protection Commission in Ireland), the acquisition was completed on 1st August 2019.

20. Earnings per Share

Earnings per share amounts are calculated by dividing profit for the reporting period attributable to ordinary shareholders of I-RES by the weighted average number of ordinary shares outstanding during the reporting period.

For the six months ended	30 June 2019	30 June 2018
Profit attributable to shareholders of I-RES (€'000)	**34,111**	**69,529**
Basic weighted average number of shares	**437,512,043**	**420,696,540**
Diluted weighted average number of shares(1)(2)	**440,513,572**	**426,743,195**
Basic Earnings per share (cents)	**7.8**	**16.5**
Diluted Earnings per share (cents)	**7.7**	**16.3**

(1) Diluted weighted average number of shares includes the additional shares resulting from dilution of the long-term incentive plan options as of the reporting period date.

(2) At 30 June 2019 3,302,461 options (2018: 2,000,000) were excluded from the diluted weighted average number of ordinary shares because their effect would have been anti-dilutive.

EPRA issued Best Practices Recommendations most recently in September 2017, which gives guidelines for performance matters.

EPRA Earnings represents the earnings from the core operational activities (recurring items for I-RES). It is intended to provide an indicator of the underlying performance of the property portfolio and therefore excludes all components not relevant to the underlying and recurring performance of the portfolio, including any revaluation results and results from the sale of properties. EPRA Earnings per share amounts are calculated by dividing EPRA Earnings for the reporting period attributable to shareholders of I-RES by the weighted average number of ordinary shares outstanding during the reporting period.

EPRA Earnings per Share

For the six months ended	30 June 2019	30 June 2018
Total comprehensive income for the year attributable to shareholders (€'000)	**34,111**	69,529
Adjustments to calculate EPRA Earnings exclude:		
Costs associated with early close out of debt instrument (€'000)	**3,153**	-
Changes in fair value on investment properties (€'000)	**(22,531)**	(57,017)
Changes in fair value of derivative financial instruments (€'000)	**526**	486
EPRA Earnings (€'000)	**15,259**	12,998
Basic weighted average number of shares	**437,512,043**	420,696,540
Diluted weighted average number of shares	**440,513,572**	426,743,195
EPRA Earnings per share (cents)	**3.5**	3.1
EPRA Diluted Earnings per share (cents)	**3.5**	3.0

21. Net Asset Value per Share

EPRA issued Best Practices Recommendations most recently in September 2017, which gives guidelines for performance matters.

EPRA NAV measures the fair value of net assets on an ongoing, long-term basis in accordance with guidelines issued by EPRA. EPRA NAV excludes the net mark-to-market to the value of financial instruments used for hedging purposes where a company has the intention to keep the hedge position until the end of the contractual duration, and deferred tax in respect of any difference between the fair value and the book value of the investment properties.

EPRA NAV per Share

As at	30 June 2019	31 December 2018
Net assets (€'000)	**705,536**	618,724
Adjustments to calculate EPRA net assets exclude:		
Fair value of derivative financial instruments (€'000)	**1,438**	913
EPRA net assets (€'000)	**706,974**	619,637
Number of shares outstanding	**477,569,340**	434,153,946
Diluted number of shares outstanding	**481,268,406**	436,272,927
Basic Net Asset Value per share (cents)	**147.7**	142.5
EPRA Net Asset Value per share (cents)	**146.9**	142.0

22. Directors' Remuneration, Employee Costs and Auditor Remuneration

For the six months ended	30 June 2019	30 June 2018
	€'000	€'000
Directors' remuneration		
Short-term employee benefits	**561**	494
Pension costs	**25**	33
Other benefits(1)	**80**	42
Share-based payments(2)	**55**	125
Total	**721**	694

(1) Included in this amount is pay-related social insurance paid for the Directors and Canadian pension plan, employment insurance, medical benefits and employer health taxes paid.

(2) Included in share-based payments are 3,302,461 stock options that were anti-dilutive as at 30 June 2019.

23. Holding Company Details

The name of the holding company of the Group is Irish Residential Properties REIT plc. The legal form of the Company is a public limited company. The place of registration of the holding company is Dublin, Ireland and its registration number is 529737. The address of the registered office is Unit 4B Lazer Lane, Grand Canal Square, Dublin 2, Ireland.

24. Approval of Condensed Consolidated Interim Financial Statements

These unaudited condensed consolidated interim financial statements were approved by the Board on 8 August 2019.

25. Subsequent Events

The allotment and issue of the remaining Placing Shares, 43,134,606, was conditional on shareholder approval at an extraordinary general meeting ("EGM"). The EGM was held on 9 July 2019 and the second tranche of Placing Shares were issued on 10 July 2019.

As well, Margaret Sweeney, Chief Executive Officer for I-RES was granted 1,294,038 options, being 3% of the Second Tranche Shares at an exercise price of €1.682 cents per share.

On 1 August 2019, I-RES has completed the acquisition of a property portfolio, comprising of 815 residential units across 16 high-quality developments for a total purchase price of €285 million (including VAT but excluding other transaction costs).

Glossary of Terms

The following explanations are not intended as technical definitions, but rather are intended to assist the reader in understanding terms used in this Report.

