20 February 2020
LATEST RESULTS

IRISH RESIDENTIAL PROPERTIES REIT PLC
RESULTS FOR THE YEAR ENDED 31 DECEMBER 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] annual results for the year from 1 January 2019 to 31 December 2019.

Key Financial Highlights

The Group delivered strong financial performance for the year ended 31 December 2019:

- 37% growth in the scale of the portfolio to 3,666 units for rental (2018: 2,679 units), across 42 properties in Dublin and Cork
- 22.8% increase in Net Rental Income **"NRI"** to €50.5 million (31 December 2018: € 41.2 million) and an increase in net rental income margin to 81.4% (2018 : 81.3%) due to portfolio growth as well as organic growth of the existing properties.
- This resulted in an increase in EPRA Earnings of 19.0% to €33.1 million (31 December 2018: €27.8 million) and basic EPRA EPS up 6.2% to 6.9 cents.
- EPRA NAV per share was up 8.9% to 154.6 cents (31 December 2018: 142.0 cents), post payment of a 3.0 cents per share dividend (€13.0 million) on 29 March 2019 and 2.7 cents per share (€14.1 million) on 13 September 2019.
- 47.5% increase in the fair value of investment properties from €921.3 million to €1,359.2 million due to €381.6 million relating to acqusitions, development and maintenance of the asset portfolio and a valuation gain of €56.2 million.
- Profit for the period was €86.3 million (31 December 2018: €119.8 million) and basic EPS is 18.0 cents (31 December 2018: 28.0 cents), due to the lower revaluation gain on the portfolio in 2019.
- Intention to declare an additional dividend of 3.1 cents per share for the year ended 31 December 2019 following the filing of the relevant financial statements for the Company with the Companies Registration Office in Dublin, Ireland on or about 20 February 2020.
- Group total gearing at 31 December 2019 was 40.8%, within the Group's gearing policy of 45.0% and REIT limit of 50%.

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

"I-RES has continued its long term investment strategy in the Irish market by adding 987 additional units for rental to the portfolio in 2019. Our portfolio increased from 2,679 units in 2018 to 3,666 units at 31 December 2019. We have delivered another strong set of results for the year ended 31 December 2019 underpinned by our continued investment in growing the rental portfolio, active property and asset management, strong operating metrics, as well as a further portfolio valuation increase. This was achieved by leveraging the expertise and technology platform of CAPREIT Limited Partnership and IRES Fund Management Limited, including a highly talented acquisitions and development team and a dedicated operations and tenant services team here in Ireland. We continue to invest in the supply of apartments and houses for rent through a combination of acquisitions and forward purchase contracts with developers, including the acquisition of the 815 unit Marathon portfolio for circa €285 million on 1 August 2019. This growth was funded with a combination of debt and equity. We refinanced our revolving credit facility during the year and increased it to €600 million with a €50 million accordion, and at a lower interest rate than the previous facility. We also completed a successful equity placing of shares across two tranches in June and July 2019, raising net proceeds of approximately €131million to fund growth.

The structural drivers of demand for private rental residential accommodation in Ireland (population growth, strong inward investment, economic growth and urbanisation) are likely to underpin demand for some time to come. At the same time supply continues to be constrained. Following the recent general election in Ireland, there is increased uncertainty in relation to future Government policy on housing and regulation of the private rental market, particularly in relation to rent regulation. This uncertainty is likely to continue for some months until a new Government is formed and provides greater clarity of policy intentions. Looking forward, our modern, well located assets portfolio, together with our growth *pipeline from forward purchase contracts and development opportunities on our own sites (with planning permission for 627 units), provides the Group with flexibility on its significant future growth potential.''*

[1] This announcement incorporates the financial information of the Company and its wholly-owned subsidiary, IRES Residential Properties Limited, together referred to as the "**Group**", for the year from 1 January 2019 to 31 December 2019.

Financial and Operating Highlights

For the year ended	31 December 2019	31 December 2018
Operating Performance		
Revenue from Investment Properties (€ millions)	62.1	50.6
Net Rental Income (€ millions)	50.5	41.2
Profit before fair value changes in investment properties- EPRA Earnings (€ millions)	33.1	27.8
EPRA Basic Earnings per share (cents)(2)	6.9	6.5
Profit (€ millions)	86.3	119.8
Basic EPS (cents)	18.0	28.0
Portfolio Performance		
Total Number of Residential Units at year end	3,666	2,679
Overall Portfolio Occupancy Rate(2)	98.3%	99.8%
Overall Portfolio Average Monthly Rent (€)(2)	1,596	1,599
Gross Yield at Fair Value(1)(2)	5.6%	6.1%

As at	31 December 2019	31 December 2018
Liquidity and Leverage		
Total Property Value (€ millions)	1,359.2	921.3
Net Asset Value (€ millions)	810.2	618.7
EPRA Net Asset Value (€ millions)	811.0	619.6
Basic NAV per share (cents)	155.3	142.5
EPRA Basic NAV per share (cents)(2)	154.6	142.0
Group Total Gearing(3)	40.8%	33.6%
Other		
Market Capitalisation (€ millions)	829.5	586.1
Weighted Average Number of Shares – Basic	478,563,272	427,164,632

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

(2) For definitions, method of calculation and other details, refer to pages 20 to 22 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 19 to 20 of Liquidity and Financial Condition under the Operational and Financial Review.

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

- Continued growth in our revenue from investment properties to €62.1 million for the year was driven by acquisitions of new units, consistently high occupancies and average monthly rents in line with regulatory limits.
- The Group maintained high residential occupancy levels of 98.3% as at 2019 year end (2018: 99.8%). The slight decrease is primarily due to lower occupancy at Taylor Hill and Semple Woods, as these properties were still in the process of being leased at year end following their delivery in November 2019.
- "**NRI**" margin of 81.4% for the year ended 31 December 2019, compared to 81.3% for the year ended 31 December 2018.
- Our growth 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 additional jobs.

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

- Investment during the period of circa €381.6 million in acquisitions, development and maintenance of asset portfolio. The number of units owned in the portfolio increased by c. 37% for the year to 3666 rental units.
- The Company continues to invest in high quality assets through acquisition and development. Ongoing development projects on existing sites as well as forward purchase contracts in place, are expected to deliver an estimated additional 23% increase in portfolio unit count in the future.

Acquisitions and Developments

- In 2019, a total of 987 residential units (+37%) were acquired through acquisitions and forward purchase contracts.
- On 8 October 2018, acquired a 1.3-acre development site and entered into a development agreement for the development of 95 residential units in Hansfield Wood, Dublin 15 for a total consideration of approximately €30 million (including VAT, but excluding other transaction costs). The building work is now nearing completion with handover of the residential units to I-RES anticipated in Q2 2020.
- On 20 February 2019, acquired 52 residential units at the Coast, Baldoyle, Dublin 13 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.
- In March 2019, entered into contracts for the pre-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). Construction of the houses was completed with the residential units handed over turn-key to I-RES in phases before the end of 2019. The houses are expected to be fully leased up by Q1 2020.
- On 14 June 2019, signed and exchanged contracts to acquire the Marathon property portfolio, comprised of 815 residential units, across 16 high-quality developments in Dublin and Cork, for a total purchase price of €285 million (including VAT but excluding other transaction costs). This acquisition was completed on 1 August 2019.
- In July 2019, entered into contract for the forward purchase of 55 apartments and duplexes at Waterside, Malahide, Co Dublin for a total purchase price of €18.5 million (including VAT, but excluding other transaction costs). 26 completed residential units were delivered in January 2020 and it is expected that the remaining 29 residential units will be delivered in Q1 2020.

Funding Strategy

- We completed the refinancing of our debt facilities during April 2019, putting in place a new Revolving Credit Facility of €450 million, and increased this to €600 million in June 2019, to part finance the Marathon portfolio 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.

- In July 2019, we successfully completed a private placement of 86.55 million new shares with shareholders, raising net proceeds of approximately €131 million to support the funding of our growth strategy including the acquisition of the Marathon portfolio.

Dividends

- It is intended to declare a dividend of 3.1 cents per share for the year ended 31 December 2019 on or about 20 February 2020.
- Paid a dividend of 2.7 cents per share during September 2019 for the period 1 January 2019 to 30 June 2019.
- Paid a dividend of 3.0 cents per share during March 2019 for the year ended 31 December 2018.

Chairman‘s Statement

The board of the company (“the Board”) is very satisfied with the performance of the Group under the management of our CEO Margaret Sweeney and investment manager, IRES Fund Management. They remain focused on achieving the strategic priorities established by the Board, delivering solid and growing yields for investors through quality service delivery to tenants and accretive acquisitions and developments.

As at 31 December 2019, the Group has invested in a portfolio of 3,666 residential units across 41 properties in the Dublin area and one property in Cork. The Board will continue to evaluate growth opportunities supported by strong market fundamentals in Ireland, against a changing policy and regulatory environment and disciplined capital allocation delivering value for shareholders. We are very appreciative of our shareholders (including CAPREIT) and of our banking syndicate which strongly supported the Company in its financing during this period; particularly noteworthy are the increase in the Revolving Credit Facility to €600 million at attractive rates, and the circa 20% equity capital raise via a private placement of shares, raising €131 million (net), to fund our continuing growth strategy. The Board is delighted that the Group has acquired the Marathon asset portfolio, an established portfolio of scale which is a highly strategic acquisition.

Financial Results

The group has generated strong growth in revenues and profits for the year ended 31 December 2019 due to continued investment in new properties for rental, rental growth and consistently high occupancy across the portfolio.

Basic EPRA EPS is 6.9 cents for the year ended 31 December 2019, an increase of 6.2%, compared to last fiscal year (31 December 2018: 6.5 cents).

EPRA NAV per share increased by 8.9%, 154.6 cents, for the year ended 31 December 2018. This growth was driven mainly by acquisitions completed during the year, increases in the valuation of the investment properties and NRI, partially offset by dividends paid in 2019.

Investment Managers

The Board continues to be very satisfied with the significant contributions made by IRES Fund Management, the Company's alternative investment fund manager together with senior management and staff of CAPREIT Limited Partnership (CAPREIT LP). CAPREIT LP and IRES Fund Management provide significant support from senior staff and other personnel, together with an advanced SAP platform and other important contributions supporting the Company.

Governance Highlights

The results of our internal Board evaluation carried out in 2019 were very positive. The review demonstrated the strength of the Board, its enhanced capability and its unanimous view that good governance underpins strategic delivery and long-term value creation. The evaluation showed that our new Board member Mark Kenney (joined with effect from 1 January 2019) has enhanced the composition of the Board and its Committees.

Outlook

In summary, the Board is pleased with the Group performance. The Board believes the positive economic outlook for Ireland will lead to increased demand in the private residential rental sector and, along with accretive acquisition opportunities and delivery of development and intensification opportunities, should result in continued sustainable and long-term growth.

Declan Moylan
Chairman

Chief Executive Officer's Statement

I am pleased to report that 2019 represented another productive year for the Group as we continued to deliver on our growth strategy through disciplined capital allocation to add high quality residential units to the asset portfolio. This was underpinned by successful funding through new debt financing and a successful equity placing, in addition to the continuing strong underlying 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 grew the portfolio by c. 37%, through the addition of 987 residential units with an additional 219 residential units contracted to be delivered in 2020 and 2021. We also received planning permission for the development of an additional 627 rental units.
As at 31 December 2019, the portfolio consisted of 3,666 high-quality, well-located residential units, with an average age of approximately 11 years, along with associated commercial space and owned development sites (31 December 2018: 2,679 residential units), at a total value of €1,359.2 million. Our residential units, mainly located in the Dublin area, are near important transportation links and employment centres.

We entered into a new Revolving Credit Facility of €450 million with a syndicate of five banks in April 2019 and subsequently exercised the accordion option to increase this to €600 million in June 2019 in order to fund our acquisitions and development contracts, including the Marathon portfolio 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.

The Company successfully raised gross proceeds of approximately €134.2 million (net proceeds of approximately €131 million) through the issuance of new shares in a placing with shareholders, which was very strongly supported. The net proceeds from the 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, our strategy is to invest in supply through a combination of:

- Continued acquisition of completed assets at accretive yields
- Investing in future supply through development partnerships with developers of Private Rented Sector ("**PRS**") assets
- Development and intensification of I-RES owned sites

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

Acquisitions

Name	Purchase Price €m [1]	Gross Yield	Units	Closed Date
The Coast	14.0	6.0%	52	20-Feb-2019
Marathon	285.0	5.2%	815	1-Aug-2019
City Square	0.4		1	29-Apr-2019
Total	**299.4**		**868**	

Forward Purchases completed in 2019

Name	Purchase Price €m [1]	Gross Yield	Units Completed	Date of completion
Taylor Hill and Semple Wood	38.2	6.7%[2]	118	Nov-2019
Total	**38.2**		**118**	

Note 1: Including VAT, but excluding other transaction costs

Note 2: Based on expected yields

Forward Purchases committed in 2019

Name	Purchase Price €m [1,]	Gross Yield	Total Units	Units Completed	Units expected	Expected date of completion
Waterside	18.5	7.0%	55	0	55	Mar-2020

Note 1: Including VAT, but excluding other transaction costs

Planning Permissions Received

The Company has successfully achieved planning approval for the development of 627 residential units on sites owned by the Group which would increase the current portfolio size by circa 17%.

Location	Units at Completion	Status
Tallaght Cross West	18	Planning Permission Granted and Under Construction
Bakers Yard	61	Planning Permission Granted
Priorsgate (Bruce House)	31	Planning Permission Granted
Priorsgate (Conversion)	5	Planning Permission Granted
Beacon Square South (B4)	84	Planning Permission Granted
Rockbrook	428	Planning Permission Granted
Total	**627**	

Environmental, Social and Governance (ESG) Strategy

We recognise that responsible investing and ESG-based performance and disclosure is increasingly becoming valued and expected by investors and other stakeholders across the real estate industry. Our commitment is to build a sustainable and responsible business which is aligned with the long term approach we take to building, maintaining and investing in our properties and supporting and servicing our tenants, employees, suppliers and the wider community in which we operate. We seek to align our business strategy and objectives with a developing ESG strategy for the Company supported by our Investment Manager. We believe that sustainability is an important element of delivering on our vision to be Ireland's leading landlord providing good quality homes in which to live and belong to the local community. As a leader in Ireland's residential housing market, I-RES is establishing the necessary building blocks to gain better understanding of our exposure to ESG-related risks and to explore opportunities for delivering on sustainability objectives alongside longer-term value creation.

Results

Below is a table summarising the Group's financial position as at 31 December 2019 and profit or loss results for the year ended 31 December 2019:

Statement of Financial Position:	**As at 31 December 2019**	**As at 31 December 2018**
Investment Property Value (€ millions)	1,359.2	921.3
Net Asset Value (€ millions)	810.2	618.7
EPRA Net Asset Value (€ millions)	811.0	619.6
Basic NAV per Share (cents)	155.3	142.5
EPRA basic NAV per Share (cents)	154.6	142.0
Bank Indebtedness (€ millions)	549.9	307.5
Group Total Gearing	40.8%	33.6%
Statement of Profit or Loss and Other Comprehensive Income:	**For the year ended 31 December 2019**	**For the year ended 31 December 2018**
Revenue from Investment Properties (€ millions)	62.1	50.6
Net Rental Income (€ millions)	50.5	41.2
Profit including revaluation gain (€ millions)	86.3	119.8
Basic EPS (cents)	18.0	28.0

Diluted EPS (cents)	17.9	27.8
EPRA Basic EPS (cents)	6.9	6.5

The property assets at 31 December 2019 increased by €381.6 million relating to acquisitions, development and maintenance of the asset portfolio and a €56.2 million fair value gain on the investment properties held as at 31 December 2019. The main drivers of the valuation increase in the period were continued rental growth and capitalisation rate compressions.

Basic NAV per share and EPRA NAV per share were 155.3 cents and 154.6 cents, respectively, as at 31 December 2019, having increased by 9.0% and 8.9% from 142.5 cents and 142.0 cents, respectively, as at 31 December 2018.

The Group increased its Group Total Gearing to 40.8% at 31 December 2019, up from 33.6% at 31 December 2018, to support additional acquisitions and development.

AMR for all properties was €1,596 as at 31 December 2019 (December 2018: €1,599).

All of the assets are subject to rent regulation which permits a maximum annual rent increase of 4% per annum for properties located in "Rent Pressure Zones". The Government of Ireland has recently extended the rent regulation on the same terms for a further 2 years to December 2021.

As a result of strong property management programmes and strong market fundamentals in the Irish residential rental sector, the residential occupancy level remained high at 98.3% at 31 December 2019 (31 December 2018: 99.8%) with the slight decrease on the prior year primarily arising as a result of Semple Wood and Taylor Hill still being leased at the end of the year following the final delivery of the remaining residential units in November 2019.

The efficient operating platform of IRES Fund Management continues to deliver operating efficiencies with the NRI margin increasing to 81.4% from 81.3%.

We are delighted to continue our strategy of earnings growth with EPRA Basic EPS increasing by 6.2% to 6.9 cents for the period ended 31 December 2019 compared to 6.5 cents for the same period last year. This was due to organic rental growth and active 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. A dividend of 2.7 cents per share (€14.1 million) was paid in September 2019 for the six-month period ended 30 June 2019.

It is the intention of the Board that the declaration of an additional dividend of 3.1 cents per share (€16.1 million) for the twelve months ended 31 December 2019 be announced by the Company following the filing of the relevant financial statements for the Company in Dublin, Ireland on or about 20 February 2019 and such interim dividend be paid on a subsequent date as notified in such announcement.

Future Outlook

Despite continued improvement in housing output in Ireland during 2019, a significant shortage of accommodation still remains the most pressing issue within the housing market. Supply remains limited due to a lack of construction. This macro environment, coupled with our continued investment and professional property management, provides significant opportunities for I-RES to continue to grow as a leading provider of private rented residential homes in Ireland. On the demand side, the Irish economy remains one of the fastest-growing in the European Union, with employment up by 2.4% in the year to September 2019 and unemployment now at a new cycle low of 4.8% as at December 2019, both of which continue to support residential demand. According to Daft.ie, there were only 3,542 listings for all of Ireland for rental properties in November 2019, close to historic lows and equivalent to approximately 0.3% of Ireland's housing stock as measured in the 2016 census.

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 as well as taxation and increased regulation risks. Brexit could have an impact on housing demand, which would provide opportunity for further growth for 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 growth 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. The ongoing housing shortage and increasing rents is a key focus of government as well as increasing regulation to protect tenants' interests.

Following the recent general election in Ireland, there is increased uncertainty in relation to future Government policy on housing and regulation of the private rental market, particularly in relation to rent regulation. This uncertainty is likely to continue for some months until a new Government is formed and provides greater clarity of policy intentions.

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 increase the size and scale of our property portfolio, we will benefit from economies of scale and operating synergies, further enhancing our organic growth. While pursuing this growth strategy, we remain very aware of our responsibility to provide good quality professionally managed accommodation to our tenants with 24/7 service and to ensure we are mindful of tenant needs.

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 and their commitment to building a long term sustainable business in Ireland. From our operations team on the ground who take such excellent care of our tenants, to the entire IRES 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. I look forward to working with everyone as we move toward continued success in the future.

Margaret Sweeney
Chief Executive Officer

Investment Manager's Statement

The team in Ireland performed strongly in 2019, 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.

Our highly qualified and talented operations team, which features a member on-site at every building and offers extensive supports such as a 24-hour emergency line, leads the way in professional management of residential rental accommodation 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 a continued focus on tenant service and satisfaction 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.

I-RES has a well diversified, high-quality portfolio distributed around Dublin with one asset in Cork acquired as part of the Marathon portfolio 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 IRES Fund Management

Business Review

The Company continues to seek accretive acquisitions and pre-purchase commitments within Dublin and its commuter zones as well as other large urban centres in Ireland, in order to grow its portfolio.

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 almost 100% occupancy across the Company's portfolio.

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

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

Whilst the focus of the Group's acquisition and development activity is on the Dublin and Dublin commuter belt markets, the Company continues to explore opportunities in the regional markets. In 2019, the Group has acquired its first property in Cork as part of its acquisition of the marathon portfolio. Additionally, the Company owns a number of well-located development sites which have the capacity to deliver circa 627 new residential units. The Company made significant progress through 2019, in achieving planning grants for all 627 residential units.

High-Quality Acquisitions in 2019

We continued our successful acquisitions strategy through 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.

Marathon Portfolio, Dublin

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). 15 of the developments included in the portfolio are located in Dublin, comprising of 765 residential units in total (representing 94% of the portfolio) and one scheme is located in Cork, comprising of 50 units (representing 6% of the portfolio). The Marathon portfolio assets present an excellent mix of locations which complement the existing I-RES portfolio with a number of the Marathon portfolio developments being located close to existing I-RES assets and others located in excellent locations where I-RES will now establish a market presence. This acquisition was completed on 1st August 2019. The units are situated in a mix of Prime South Dublin, City Centre, Secondary North Dublin, and Secondary West Dublin locations and at an additional location in close proximity to the city of Cork. These are established residential areas close to quality infrastructure including schools, transport, employment and amenities.

Forward Purchase Contracts 2019

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).

78 Houses in Taylor Hill, Balbriggan, Co. Dublin
Taylor Hill 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.

40 Houses in Semple Woods, Donabate, Co Dublin
Semple Wood 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, beaches, golf courses, restaurants and shopping.

Construction of these houses was completed with the residential units handed over turn-key to I-RES in phases by the end of 2019. The houses 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 €18.5 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.

26 completed residential units were delivered over to the Company in January 2020 and it is expected that the remaining 29 residential units will be delivered to the Company in Q1 2020.

Contracts entered in 2018 which are expected to be delivered in 2020/ 2021

Hansfield Wood, Dublin 15, Phase 2
During 2018, I-RES entered into contract to acquire a 1.3-acre development site in Hansfield Wood for a total purchase price of €3.3 million. I-RES and its technical team monitored the construction of a self-contained block of 95 apartments at Hansfield Wood, Dublin 15. The building work is now nearing completion with snagging due to commence in early 2020 and handover of the apartments to I-RES anticipated in Q2 2020.

Merrion Road, Dublin 4
I-RES entered into contract for the forward purchase of 69 residential units at Merrion Road in a transaction valued at €47.6 million. Construction commenced in 2019 with I-RES and its technical team monitoring the ongoing works. It is anticipated that the residential units will be completed and handed over to I-RES during 2021and made available for leasing.

Development and Intensification of Existing Assets

During the past two years, I-RES submitted planning applications to build circa 627 residential units across 7 existing sites and has now successfully received planning permissions for all of these developments.

Developments in 2019

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 began in 2019, with completion expected in 2020.

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 the residential unit is now occupied.

Planning Permission granted for the following future development sites

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 was completed in Q2 2019. The Company has entered into a contract to commence construction of the 61 units in Q1 2020 with completion estimated by end of 2021.