“Annualised Passing Rent”	Defined as the actual monthly residential and commercial rents under contract with tenants as at the stated date, multiplied by 12, to annualize the monthly rents;
“Average Monthly Rent (AMR)”	Actual monthly residential rents, net of vacancies, as at the stated date, divided by the total number of apartments owned in the property as at the stated date;
“Basic Earnings per share (Basic EPS)”	Calculated by dividing the profit for the reporting period attributable to ordinary shareholders of the Company in accordance with IFRS by the weighted average number of ordinary shares outstanding during the reporting period;
“Capitalisation Rate”	The rate of return on a property investment based on current and projected future revenue streams that such property investment will generate;
“Companies Act, 2014”	The Irish Companies Act, 2014;
“Diluted weighted average number of shares”	Includes the additional shares resulting from dilution of the long-term incentive plan options as of the reporting period date;
“EPRA”	The European Public Real Estate Association;
“EPRA Diluted EPS”	Calculated by dividing EPRA Earnings for the reporting period attributable to shareholders of the Company by the diluted weighted average number of ordinary shares outstanding during the reporting period. EPRA Earnings measures the level of income arising from operational activities. It is intended to provide an indicator of the underlying income performance generated from leasing and management of the property portfolio, while taking into account dilutive effects, and therefore excludes all components not relevant to the underlying net income performance of the portfolio, such as unrealised changes in valuation and any gains or losses on disposals of properties;
“EPRA EPS”	Calculated by dividing EPRA Earnings for the reporting period attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period. EPRA Earnings measures the level of income arising from operational activities. It is intended to provide an indicator of the underlying income performance

	generated from leasing and management of the property portfolio and therefore excludes all components not relevant to the underlying net income performance of the portfolio, such as unrealised changes in valuation and any gains or losses on disposals of properties;
“EPRA NAV”	Measures the fair value of net assets on an ongoing, long-term basis in accordance with guidelines issued by EPRA, while taking into account dilutive effects of any options, convertibles or other financial instruments. The EPRA NAV excludes the net mark-to-market to the value of financial instruments used for hedging purposes and where a company has the intention to keep the hedge position until the end of the contractual duration, and deferred tax in respect of any difference between the fair value and the book value of the investment properties;
“EPRA NAV per share”	Calculated by dividing EPRA NAV by the diluted number of ordinary shares outstanding as at the end of the reporting period;
“Equivalent Capitalisation Rate”	The Equivalent Capitalisation Rate is calculated as the Stabilised NRI divided by the fair value of the investment property;
“Group Total Gearing”	Calculated by dividing the loan drawn down by the market value of the Group’s investment properties;
“Gross Yield”	Calculated as the Annualised Passing Rent as at the stated date, divided by the fair value of the investment properties, excluding fair value of development land and investment properties under development as at the reporting date;
“Irish REIT Regime”	Means the provisions of the Irish laws and regulations establishing and governing real estate investment trusts, in particular, but without limitation, section 705A of the Taxes Consolidation Act, 1997 (as inserted by section 41(c) of the Finance Act, 2013), as amended from time to time;
“Market Capitalisation”	Calculated as the closing share price multiplied by the number of shares outstanding;
“Net Asset Value” or “NAV”	Calculated as the value of the Group’s or Company’s assets less the value of its liabilities measured in accordance with IFRS;

"Net Asset Value per share"	Calculated by dividing NAV by the basic number of ordinary shares outstanding as at the end of the reporting period;
"Net Rental Income (NRI)"	Measured as property revenue less property operating expenses;
"Net Rental Income Margin"	Calculated as the NRI over the revenue from investment properties;
"Occupancy Rate"	Calculated as the total number of apartments occupied over the total number of apartments owned as at the reporting date;
"Property Income"	As defined in section 705A of the Taxes Consolidation Act, 1997. It means, in relation to a company or group, the Property Profits of the company or group, as the case may be, calculated using accounting principles, as: (a) reduced by the Property Net Gains of the company or group, as the case may be, where Property Net Gains arise, or (b) increased by the Property Net Losses of the company or group, as the case may be, where Property Net Losses arise;
"Property Profits"	As defined in section 705A of the Taxes Consolidation Act, 1997;
"Property Net Gains"	As defined in section 705A of the Taxes Consolidation Act, 1997;
"Property Net Losses"	As defined in section 705A of the Taxes Consolidation Act, 1997;
"Property Rental Business"	As defined in section 705A of the Taxes Consolidation Act, 1997;
"Sq. ft."	Square feet;
"Sq. m."	Square metres;
"Stabilised NRI"	Measured as property revenue less property operating expenses adjusted for market-based assumptions such as long-term vacancy rates, management fees, repairs and maintenance;

“Vacancy Costs”	Defined as the value of the rent on unoccupied residential apartments and commercial units for the specified period.

Forward-Looking Statements

I-RES Disclaimer

This report includes statements that are, or may deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "believes", "estimates", "expects", "intends", "plans", "projects", “may” or "should", or, in each case, their negative or other comparable terminology, or by discussions of strategy, plans, objectives, trends, goals, projections, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Report and include, but are not limited to, statements regarding the intentions, beliefs or current expectations of I-RES concerning, amongst other things, its results of operations, financial position, liquidity, prospects, growth, strategies and expectations for its industry. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of I-RES and/or the industry in which it operates to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. As a result, you are cautioned not to place any reliance on such forward-looking statements and neither the Company nor any other person accepts responsibility for the accuracy of such statements.

Nothing in this Report should be construed as a profit forecast or a profit estimate.

The forward-looking statements referred to in this Report speak only as at the date hereof. I-RES expressly disclaims any obligation or undertaking to release publicly any revision or updates to these forward-looking statements to reflect any change in (or any future) events, circumstances, conditions, new information or any change in the Company’s expectations or otherwise except as required by law, regulation or by any appropriate regulatory authority.

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STOCK EXCHANGE LISTING

Shares of I-RES are listed on Euronext Dublin under the trading symbol "IRES".