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

Priorsgate, Tallaght, Dublin 24
The Company has received planning permission for the conversion of unused commercial space into five residential units.

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 was submitted to An Bord Pleanala in late 2018 and An Board Pleanala granted planning permission in 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 full and final planning permission in June 2019.

Site B3, Beacon South Quarter, Sandyford

Site B3 which previously has planning for commercial office fronts Blackthorn Drive and is within the Beacon South Quarter mixed use scheme. A pre-planning submission has been issued to the local planning authority for a scheme of 45 residential units.

Property Portfolio Overview

The following tables provides the Group's property portfolio valuation as at 31 December 2019 compared to 31 December 2018. There were no disposals during the year.

Property Overview

	Property Location	Location	# of Apts. Owned[(1)]	Commerical Space Owned (sq.m.)[(1)]	Average Monthly Rent Per Apt. as at 30 December 2019[(1)(2)(3)]	Occupancy[(1) (2)]
	South Dublin					
1	Beacon South Quarter	Sandyford	225	2,395	€ 1,905	99.1%
2	Grande Central	Sandyford	65	-	€ 1,792	100.0%
3	Rockbrook Grande Central	Sandyford	81	3,529	€ 1,729	100.0%
4	Rockbrook South Central	Sandyford	189	1,136	€ 1,755	100.0%
5	Bessboro	Terenure	40	-	€ 1,732	100.0%
6	The Forum	Sandyford	8	-	€ 1,851	100.0%
7	Elmpark Green	Merrion	201	-	€ 1,652	100.0%
8	The Maple	Sandyford	68	-	€ 2,130	100.0%
9	Time Place	Sandyford	67	-	€ 1,659	98.5%
10	Beechwood Court	Stillorgan	101	-	€ 1,724	100.0%
11	Belville Court	Cabinteely	29	-	€ 1,449	96.6%
	Total South Dublin		**1,074**	**7,060**	**€ 1,774**	**99.5%**
	City Centre					
12	Kings Court	Smithfield	83	566	€ 1,524	100.0%
13	The Marker	Docklands	85	1,218	€ 2,640	91.8%
14	Bakers Yard	Portland Street North	86	700	€ 1,528	98.8%
15	City Square	Gloucester Street	24	57	€ 1,719	100.0%
16	Xavier Court	Drumcondra	41	-	€ 1,509	97.6%
17	Spencer House	North Docks	12	-	€ 1,634	91.7%
18	Coopers Court	Liberties	14	196	€ 1,312	92.9%
19	Richmond Gardens	Drumcondra	98	-	€ 1,517	100.0%
20	East Arran Street	Smithfield	12	-	€ 1,608	100.0%
	Total City Centre		**455**	**2,737**	**€ 1,739**	**97.0%**
	West City					
21	Camac Crescent	Inchicore	90	-	€ 1,462	100.0%
22	Lansdowne Gate	Drimnagh	224	-	€ 1,654	99.1%
23	Tyrone Court	Inchicore	95	-	€ 1,620	98.9%
	Total West City		**409**	**-**	**€ 1,604**	**99.4%**
	North Dublin					
24	Charlestown	Fingals	235	-	€ 1,449	100.0%
25	Hampton Woods	Finglas	128	-	€ 1,723	99.2%
26	The Coast	Baldoyle	52	-	€ 1,421	100.0%
27	Carrington Park	Santry	142	-	€ 1,466	100.0%
28	Heywood Court	Santry	39	-	€ 1,390	100.0%
29	Northern Cross	Malahide	128	-	€ 1,349	100.0%
30	Russell Court	Swords	29	-	€ 1,333	100.0%
31	Taylor Hill	Balgriggan	78	-	€ 1,452	82.1%[(5)]
32	Semple Woods	Donabate	40	-	€ 790	37.5%[(5)]

	Total North Dublin		**871**	**-**	**€ 1,439**	**90.1%**
	West Dublin					
33	Priorsgate	Tallaght	103	2,538	€ 1,245	99.0%
34	The Laurels	Tallaght	19	190	€ 1,333	100.0%
35	Tallaght Cross West	Tallaght	442	16,098	€ 1,341	99.8%
36	Coldcut Park(6)	Clondalkin	91	-	€ 1,525	100.0%
37	Hansfield Wood	Ongar	99	-	€ 2,191	100.0%
	Hansfield Wood II(4)	Ongar	-	-	n/a	n/a
38	Belleville & The Mills	Castleknock	21	-	€ 1,594	100.0%
39	The Oaks	Clonsilla	14	-	€ 1,579	100.0%
40	St. Edmunds	Palmerstown	18	-	€ 1,614	100.0%
	West Dublin		**807**	**18,826**	**€ 1,470**	**99.9%**
Cork						
41	Harty's Quay	Cork	50	-	€ 1,186	92.0%
Total owned portfolio as at 31 December 2019			**3,666**	**€ 28,623**	**€ 1,596**	**98.3%**

(1) As at 31 December 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 31 December 2019 was €5,851,557 divided by 3,666 units (which are the total units owned as at 31 December 2019) resulting in AMR of €1,596.

(4) As at 31 December 2019, Hansfield Wood Phase II was still under construction.

(5) Taylor Hill and Semple Woods were forward purchases that I-RES entered into. The units were delivered to I-RES on a phased basis throughout the 2019 fiscal year. As a result, the units at these properties are still being leased up.

Operational and Financial Results

Net Rental Income and Profit for the Year Ended

	31 December 2019 €'000	31 December 2018 €'000
Operating Revenues		
Revenue from investment properties	**62,097**	50,608
Operating Expenses		
Property taxes	**(669)**	(536)
Property operating costs	**(10,891)**	(8,914)
	(11,560)	(9,450)
Net Rental Income ("NRI")	**50,537**	41,158
NRI margin	**81.4%**	81.3%
General and administrative expenses	**(4,288)**	(3,258)
Asset management fee	**(4,024)**	(3,178)
Share-based compensation expense	**(236)**	(228)
Net movement in fair value of investment properties	**56,234**	92,664
Gain/(Loss) on derivative financial instruments	**131**	(659)
Lease interest	**(4)**	-
Depreciation of property, plant and equipment	**(32)**	(8)
Financing costs on credit facility	**(12,036)**	(6,706)
Profit for the Year	**86,282**	119,785

Operating Revenues
For the year ended 31 December 2019, total operating revenues increased by 22.7% compared to the year ended 31 December 2018, due to the full year of contributions from prior year acquisitions, acquisitions and completed forward purchases during 2019, increased rents of existing properties 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 31 December 2019, NRI increased by 22.8% primarily due to acquisitions completed in the prior year having a full-year impact, acquisitions and completed forward purchases during 2019 and organic rental growth. The NRI margin for the current year slightly increased to 81.4% compared to 81.3% for last year.

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, depository, property valuation fees and other general and administrative expenses.

Asset Management Fee
Pursuant to the investment management agreement between I-RES, IRES Residential Properties Limited and IRES Fund Management effective on 1 November 2015, as amended and restated from time to time (the "**Investment Management Agreement**"), I-RES pays 3.0% per annum of its gross rental income as property management fees (included under property "Operating costs" above) and 0.5% per annum of its net asset value, together with relevant reimbursements, as asset management fees to the Investment Manager. The Asset management fee for the year ended 31 December 2019 was €4.0 million compared to €3.2 million for the year ended 31 December 2018. It is higher due to fair value gains on investment properties, higher profits and NAV increases in 2019. See note 19 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. In 2017 and 2019, additional options were granted to the Company's Chief Executive Officer. See note 11 of the financial statements.

Net movement in fair value 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 consolidated statement of profit or loss and other comprehensive income. The fair value gain on investment properties is mainly due to the continued rental growth from income properties and capitalisation rate compression, which has led to an increase in value of €56.2 million for the period ended 31 December 2019.

Gain (Loss) on Derivative Financial Instruments
On 28 February 2017 and 15 September 2017, 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 31 December 2019, there was a fair value gain of circa €0.1 million recorded in the consolidated statement of profit or loss and other comprehensive income compared to a fair value loss of circa €0.7 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 year ended 31 December 2019 to €12.0 million from €6.7 million for the year ended 31 December 2018. The increase is mainly due to a higher drawdown of the new Revolving Credit Facility from €309 million to €555 million. The financing costs also includes circa €1.4 million of deferred loan costs written off and a prepayment cost of circa €1.8 million incurred relating to the termination of the previous facility of €350 million. The new facility has a lower margin as compared to the previous facility.

Property Portfolio Overview

Property Capital Investments

The Group capitalises all capital investments related to the improvement of its properties. For the year ended 31 December 2019, the Group made property capital investments of €8.0 million, an increase from €5.0 million for the year ended 31 December 2018. The increase in capital investments includes €1.7 million relating to intensification of units, €0.7 million relating to capital improvements for new acquisitions and approximately €0.5 million relating to improvements at Beacon South Quarter.

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 31 December 2019 is circa €0.6 million. 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 31 December 2019, capital consists of equity and debt, with Group Total Gearing of 40.8%, which is below the Board's target of 45% and the 50% maximum allowed by the Irish REIT Regime. As a result, the Group has capacity of circa €80 million to acquire and/or develop additional properties. I-RES seeks to use gearing to enhance shareholder returns over the long term.

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

As at	**31 December 2019**	**31 December 2018**
	(€'000)	(€'000)
Committed Facility	600,000	350,000
Less: Drawdowns	555,020	309,159
Available Borrowing Capacity	44,980	40,841
Weighted Average Interest Rate	1.86%	1.93%

(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 could 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 and has amended the credit facility to include a new uncommitted accordion facility in the amount of €50 million.

Equity issuance in 2019

On 13 June 2019 and 10 July 2019, I-RES successfully completed placings to institutional investors, in two tranches of, in aggregate, 86,550,000 new Ordinary Shares at a price of €1.55 per share raising gross proceeds of approximately €134.2 million (before commissions, fees and expenses). Fees relating to the issuance of the new Ordinary Shares are circa €3.2 million, resulting in net proceeds of circa €131 million. The purpose of the placing was to support the funding of the Company's growth strategy including the acquisition of the Marathon Portfolio. The terms of the issue were fixed on 13 July 2019 at which date the market price of the Ordinary Shares was €1.61.

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. 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 year 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 ("AMR") and Occupancy

	Total Portfolio					**Properties Owned Prior to 31 December 2018 (Like to Like properties)**					**Properties Acquired After 31 December 2018**	
	2019		**2018**			**2019**		**2018**				
As at 31 December	**AMR**	**Occ. %**	**AMR**	**Occ. %**	**AMR change %**	**AMR**	**Occ. %**	**AMR**	**Occ. %**	**AMR change %**	**AMR**	**Occ. %**
Residential	**€1,596**	**98.3%**	€1,599	99.8%	(0.2%)	**€1,649**	**99.4%**	€1,599	99.8%	3.1%	**€1,453**	**95.1%**

The Group has generated strong rental growth and maintained a high level of residential occupancy across the portfolio during the year, indicative of the strong market fundamentals in the Irish residential rental sector. For like for like properties, AMR increased to €1,649 per residential unit as at 31 December 2019, up 3.1% from €1,599 at 31 December 2018, largely due to strong increases in monthly rental rates on circa 85% of combined renewals and turnovers during the year and consistent occupancy rates compared to last year. For like for like properties, AMR is used as a measure for sustainable year over year changes in revenues.

Gross Yield at Fair Value

As at	**31 December 2019**	**31 December 2018**
	(€'000)	(€'000)
Annualised Passing Rent	**72,798**	53,888
Aggregate fair market value as at reporting date	**1,293,241**	882,416
Gross Yield	**5.6%**	6.1%

The portfolio Gross Yield at fair value was 5.6% as at 31 December 2019 compared to 6.1% as at 31 December 2018, excluding the fair value of development land and investment properties under development. The NRI margin was approximately 81.4% for the year ended 31 December 2019 (81.3% for the year ended 31 December 2018).

EPRA Earnings per Share

For the year ended	31 December 2019	31 December 2018
Total comprehensive income for the year attributable to shareholders (€'000)	**86,282**	119,785
Adjustments to calculate EPRA Earnings exclude:		
Costs associated with early redemption of debt instrument (€'000)	**3,153**	-
Changes in fair value on investment properties (€'000)	**(56,234)**	(92,664)
Changes in fair value of derivative financial instruments (€'000)	**(131)**	659
EPRA Earnings (€'000)	**33,070**	27,780
Basic weighted average number of shares	**478,563,272**	427,164,632
Diluted weighted average number of shares	**481,508,009**	431,236,978
EPRA Earnings per share (cents)	**6.9**	6.5
EPRA Diluted Earnings per share (cents)	**6.9**	6.4

EPRA NAV per Share

As at	31 December 2019	31 December 2018
Net assets (€'000)	**810,169**	618,724
Adjustments to calculate EPRA net assets exclude:		
Fair value of derivative financial instruments (€'000)	**788**	913
EPRA net assets (€'000)	**810,957**	619,637
Number of shares outstanding	**521,678,946**	434,153,946
Diluted number of shares outstanding	**524,529,943**	436,272,927
Basic Net Asset Value per share (cents)	**155.3**	142.5
EPRA Net Asset Value per share (cents)	**154.6**	142.0

EPRA basic EPS for the period was 6.9 cents for the year ended 31 December 2019.

EPRA NAV per share increased by 8.9% for the year ended 31 December 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 and September 2019.

Market Update

The Irish economy has continued to perform well, delivering GDP growth of 5.9% in the first three quarters of 2019 according to the Central Statistics Office (CSO), again close to the fastest growing economies in Europe. The growth is broad based, with consumer demand, public expenditure and net trade making positive contributions to growth.

This buoyant growth backdrop is mirrored in the labour market, where the most recent data from the CSO show that employment grew by 2.4% year-on-year (yoy) in Q3 2019. The unemployment rate has dropped to a new cycle low of 4.8% in December.

As the country has trended towards full employment, the lack of spare capacity has led to an inevitable increase in income. Average weekly earnings grew by 3.4% in the year to Q3 2019 and hourly earnings by 4% (per the CSO).

Crucial to Ireland's strong economic performance has been the resilience of the export sector. Both goods and services exports have shown double-digit growth in 2019 (per the CSO), showing little sign of any negative impact from Brexit or the slowdown in global trade. This is because Ireland's export sector is concentrated in defensive sectors, or less exposed to tariffs and trade tensions, namely; agri-food, business and financial services, information & communications technology, life sciences and pharmaceuticals.

The consumer remains buoyant, with CSO data showing consumer spending up 3.4% in 2019, or by 5.3% in nominal terms. Core retail sales grew by 4.2% in first eleven months of 2019. This is exceptional growth by European standards but has mainly been driven by higher incomes from jobs growth, increasing wages and tax cuts. Household savings remain at high levels.

The homebuilding sector continues to pick-up with approximately 20,000 completions (per the CSO) and approximately 26,000 starts (per the Department of Housing) in the 12 months to September 2019. However, residential property price inflation has slowed to just 1.4% with prices falling marginally in Dublin in the year to end November 2019 according to the CSO. This reflects an inevitable slowdown following the tightening of Central Bank mortgage lending rules, but with added downward pressure from Brexit uncertainty, particularly at the top-end of the market.

Rental inflation is robust across the economy, with residential rents 7% higher in the year to June according to the Residential Tenancies Board. The availability of rental properties continues to be an acute issue, with listings of only 3,542 rental properties in November according to Daft.ie. This is still close to historic lows, down marginally on last year, and equivalent to approximately 0.3% of Ireland's housing stock as measured in the 2016 census.

Opposition political parties in December 2019 had proposed new rent legislation, Rent Freeze (Fair Rent) Bill 2019, which was rejected by the Irish Government. However, the future policy and regulatory situation could be subject to change as a new Government is being formed following the recent general election. The experience of other markets, including Germany, highlights that the proposals would cause a significant reduction in much needed supply of new rental stock and negatively impact the maintenance and servicing of existing stock. Policies aimed at stimulating new supply, especially in the area of social and affordable housing for both owner-occupiers and tenants, could have beneficial outcomes for Ireland's housing market.

In the UK Brexit continues to be the main political risk. Following its formal withdrawal from the European Union on 31 January 2020, the UK entered the 'transition period' during which there will be no change to trade relations – lasting until end-2020. Although, the UK government insist there can be no extension, it is unlikely a trade deal can be concluded by the end of 2020.

Investment Policy

Focus Activity

The Group's aim is to assemble a portfolio within its focus activity of acquiring, holding, managing and developing investments primarily focused on residential rental accommodations and ancillary and/or strategically located commercial property on the island of Ireland, principally within the greater Dublin area and other major urban centres on the island of Ireland (the "**Focus Activity**"). The vast majority of such properties will form the Group's property investment portfolio for third party rental. The Group may also acquire indebtedness secured by properties (including in respect of buy-to-let properties) within its Focus Activity where it intends to gain title to and control over the underlying property. There is no limit on the proportion of the Group's portfolio that consists of indebtedness secured by properties.

Consistent with the Focus Activity, the Group may consider property development, redevelopment or intensification opportunities, in particular, the completion of building out the Group's current development sites, where the directors of the Company consider it appropriate having regard to all relevant factors (including building risk, lease up risk, expected returns and time to complete).

The Group may also acquire properties and portfolios which include other assets outside of the Focus Activity, subject always to a maximum limit of 20% of the overall gross value of the Group's property assets, provided there is a disposal plan in place in connection with such assets which have been deemed non-strategic and do not meet the Group's investment objectives or which could otherwise have an adverse effect on the Group's status as an Irish real estate investment trust.

Gearing

The Group will seek to use gearing to enhance shareholder returns over the long term. The Group's gearing, represented by the Group's aggregate borrowings as a percentage of the market value of the Group's total assets, will not exceed the 50% maximum permitted under the Irish REIT Regime. The board of the Company (the "Board") reviews the Group's gearing policy (including the level of gearing) from time to time in light of then-current economic conditions, relative costs of debt and equity capital, fair value of the Group's assets, growth and acquisition opportunities and other factors the Board may deem appropriate, with the result that the Group's level of gearing may be lower than 50%. The Board may also from time to time consider hedging or other strategies to mitigate interest rate risk.

Investment Structures

The Group will also have the ability to enter into a variety of investment structures, including joint ventures, acquisitions of controlling interests, acquisitions of minority interests or other structures (whether by way of equity or debt) including, but not limited to, for revenue producing purposes in the ordinary course of business, within the parameters stipulated in the Irish REIT Regime. There is no limit imposed on the proportion of the Group's portfolio that may be held through such structures.

Warehousing / Pipeline Agreements

If the Group is unable to participate in sales processes for property investments because it has insufficient funds and/or debt financing available to it, including where its gearing is at or close to the maximum permitted level under the Irish REIT Regime, the Group is permitted to acquire property investments that meet the criteria specified in its Investment Policy (including the acquisition of shares in property holding companies) from time to time in accordance with the terms of warehousing or pipeline arrangements entered into or to be entered into by it with third parties, in each case, without shareholder approval and for a price calculated on a basis that has been approved in advance by the directors of the Company.

Restrictions

Pursuant to the Irish REIT Regime, the Group is required, amongst other things, to conduct a Property Rental Business consisting of at least three properties, with the market value of any one property being no more than 40% of the total market value of the properties in the Group's Property Rental Business. Further, at least 75% of the Group's annual

Aggregate Income will need to be derived from its Property Rental Business and at least 75% of the market value of its assets, including uninvested cash, will need to relate to its Property Rental Business.
In addition to the foregoing, the Group will not do anything that would cause the Group to lose its status as a real estate investment trust under the Irish REIT Regime.

Changes to the Investment Policy

Material changes to the Group's Investment Policy set out above may only be made by ordinary resolution of the shareholders of the Company in accordance with the Listing Rules of Euronext Dublin and notified to the market through a Regulatory Information Service. If the Company breaches its Investment Policy, the Company is required to make a notification via a Regulatory Information Service of details of the breach and of actions it may or may not have taken. A material change in the published Investment Policy would include the consideration of investments outside of the Focus Activity, other than as permitted under this Investment Policy.

For as long as the Company remains admitted to the Official List maintained by Euronext Dublin, any changes to the Company's Investment Policy must be made in accordance with the requirements of the Listing Rules of Euronext Dublin.

With a view to implementing the Investment Policy, the Company has adopted an Investment Strategy, a copy of which is set out in each annual report of the Company, and which is subject to such amendments as made by the Board from time to time.

I-RES has invested in accordance with the investment policy. Please refer to the property overview table on page 16 for further details.

Principal risks and uncertainties

The directors of the Company set out below the principal risks and uncertainties that the Group is exposed to and that may impact performance in the coming financial year. The Group proactively identifies, assesses, monitors and manages these risks with the assistance of the Investment Manager and CAPREIT LP, as well as the combined expertise of its Board. The principal risks and uncertainties, along with their strategic impact on the business and mitigating factors, have been outlined. The Group has also provided its belief on how the risk has trended (remained stable, is increasing or is decreasing) from the year ended 31 December 2018.

Risk	**Strategic Impact**	**Mitigation Strategy**	**Risk Trending Since December 31, 2018**
Regulation and Legislation The government may introduce legislation, including tax and rent legislation that has an adverse impact on the performance of the REIT.	In December 2016 the government passed legislation, which amongst other things, limits annual rent increases to 4% in "rent pressure zones", which includes Dublin and Cork and impacts substantially all of the Group's investment properties. 2019 saw further significant changes to the Residential Tenancies Acts which govern residential tenancies in Ireland. These changes included: 1. Effective June 2019, the 4% cap on rent increases applies to properties built after December 2016; 2. Changes to termination rights and notice periods; 3. The introduction of limitations on short term lettings; 4. An increasing of the Residential Tenancies Board's investigations and sanctioning powers; 5. Changes to lease registration requirements; 6. An expansion of rent control areas and changes to rent control exemptions; 7. A new definition of "substantial change" in the nature of the rental property; and 8. An expansion of the residential tenancies legislation to cover student specific accommodation. Following the election on 8 February 2020, a new	The rent legislation, including the 4% limitation on annual rent increases had been reflected in the Group's expectations of financial performance and growth in 2020 and future years. The Group and its Investment Manager also employ an effective expense management strategy, keeping in mind the limitation on revenue growth imposed by the legislation. Additionally, occupancy throughout the portfolio remains close to 100%. The Investment Manager's due diligence process for acquisitions also factors in the impact of the 4% limitation on annual rent increases. As well there is a continued focus on development and intensification opportunities (the legislation with respect to the 4% limitation on annual rent increases does not apply to the first rent set in any new developments). If any new legislation is enacted, relevant staff will receive training and education in order to continue compliance with the rent legislation. The Group will continue to monitor for and evaluate any further changes in the legislation, and their impact on the growth strategy.	Increasing On 5 December 2019 an opposition (non-government) political party Sinn Féin was given leave to introduce the Rent Freeze (Fair Rent) Bill 2019 ("the Bill"). The Bill proposed to impose a rent freeze on residential rents. Residential rental markets and regulation continue to be a key topic of interest in Ireland, given the current lack of supply in the housing market and the resulting impact on rents. As such, there is uncertainty as to whether additional changes to rental regulations will be enacted and if so, the magnitude of the impact of these changes.

	government is being formed and is likely to bring increased regulation. This may have a negative impact on revenues and asset values if some of the policy intentions being discussed during the election campaign are brought forward by the new government. Additionally, as legislation changes, the Investment Manager may have to incur incremental costs to comply, such as staff training, modification of procedures and technology systems, and consultations with professional advisors. High		
Political Material changes to the political environment in areas significantly impacting the Group's operations	In Ireland a general election was held on 8 February 2020 and a new government is being formed. Housing continues to be a significant topic of discussion amongst the political parties and uncertainty around future government policy on housing and regulation of the private rental market will likely continue for some time until a new government is formed and provides greater clarity of their policy intentions. The Rent Freeze (Fair Rent) Bill 2019 will be taken up by the upcoming parliament. The bill in its current form proposes to provide for a rent freeze for all existing and new tenancies. This bill if passed in its current form would negatively	The Investment Manager and the Board are continuing to consider the impact of various political risks on the Group's business and will monitor, evaluate and adapt to developments as they arise.	Increasing The recent general election in Ireland will most likely impact housing policy and legislation. Additionally, as the UK and EU progress through the transition period, there continues to be uncertainty around the withdrawal's impact on trade relations between Ireland and the UK, and Ireland's economy.

	impact revenues, asset values, ability to raise funds via debt or equity, and the Group's overall growth. On 23 June 2016, the UK voted to leave the European Union (EU). This withdrawal took place on 31 January 2020, and now the UK and the EU have entered a transition period where the future relationship between the two parties will be negotiated. There continues to be a significant amount of uncertainty around potential effect of the withdrawal on the Irish economy as the UK is one of Ireland's largest trading partners. The withdrawal will also likely impact immigration, foreign investment, economic and fiscal policy, and regulatory practices. High		
Access to Capital The ability to access capital becomes limited.	If the Group is unable to source debt financing at attractive rates or raise equity, it may not be able to meet its growth objectives through acquisitions and development or preserve its existing assets through maintenance or capital expenditures. Medium	The Investment Manager and the CEO have developed relationships with lenders, both in Ireland and abroad, which provide ongoing financing possibilities. The quality of the Group's property portfolio and the conservative gearing target of 45% on total assets (particularly apartments) are attractive credit characteristics for potential lenders, which to date have facilitated the raising of debt financing. The Group currently has a revolving and accordion credit facility of up to **€ 600 million.** The Group invests in properties that generate a strong rate of return for its investors and, in turn, increases the attractiveness	Stable At **31 December 2019** the Group had drawn on its credit facility in the amount of -**€555m**. The Group continues to monitor liquidity needs to ensure that future capital requirements are anticipated and met within the limits of its leverage targets. Based on its financial position and performance, as well as its relationships with lenders and current and potential investors, the Group does not believe that its ability to obtain debt financing or raise equity has changed from last year.

		of its shares and dividends. As such, the Group believes it can raise additional capital if required but only after considering existing shareholders' interests. The Group actively manages its liquidity needs and monitors capital availability.	
Opportunity to Acquire or Develop Assets Investment opportunities may become limited.	The Group may not grow in number of apartments relative to the past if there is a lack of development and acquisition opportunities. Additionally, investment opportunities could be limited if they become overly costly or there is excess competition. If growth opportunities are limited, it will impact the Group's ability to generate growing returns for its shareholders. Medium	The Group has become a sought-after investor for new investment opportunities that arise in the market. The Investment Manager has deep market knowledge and has established strong industry relationships, which provide for new growth opportunities. Additionally, the Investment Manager has dedicated staff focused on identifying and evaluating a pipeline of acquisition and development opportunities The Group focuses on a three-pronged strategy for growth. This involves acquisitions, development opportunities within existing assets, and partnering with developers in relation to new development opportunities.	Stable Completed assets are in limited supply, and new supply is coming online more slowly than expected. Additionally, competition via new entrants and funds, though moderated continues to increase, leading to continued cap-rate compression and reduced opportunity for accretive acquisitions. The Group has continued to maintain an active pipeline of acquisition and development opportunities and continues to pursue opportunities to develop its existing assets.
Economy A general weakening of the Irish economy.	Reduced economic activity could have a negative impact on asset values and net rental income, which could affect cash flows. Medium	The Group's focus is on Dublin, which has been more resilient economically than other areas of Ireland in the past. On an ongoing basis, the Investment Manager monitors business performance and related economic factors and reports to the Board quarterly on the aforementioned.	Stable The Irish economy has experienced healthy growth over the last few years in terms of GDP increases and declines in the jobless rate. Continued growth is expected for 2020, though at a moderated pace. According to the Economic and Social Research Institute (ESRI) as of **December** 2019, Ireland's GDP is expected to grow by **5.8**% in 2019, and **3.3**% in 2020 with unemployment expected to average **5.0**% in 2019 and **4.6**% in 2020. These forecasts could be impacted by the outcome of Brexit negotiations.

Cost of Capital and Loan to Value Ratio Interest rates increase, and/or property valuations decrease, resulting in higher debt service costs and restrictiveness of future leveraging opportunities. Investors' expected rate of return increases, resulting in pressure to increase dividend yields.	The Group is exposed to risks associated with movements in interest rates on its floating rate bank debt, as well as movements in property valuations. Significant Increases in interest rates, and the cost of equity, could, affect the Group's cash flow and its ability to meet growth objectives or preserve the value of its existing assets. Additionally, property valuations are inherently subjective but also driven by market forces. A contraction in property values could make the Group too highly geared, which would result in higher interest costs and covenant breaches. Low	The Group has a target loan to value ratio of 45%, which is in line with the debt covenant limits. The target loan to value ratio ensures that the Group does not become too highly geared, which would result in high interest costs and covenant breaches, or in being under geared, which would result in lost opportunity for higher returns. The Group has a proven track record of strong and accretive results. Strong results, combined with being in a residential industry that is experiencing healthy demand, helps manage shareholders' expectations and thus, the cost of equity. Hedging instruments are used to limit the Groups interest rate exposure and the Group has hedged 37% of its interest rate exposure on its revolving credit facility. Regarding the floating rate on the bank indebtedness, the Investment Manager consults on a regular basis with the external lenders regarding interest rate exposure and whether hedging should be put in place, which is subject to Board approval. The Group closely monitors property values by updating its property valuations twice annually through the use of two property valuation firms.	Stable The European Central Bank is not expected to significantly increase interest rates over the short to medium term given the current and anticipated levels of uncertain economic indicators. As such, the Group does not anticipate a material increase in debt financing costs. Additionally, the Group's portfolio has seen overall property values continue to increase year-over-year for the past three years.
Investment Manager Performance A material decline in the Investment Manager's performance, or if it is unable to carry out its duties under the Investment Management	The Investment Manager, through its asset management and property management functions, plays an integral part in the day-to-day operations and management of the Group's assets. As a result, a significant decline in its performance or an inability to carry out its mandate or if it chooses to serve notice to terminate its services could lead to a	The Investment Manager is made up of a well-regarded multi-disciplinary team of qualified property and finance professionals experienced in the selection, financing and management of property investments. The Board oversees and evaluates the work of the Investment Manager including monitoring key performance indicators such as occupancy, rental revenues, net rental	Stable The Investment Manager has continued to have strong performance as evidenced by the returns being generated on the Group's assets and ability to manage day-to-day operational matters. The Group does not anticipate any material changes in the Investment Manager's ability to continue this performance or its ability to comply with AIFMD regulations.

Agreement, or the Investment Manager serves notice to terminate its services in accordance with the terms of the Investment Management Agreement. The Investment Manager can serve 12 months' notice to terminate their services.	decline in the Group's financial and operating performance, and significant disruption to the Group's operations. The Investment Manager must comply with certain regulations including the Property Services (Regulation) Act and the Alternative Investment Fund Management Directive (AIFMD) of the European Union. Failure to do so, could result in it losing its ability to provide property management and/or asset management services under the Investment Management Agreement to the Group. If the Group had to select another investment manager, there would be significant interruptions to day-to-day operations given the Group's reliance on the Investment Manager's personnel, processes, and IT systems. Medium	income, collectability of rents and net asset values. Additionally, the Board periodically reviews actual revenues and expenditures against budgets. The Board also has a close working relationship with the Investment Manager. Key personnel of the Investment Manager and its parent company, CAPREIT LP and its affiliates, are financially incentivised through the Group's long-term incentive plan. The Investment Manager's compliance and financial professionals spend a considerable amount of time ensuring compliance with the AIFMD requirements, as well as monitoring AIFMD regulations for any changes that impact compliance processes. The Investment Manager's policies and procedures are reviewed regularly to incorporate any changes in legislation or procedure. Additionally, the Investment Manager has engaged third party advisors and firms to assist it in complying with the AIFMD and carrying out associated functions, as well as, making required filings to the Central Bank. The Investment Manager regularly reports on its compliance activities relating to AIFMD to the Board of the Company, and the Board of the Investment Manager oversees compliance with the AIFMD to ensure that the Investment Manager meets its regulatory obligations at all times. The Company continues to be satisfied with the performance of the Investment Manager and will engage proactively with IRES Fund Management in relation to any proposed changes to the Investment Management Agreement. The	

		Investment Management Agreement provides that, after 1 November 2019, IRES Fund Management may serve 12 months' notice of its intention to terminate the Agreement and, if requested by the Company, the Investment Manager will provide transition services for a period of three (3) months at the Company's cost.	
Concentration Risk The Dublin market experiences material circumstances that results in lower occupancy or demand for rental properties.	A lack of geographical or asset diversification could lead to a material financial impact to the Group in the event of a decrease in occupancy or lower rents. Medium	Dublin has continued to be an economically resilient market. While the bulk of the existing portfolio is diversified across various districts within Dublin, the Company now owns property in Cork and continues to explore opportunities in other areas of Ireland with strong economic fundamentals. The Investment Manager monitors supply and demand for rental apartments in operating areas where the Group's investment properties are located. Additionally, the Investment Manager monitors and reports on certain key metrics around investment performance and risk, as well as compliance with the Group's stated investment policy, on a quarterly basis to the Board.	Stable Real estate fundamentals in Dublin continue to be strong as a result of the economy and population growth. The level of concentration is within the Group's risk appetite given the accretive opportunities still presented by being focused on the Dublin market.
Construction Increasing construction costs, cost overruns or delays in completion of development projects or defects in construction or non-compliance with building standards	The Group may not meet its performance targets if there are material costs in excess of estimates to build a property or if there are unanticipated delays in securing planning permissions or completion of construction, pushing back occupancy of the property and thus impacting the returns the Group can generate for shareholders. Increasing costs of construction could also impact returns or the Group's ability to take on construction projects.	In sourcing/reviewing potential development opportunities, the Investment Manager undertakes a detailed investment and viability analysis and ensures that the development opportunity meets the investment strategy, while building in timing and cost contingencies as needed. This analysis is presented to the Board for review and the Board must approve all development opportunities prior to commencement. The Investment Manager will typically recommend a tender process is completed for the	Stable The main contracting firms used by the Group have been active in the office and hotels sectors and continue to seek projects in the residential sector by way of diversification. While many contracting firms have been expanding their teams to accommodate increasing activity in the sector there remains pressure in the availability of construction labour and consultants. Additionally, there continues to be upward pressure on construction costs.

	Furthermore, post construction, structural deficiencies or non-compliance with building code may be discovered which could also impact returns. Medium	main contractor and selection of a potential main contractor will be based on their proven ability and capacity to complete construction projects of a similar nature. The Investment Manager performs adequate due diligence on its main contractors before recommending their engagement to the Board. Additionally, the Investment Manager will make a recommendation in respect of the proposed form of contract and obtains performance bonds where possible. The Investment Manager will retain a technical team to closely monitor each project and the work of the main contractor to ensure the project is being completed in compliance with required standards and is on schedule and within budget. The Investment Manager also engages an independent quantity surveyor to ensure the contractor billings are in line with the actual work completed. The Group uses fixed rate contracts to remove cost inflation risk during the construction phase To protect against structural defects and non-compliances with building standards, the Investment Manger receives completion certificates and Opinions of Compliance (in respect of planning permissions and building regulations) from the main contractor and where necessary, engages third party professionals to inspect the building during and upon completion of construction. Furthermore, an Assigned Certifier has been proactively engaged across major development projects in order to minimize risk of non-compliance with statutory requirements. The Investment Manager will require a suite of collateral warranties from the design team and main contractor. Additionally, a structural defects liability period (typically 12 months) will be	

		sought, during which time a holdback will be retained pending resolution in respect of any construction defects which have become apparent in the 12 months immediately post practical completion.	
Cybersecurity and Data Protection Failure to comply with data protection legislation or being subject to a cybersecurity attack	Failing to comply with data protection legislation and practices could lead to unauthorized access and fraudulent activities surrounding confidential/non-public business information or personal data, particularly that belonging to the Group's tenants. This could result in direct losses to stakeholders, penalties to the Group and/or the Investment Manager for non-compliance, potential liability to third parties and reputational damage to the Group. Medium	The Investment Manager is responsible for data privacy and protection on behalf of itself and the Group and remains adaptable to constant technological and legislative change. Employees receive regular awareness training on cybersecurity, privacy and data protection. Access to personal data is controlled through physical measures (e.g. locked offices and storage locations, alarm monitoring, cameras), administrative measures (e.g. data minimisation, data retention policies, data destruction practices, and audits) and IT security measures (e.g. password protection, firewalls, antivirus, intrusion detection and encryption). The Investment Manager also engages third party consultants/advisors, where required, to assist with assessing the IT environment and cyber risks. The Investment Manager maintains cybersecurity insurance coverage on behalf of itself and the Group and continues to monitor and assess risks surrounding collection, processing, storage, disclosure, transfer, protection, and retention/destruction practices for personal data.	Increasing As technological change has occurred at a rapid pace, the inherent risks surrounding cybersecurity and data protection have also evolved and continue to evolve at an equally rapid pace. European Union Data Protection legislation (e.g. General Data Protection Regulation and ePrivacy) is increasing in prescriptiveness, obligation and administration. Additionally, issues such as cross border data transfers and vendor risk complexities, continue to pose challenges, and phishing and social engineering attempts continue at an accelerating pace due to criminal online "business models" focusing on high volume/quick hit ransomware deployment and basic financial fraud via wire transfer.
Acquisition Risk Investment decisions may be made without consideration of	Investment assets may decrease in value or result in material unanticipated expenditures subsequent to acquisition as a result of unknown risks and conditions at the time of purchase, including structural deficiencies or	The Investment Manager carries out due diligence on every investment opportunity (both acquisitions and development projects) to determine its fit with the Group's stated investment policy. This includes all standard investigations, which are reasonable and practical under	Stable The Investment Manager's due diligence practices have not changed substantially since last year as they continue to be consistent with industry

all risks and conditions.	non-compliances with building code. Medium	the circumstances, to evaluate the building structure and condition, compliance with planning and building regulations, and the likely magnitude of capital expenditures over a 3 to 5 year period. This involves the appointment of third-party experts to carry out technical and engineering studies and investigations. Post-acquisition, the Investment Manager, through prudent operating practices, monitors and manages any property related issues, including building deficiencies, as they arise. Where structural defect insurance policies are still in force, they transfer to the Group upon change of title. Whenever possible, the Group seeks to have collateral warranties assigned at the time of acquisition.	norms and align with the Group's risk appetite.
Tax Compliance Risk Failure to comply with tax legislation including REIT rules, VAT, and stamp duty.	If the Group fails to comply with REIT rules or there are changes to tax policies it could result in the loss of REIT status and/or change the tax treatment of the Group's income and thus, decrease the attractiveness of the Company as an investment to current or potential shareholders. Low	The Investment Manager proactively monitors and tests the Group's compliance with the rules and regulations affecting REIT status and regularly reviews and considers how the Group's planned operations may impact compliance with these rules. The results of these compliance reviews are reported to the Board on a quarterly basis, at a minimum. The Investment Manager also engages independent tax and legal advisors in relation to compliance monitoring, where needed. Its dedicated risk and compliance personnel are alert and vigilant regarding these matters and any impending or emerging changes in REIT rules and regulations or tax policies.	Stable The Group does not believe the risk of non-compliance has changed from last year and the Investment Manager has not changed their monitoring and testing processes in a way that could result in a change in the risk.
Planning	Planning permission is required from the relevant planning authority prior to the development of the	The Investment Manager appoints competent professional teams in respect of each development opportunity (including architectural and	Decreasing

Delays in obtaining planning permissions in respect of the Group's development sites leading to delays in commencement and delivery of residential units.	Group's development sites. Delay in achieving planning permission may result in a slower level of portfolio growth and income generation from the development assets. Low	planning consultants) to advise on the preparation of planning applications. Additionally, the Investment Manager has dedicated resources to actively manage the development process on behalf of the Group. The appointed project management team continuously reviews project specific risks matrices for each project stage.	The Group received a number of planning permissions during the course of 2019. The Strategic Housing Development planning application process allows for greater consultation with authorities prior to submission of planning applications. This process relates to residential developments of over 100 units.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	(Unaudited) 31 December 2019 €'000	(Audited) 31 December 2018 €'000
Assets			
Non-Current Assets			
Investment properties	5	**1,359,201**	921,316
Property, plant and equipment	7	**10,088**	6
		1,369,289	921,322
Current Assets			
Other current assets	8	**11,786**	12,633
Cash and cash equivalents		**6,979**	7,626
		18,765	20,259
Total Assets		**1,388,054**	941,581
Liabilities			
Non-Current Liabilities			
Bank indebtedness	10	**549,851**	307,494
Lease liability	18	**9,872**	-
Derivative financial instruments	14	**788**	913
		560,511	308,407
Current Liabilities			
Accounts payable and accrued liabilities	9	**10,216**	9,156
Security deposits		**7,158**	5,294
		17,374	14,450
Total Liabilities		**577,885**	322,857
Shareholders' Equity			
Share capital	12	**52,167**	43,414
Share premium	12	**497,244**	370,855
Other reserve		**1,147**	988
Retained earnings		**259,611**	203,467
Total Shareholders' Equity		**810,169**	618,724
Total Shareholders' Equity and Liabilities		**1,388,054**	941,581
IFRS NAV per share	23	**155.3**	142.5
EPRA NAV per share	23	**154.6**	142.0

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Note	(Unaudited) 31 December 2019 €'000	(Audited) 31 December 2018 €'000
Operating Revenues			
Revenue from investment properties	13	**62,097**	50,608
Operating Expenses			
Property taxes		**(669)**	(536)
Property operating costs		**(10,891)**	(8,914)
		(11,560)	(9,450)
Net Rental Income ("NRI")		**50,537**	41,158
General and administrative expenses		**(4,288)**	(3,258)
Asset management fee	19	**(4,024)**	(3,178)
Share-based compensation expense	11	**(236)**	(228)
Net movement in fair value of investment properties	5	**56,234**	92,664
Gain/(loss) on derivative financial instruments	14	**131**	(659)
Depreciation of property, plant and equipment	7	**(32)**	(8)
Lease interest	6	**(4)**	-
Financing costs on credit facility	18	**(12,036)**	(6,706)
Profit for the Year		**86,282**	119,785
Total Comprehensive Income for the Year			
Attributable to Shareholders		**86,282**	119,785
Basic Earnings per Share (cents)	22	**18.0**	28.0
Diluted Earnings per Share (cents)	22	**17.9**	27.8

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

(Unaudited)	Note	Share Capital €'000	Share Premium €'000	Retained Earnings €'000	Other Reserve €'000	Total €'000
Shareholders' Equity at 1 January 2019		**43,414**	**370,855**	**203,467**	**988**	**618,724**
Total comprehensive income for the year						
Profit for the year		-	-	86,282	-	86,282
Total comprehensive income for the year		-	-	86,282	-	86,282
Transactions with owners, recognised directly in equity						
Long-term incentive plan	11		-	-	236	236
Share issuance	12	8,753	126,389	(3,052)	(77)	132,013
Dividends paid	17	-	-	(27,086)	-	(27,086)
Transactions with owners, recognised directly in equity		8,753	126,389	(30,138)	159	105,163
Shareholders' Equity at 31 December 2019		**52,167**	**497,244**	**259,611**	**1,147**	**810,169**

(Audited)	Note	Share Capital €'000	Share Premium €'000	Retained Earnings €'000	Other Reserve €'000	Total €'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 year		-	-	119,785	-	119,785
Total comprehensive income for the year		-	-	119,785	-	119,785
Transactions with owners, recognised directly in equity						
Long-term incentive plan	11		-	-	228	228
Share premium allocation		(298)	298			-
Share issuance	12	1,685	15,579	1,375	(1,375)	17,264
Dividends paid	17		-	(22,537)	-	(22,537)
Transactions with owners, recognised directly in equity		1,387	15,877	(21,162)	(1,147)	(5,045)
Shareholders' Equity at 31 December 2018		**43,414**	**370,855**	**203,467**	**988**	**618,724**

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019	Note	(Unaudited) 31 December 2019 €'000	(Audited) 31 December 2018 €'000
Cash Flows from Operating Activities:			
Operating Activities			
Profit before taxes		**86,282**	119,785
Adjustments for non-cash items:			
Fair value adjustment - investment properties	5	**(56,234)**	(92,664)
Depreciation of property, plant and equipment		**32**	8
Amortisation of other financing costs		**2,486**	835
Share-based compensation expense	11	**236**	228
(Gain)/Loss on derivative financial instruments	14	**(131)**	659
Straight-line rent adjustment		**21**	(22)
Interest accrual relating to derivatives		**6**	5
		32,698	28,834
Interest cost on credit facility		**9,239**	6,089
Changes in operating assets and liabilities	18	**1,958**	(6,321)
Net Cash Generated from Operating Activities		**43,895**	28,602
Cash Flows from Investing Activities			
Deposits on acquisitions		**(2,284)**	-
Acquisition of investment properties		**(344,684)**	(41,361)
Development of investment properties		**(24,768)**	(31,129)
Investment property enhancement expenditure		**(7,633)**	(4,987)
Direct leasing cost		**(47)**	(218)
Net Cash Used in Investing Activities		**(379,416)**	(77,695)
Cash Flows from Financing Activities			
Financing fees on credit facility		**(5,990)**	(20)
Interest paid on loan drawn down	18	**(9,677)**	(6,089)
Credit Facility drawdown	18	**637,451**	78,309
Credit Facility repayment	18	**(391,590)**	(17,000)
Lease payment	6	**(247)**	
Proceeds on issuance of shares	18	**135,142**	17,264
Share issuance costs		**(3,129)**	
Dividends paid to shareholders	17	**(27,086)**	(22,537)
Net Cash Generated from/(Used in) Financing Activities		**334,874**	49,927
Changes in Cash and Cash Equivalents during the Year		**(647)**	834
Cash and Cash Equivalents, Beginning of the Year		**7,626**	6,792
Cash and Cash Equivalents, End of the Year		**6,979**	7,626

The accompanying notes form an integral part of these financial statements

Notes to Consolidated Financial Statements

1. General Information

Irish Residential Properties REIT plc ("I-RES" or the "Company") was incorporated in Ireland on 2 July 2013 as Shoreglade Limited (formerly known as CAPREIT Ireland Limited, Irish Residential Apartments REIT Limited and Irish Residential Properties REIT Limited). On 16 April 2014, I-RES obtained admission of its ordinary shares to the primary listing segment of the Official List of Euronext Dublin for trading on the regulated market for listed securities of Euronext Dublin. Its registered office is South Dock House, Hanover Quay, Dublin, Ireland. Ordinary shares of I-RES are listed on the Main Securities Market of Euronext Dublin under the symbol "IRES".

I-RES was previously a wholly-owned subsidiary of CAPREIT Limited Partnership ("CAPREIT LP"). As at 1 January 2019, CAPREIT LP's interest in I-RES was 18.0%. In 2019, CAPREIT LP acquired an additional 17,500,000 shares, raising CAPREIT LP's interest in I-RES to 18.3%.

IRES Residential Properties Limited of South Dock House, Hanover Quay, Dublin 2 is a wholly-owned consolidated subsidiary of I-RES, acquired on 31 March 2015, and owns directly the beneficial interest of its properties. I-RES and IRES Residential Properties Limited together are referred to as the "Group" in this financial information. The Group owns interests in residential rental accommodations, as well as commercial and development sites, the majority of which are located in and near major urban centres in Dublin, Ireland. Specifically, IRES Residential Properties Limited owns an interest in the "Rockbrook Portfolio", which consists of 81 apartments at Rockbrook Grande Central and 189 apartments at Rockbrook South Central, mixed-use commercial space of approximately 4,665 sq. m., a development site of approximately 1.13 hectares and associated basement car parking.

2. Significant Accounting Policies

a) *Basis of preparation*

These consolidated financial statements of the Group have been prepared in accordance with International Accounting Standards (**"IFRS"**) as adopted by the European Union (**"EU"**), IFRS Interpretations Committee (**"IFRIC"**) interpretations and those parts of the Companies Act, 2014, applicable to companies reporting under IFRS.

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

The consolidated financial statements of the Group cover the 12-month period from 1 January 2019 to 31 December 2019.

The Group has not early adopted any forthcoming International Accounting Standards Board (**"IASB"**) standards. Note 2(s) sets out details of such upcoming standards.

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 consider it appropriate that the Group adopts the going concern basis of accounting in the preparation of the consolidated financial statements.

b) *Basis of consolidation*

These consolidated financial statements incorporate the financial statements of I-RES and its subsidiary, IRES Residential Properties Limited. I-RES controls IRES 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 owner management companies) is included in the consolidated financial statements from the date on which control commences until the date on which control ceases. I-RES does not consolidate owner management companies in which it holds majority voting rights. For further details, please refer to note 19.

c) Investment properties and investment properties under development

Investment properties

The Group considers its income properties to be investment properties under IAS 40, Investment Property (**"IAS 40"**), and has chosen the fair value model to account for its investment properties in the consolidated financial statements. Under IFRS 13, Fair Value Measurement ("**IFRS 13**"), this IFRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investment properties are treated as acquired at the time when the Group assumes the significant risks and returns of ownership, which normally occurs when the conveyancing contract has been performed by both buyer and seller and the contract has been deemed to have become unconditional and completed. Investment properties are deemed to have been acquired when the buyer has assumed control of ownership and the contract has been completed.

Investment properties comprise investment interests held in land and buildings (including integral equipment) held for the purpose of producing rental income, capital appreciation or both, but not for sale in the ordinary course of business.

All investment properties are initially recorded at cost, which includes transaction and other acquisition costs, at their respective acquisition dates, and are subsequently stated at fair value at each reporting date, with any gain or loss arising from a change in fair value recognised in profit or loss in the consolidated statement of profit or loss and other comprehensive income for the period. Gains and losses incurred on the disposal of investment properties are also recognised in the profit or loss in the consolidated statement of profit or loss and other comprehensive income.

The fair value of investment properties is determined by a qualified independent valuer at each reporting date, in accordance with the Royal Institution of Chartered Surveyors Valuation Standards (RICS) and IFRS 13. The independent valuer holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued. At each reporting date, management undertakes a review of its investment property valuations to assess the continuing validity of the underlying assumptions, such as future income streams and Capitalisation Rates used in the independent valuation report, as well as property valuation movements when compared to the prior year valuation report and holds discussions with the independent valuer.

Investment properties under development

Investment properties under development include those properties, or components thereof, that will undergo activities that will take a substantial period of time to prepare the properties for their intended use as income properties.

The cost of a development property that is an asset acquisition comprises the amount of cash, or the fair value of other consideration, paid to acquire the property, including transaction costs. Subsequent to the acquisition, the cost of a development property includes costs that are directly attributable to these assets, including development costs, and borrowing costs. These costs are capitalised when the activities necessary to prepare an asset for development or redevelopment begin and continue until the date that construction is substantially complete, and all necessary occupancy and related permits have been received, whether or not the space is leased.

Interest capitalised is calculated using the Company's weighted average cost of borrowing.

Properties under development are valued at fair value by a qualified independent valuer at each reporting date with fair value adjustments recognised in profit or loss in the consolidated statement of profit or loss and other comprehensive income. In the case of investment property under development, the valuation approach applied is the "residual method", with a deduction for the costs necessary to complete the development together with an allowance for the remaining risk.

Development land

Development land is also stated at fair value by a qualified independent valuer at each reporting date with fair value adjustments recognised in profit or loss in the consolidated statement of profit or loss and other comprehensive income. In the case of development land, the valuation 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, highest and best use, zoning, servicing and configuration.

Key estimations of inherent uncertainty in investment property valuations

The fair values derived are based on anticipated market values for the properties, being the estimated amount that would be received from a sale of the assets in an orderly transaction between market participants. The valuation of the Group's investment property portfolio is inherently subjective as it requires, among other factors, assumptions to be made regarding the ability of existing tenants to meet their rental obligations over the entire life of their leases, the estimation of the expected rental income in the future, an assessment of a property's ability to remain an attractive technical configuration to existing and prospective tenants in a changing market and a judgement to be reached on the attractiveness of a building, its location and the surrounding environment. While these and other similar matters are market-standard considerations in determining the fair value of a property in accordance with the RICS methodology, they are all subjective assessments of future outturns and macroeconomic factors, which are outside of the Group's control or influence and therefore may prove to be inaccurate long-term forecasts. As a result of all these factors, the ultimate valuation the Group places on its investment properties is subject to some uncertainty, and may not turn out to be accurate, particularly in times of macroeconomic volatility. The RICS property valuation methodology is considered by the Board to be the valuation technique most suited to the measurement of the fair value of property investments. It is also the primary measurement of fair value that all major and reputable property market participants use when valuing a property investment. See note 5 for a detailed discussion of the significant assumptions, estimates and valuation methods used.

d) Property asset acquisition

At the time of acquisition of a property or a portfolio of investment properties, the Group evaluates whether the acquisition is a business combination or asset acquisition. IFRS 3, Business Combinations is applicable only if it is considered that a business has been acquired. A business, under IFRS 3, is defined as an integrated set of activities and assets conducted and managed for the purpose of providing a return to investors, or to lower costs or provide other economic benefits directly and proportionately to investors.

When determining whether the acquisition of an investment property or a portfolio of investment properties is a business combination or an asset acquisition, the Group applies judgement when determining whether an integrated set of activities is acquired in addition to the property or portfolio of properties. Activities can include whether employees were assumed in the acquisition and whether an operating platform has been acquired.

When an acquisition does not represent a business as defined under IFRS 3, the Group classifies these properties, or portfolio of properties, as an asset acquisition. Identifiable assets acquired, and liabilities assumed in an asset acquisition are measured initially at their fair values at the acquisition date. Acquisition-related transaction costs are capitalised to the property.

e) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation, and mainly comprise of head office, head office fixtures and fittings and information technology hardware. These items are depreciated on a straight-line basis over their estimated useful lives: The building has a useful life of 20 years and the fixtures and fittings have a useful life ranging from three to five years.

f) IFRS 9, Financial Instruments ("IFRS 9")

Financial assets and financial liabilities

Under IFRS 9, financial assets and financial liabilities are initially recognised at fair value and are subsequently accounted for based on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and I-RES' designation of such instruments. The standards require that all financial assets and financial liabilities be classified as fair value through profit or loss ("FVTPL"), amortised cost or fair value through other comprehensive income ("FVOCI").

Classification of financial instruments

The following summarises the classification and measurement I-RES has elected to apply to each of its significant categories of financial instruments:

Type	Classification	Measurement
Financial assets		
Cash and cash equivalents	Held to Collect	Amortised cost
Other receivables	Held to Collect	Amortised cost
Deposits on acquisition	Held to Collect	Amortised cost
Financial liabilities		
Bank indebtedness	Other financial liabilities	Amortised cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortised cost
Security deposits	Other financial liabilities	Amortised cost
Derivative financial instruments	FVTPL	Fair value through profit or loss

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with an original maturity of three months or less. Interest earned or accrued on these financial assets is included in other income.

Loans and other receivables

Such receivables arise when I-RES provides services to a third party, such as a tenant, and are included in current assets, except for those with maturities more than 12 months after the consolidated balance sheet date, which are classified as non-current assets. Loans and other receivables are included in other assets on the consolidated balance sheet and are accounted for at amortised cost.

Other liabilities

Such financial liabilities are recorded at amortised cost and include all liabilities other than derivatives, which are designated to be accounted for at fair value, through profit and loss.

FVTPL

Financial instruments in this category are recognised initially and subsequently at fair value. Gains and losses arising from changes in fair value are presented within net income in the consolidated statement of income and comprehensive income in the period in which they arise. Financial assets and liabilities at FVTPL are classified as current, except for the portion expected to be realised or paid more than 12 months after the consolidated balance sheet date, which is classified as non-current. Derivatives are also categorised as FVTPL unless designated as hedges.

g) IFRS 16, Leases

The Group has applied IFRS 16 from 1 January 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

I-RES was not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessee, as at 31 December 2019; I-RES did 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.

Policy applicable from 1 January 2019

At inception of a contract, the Group 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, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

As a lessee

When the Group acts as a lessee, at commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
— fixed payments, including in-substance fixed payments;
— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
— amounts expected to be payable under a residual value guarantee; and
— the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.
The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'Lease liability' in the statement of financial position.

As a lessor

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 assets. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of the 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.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

I-RES has applied the 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.

Policy applicable before 1 January 2019.

The Group recognises rental revenue using the straight-line method, whereby the total amount of rental revenue to be received from all leases is accounted for on a straight-line basis over the term of the related leases. The difference between the rental revenue recognised and the amounts contractually due under the lease agreements is accrued as other receivable.

Tenant inducements
Incentives such as cash, rent-free periods and move-in allowances may be provided to lessees who enter into a lease. The incentives are written off on a straight-line basis over the term of the lease as a reduction of rental revenue.

Early termination of leases

When the Group receives rent loss payments from a tenant for the early termination of a lease, it is reflected in the accounting period in which the rent loss payment occurred.

Bad debt

All residential accounts receivable balances exceeding 30 days are written off to bad debt expense and recognised in the consolidated statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of profit or loss and other comprehensive income.

h) IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

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.

i) Bank indebtedness, borrowing costs and interest on credit facility

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in profit or loss.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

j) Operating segments

The Group operates and is managed as one business segment, namely property investment, with all investment properties located in Ireland. The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, which has been identified as the I-RES Board.

k) Statement of cash flows

Cash and cash equivalents consist of cash on hand and balances with banks. Investing and financing activities that do not require the use of cash or cash equivalents are excluded from the consolidated statement of cash flows and are disclosed separately in the notes to the consolidated financial statements. Interest expense is classified as financing activities.

l) Income taxes

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

I-RES elected for REIT status on 31 March 2014. As a result, from that date I-RES does not pay Irish corporation tax on the profits and gains from its qualifying rental business in Ireland, provided it meets certain conditions.

Going forward, 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 would also be liable to pay other taxes such as VAT, stamp duty, land tax, local property tax and payroll taxes in the normal way.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

m) Equity and share issue costs

The equity of I-RES consists of ordinary shares issued. Shares issued are recorded at the date of issuance. Direct issue costs in respect of the issue of shares are accounted for as a deduction from retained earnings.

Notes to Consolidated Financial Statements

n) Net asset value ("NAV") and EPRA NAV

The NAV is calculated as the value of the Group's assets less the value of its liabilities, measured in accordance with IFRS as adopted in the EU, and in particular will include the Group's property assets at their most recent independently assessed market values.

EPRA NAV is calculated in accordance with the European Public Real Estate Association (**"EPRA"**) Best Practice Recommendations, November 2016. EPRA NAV excludes the net marked-to-market movement in 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.

o) Share-based payments

I-RES has determined that the options issued to senior executives qualify as "equity-settled share-based payment transactions" as per IFRS 2. In addition, any options issued to the directors have also been based on equity-settled share-based payment transactions. The fair value of the options measured on the grant date will be expensed over the vesting term with a corresponding increase in equity. The fair value for all options granted is measured using the Black-Scholes model.

p) Property taxes

Property taxes are paid annually and recognised as an expense evenly throughout the year.

q) Security deposits

Security deposits are amounts received from tenants at the beginning of a tenancy. When a tenant is no longer in possession of the property, the Group will assess whether there were damages to the property above normal wear and tear for which deductions may be made to their deposit. Once the inspections and repairs are calculated, the remaining security deposit is returned to the tenant.

r) Pension

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which a company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further obligations. The contributions are recognised as an expense when they are due. The amounts that are not paid are shown as accruals in the balance sheet. The assets of the plan are held separately from those of the Company in an independently administered fund.

s) Impact expected from new or amended standards

The following standards and amendments are not expected to have a significant impact on reported results or disclosures of the Group, and, were not effective at the financial year end 31 December 2019 and have not been applied in preparing these consolidated financial statements. The Group's current view of the impact of these accounting changes is outlined below:

<u>IFRIC 23 Uncertainty over Income Tax Treatments</u>

This IFRS addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It is currently not expected to be applicable to the Group's financial statements. It is applicable to annual reporting periods beginning on or after 1 January 2019.

<u>Annual Improvements to IFRS Standards 2015-2017 cycle:</u>
IFRS 3 Business Combinations – A company remeasures its previously held interest in a joint operation when it obtains control of the business

IFRS 11 Joint Arrangements – A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business

IAS 12 Income Taxes – A company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 Borrowing Costs – A company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

These amendments are not expected to have a significant impact on the Group.

IFRS 17, Insurance Contracts

This new IFRS interpretation clarifies the accounting treatment of insurance contracts and is effective for years beginning on or after 1 January 2021 and is not yet EU endorsed. It requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. The Company does not currently envisage any impact from the introduction of this standard. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021.

Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments clarify the definition of "material" and are effective for annual reporting periods that commence on or after 1 January 2020. These amendments are not expected to have a significant impact on the Group.

Amendments to IFRS 9, IAS 39 and IFRS 7

The amendments provide new guidance to hedging relationship with LIBOR rates. It is applicable to annual reporting periods beginning on or after 1 January 2020. The Group is currently in the process of assessing the effects of the amendments.

3. Critical Accounting Estimates, Assumptions and Judgements

The preparation of the consolidated 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 consolidated 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 consolidated 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 2(c) and 5 for a detailed discussion of valuation methods and the significant assumptions and estimates used. Determination of the lease term for the office lease is also deemed to be more significant. See notes 2(g) and 6 for the determination of the lease term.

Notes to Consolidated Financial Statements

4. Recent Investment Property Acquisitions and Developments

For the year 1 January 2019 to 31 December 2019

Investment property acquisitions **Property**	**Acquisition Date**	**Apartment Count**	**Region**	**Total Acquisition Costs**
				€'000
The Coast	20 February 2019	52	Dublin, Ireland	14,316
Taylor Hill	2019[3]	78	Dublin, Ireland	22,830
Semple Woods	2019[3]	40	Dublin, Ireland	15,812
City Square	29 April 2019	1	Dublin, Ireland	428
Marathon Portfolio	1 August 2019	815	Dublin/ Cork, Ireland	291,298
		986		344,684

Developments **Property**	**Development Contract Date**	**Apartment Count**	**Region**	**Total Costs Spent in 2019**	**Total Development Cost spent to date**
				€'000	**€'000**
Hansfield Phase II Development[1]	16 November 2018	95	Dublin, Ireland	19,902	30,444
Coldcut Park	2 July 2019	1	Dublin, Ireland	184	184
Tallaght Cross West[2]	4 April 2019	18	Dublin, Ireland	5,259	5,259
				25,345	35,887

(1) On 16 November 2018, I-RES acquired a 1.3 acre development site at Hansfield Wood Phase II Development for €30 million and entered into a development agreement to develop 95 apartments. The cost to complete is estimated at circa €930,000. The additional costs is due to financial contributions paid to Fingal as part of its planning permissions.

(2) On 4 April 2019, I-RES started converting part of its commercial space in Tallaght Cross West into 18 residential units. The cost to complete is estimated at circa €100,000.

(3) Taylor Hill and Semple Woods were forward purchases that I-RES entered into. The units were delivered to I-RES on a phased basis throughout the 2019 fiscal year.

For the year 1 January 2018 to 31 December 2018

Property	**Acquisition or Development Contract Date**	**Apartment Count**	**Region**	**Total Costs Spent in 2018**	**Total Acquisition or Development Costs spent to date**
				€'000	**€'000**
Hampton Wood	21 May 2018	128	Dublin, Ireland	40,888	40,888
The Marker	12 March 2018	1	Dublin, Ireland	473	473
Hansfield Wood Development[1]	25 May 2018	99	Dublin, Ireland	20,587	31,560
Hansfield Phase II Development[2]	16 November 2018	95	Dublin, Ireland	10,542	10,542
		323		72,490	83,463

(1) Expenditures during the period relate to development of 99 units at Hansfield Wood. As at 31 December 2018, I-RES received all 99 completed apartments. The total fixed price contract included €7.8 million related to land.

(2) On 16 November 2018, I-RES acquired a 1.3 acre development site at Hansfield Wood Phase II Development for €30 million and entered into a development agreement to develop 95 apartments.

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.

80.7% of the fair values of all of the Group's investment properties as at 31 December 2019 are determined by Coldwell-Banker Richard Ellis (CBRE) and remaining by Savills, the Company's external independent valuers. The valuers employ qualified valuation professionals who have 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 valuers, and the assumptions and valuation methodologies and models used by the valuers, are reviewed by management. The valuers 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 valuers 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 valuation method as described above with a deduction for the costs necessary to complete the development, together with an allowance for the remaining risk.

During 2019, the Company incurred development costs of €25.3 million (2018: €31.1 million) relating to the properties under development, which includes allocation of development land related to residential development. At the reporting date, the properties under development are Tallaght Cross West and Hansfield Phase II.

Borrowing costs of €660,102 (€218,000 as at 31 December 2018) are included in capitalised development expenditures. The weighted average interest rate used to capitalise the borrowing costs was 1.86% (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 31 December 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, including Capitalisation Rates and stabilised net rental income (**"Stabilised NRI"**) used in the valuation and reviews the results with the independent valuers 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.

For investment properties producing income and investment properties under development, an increase of 1% in the Equivalent Capitalisation Rate would have the impact of a €227.8 million reduction in fair value while a decrease of 1% in the Equivalent Capitalisation Rate would result in a fair value increase of €349.2 million. An increase of 1-4% in Stabilised NRI would have the impact ranging from €13.3 million to €53.2 million in fair value, while a decrease of 1% in Stabilised NRI would result in a reduction of €13.3 million. I-RES believes that this range of change in Stabilised NRI is a reasonable estimate in the next twelve months based on expected changes in stabilised NRI.

The direct operating expenses recognised in the consolidated statement of profit or loss and other comprehensive income for the Group is €11.6 million for the year ended 31 December 2019 (2018: €9.5 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 consolidated statement of profit or loss and other comprehensive income arising from investment property that did not generate rental income for the period ended 31 December 2019 and 31 December 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.

Notes to Consolidated Financial Statements

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 31 December 2019 is presented below:

As at 31 December 2019

Type of Interest	**Fair Value**	**WA NRI[(1)]**	**Rate Type[(2)]**			
	€'000	€'000		**Max.**	**Min.**	**Weighted Average**
Investment properties	1,293,241	2,751	Equivalent Capitalisation Rate	6.19%	4.16%	4.90%
Properties under development	36,000	n/a	Average Development Cost (per sq ft.)	€ 379.0	€ 319.2	€ 370.2
		1,259	Equivalent Capitalisation Rate	5.93%	4.75%	4.94%
Development land[(3)]	29,960	n/a	Market Comparable (per sq ft.)	€158.5	€35.6	€134.1
Total investment properties	1,359,201					

(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 based on the Stabilised NRI divided by the fair value of the investment property.

(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 above is based on the Stabilised NRI divided by the fair value of the investment property.

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

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

Reconciliation of carrying amounts of investment properties

For year ended	**31 December 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	**344,684**	**-**	**-**	**344,684**
Development expenditures	**-**	**25,345**	**3,613**	**28,958**
Reclassification (1)	**184**	**266**	**(450)**	**-**
Property capital investments and intensification	**7,983**	**-**	**-**	**7,983**
Capitalised leasing costs (2)	**(21)**	**-**	**-**	**(21)**
Direct leasing costs (3)	**47**	**-**	**-**	**47**
Unrealised fair value movements	**57,948**	**(111)**	**(1,603)**	**56,234**
Balance at the end of the year	**1,293,241**	**36,000**	**29,960**	**1,359,201**

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**
Reclassification(4)	**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) Reclassified Tallaght Cross West from development site to properties under development and reclassified Coldcut park from properties under development to income properties.

(2) Straight-line rent adjustment.

(3) Includes cash outlays for new tenants.

(4) 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 €1,359.2 million for the investment properties at 31 December 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.

6. Leases

Leases as lessee (IFRS 16)

On 9 December 2019, the Group entered into an agreement to lease office space at South Dock House. The lease is for a period of 20 years, with options to terminate the lease on the 10th and 15th anniversary of the lease. Lease payments are renegotiated every five years to reflect market rentals.

A portion of the office space is sub-let to a tenant. The sub-lease expires in 2020, and is classified as an operating lease.

The Group has assessed at the lease commencement date whether it is reasonably certain to exercise the lease termination option and has determined that the lease term is 20 years. As well, the Group has used an incremental borrowing rate of 2.48% to determine the lease liability.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

2019	Land and buildings (in €'000)
Balance at 1 January	-
Additions to right-of-use assets	10,114
Depreciation charge for the year	(31)
Balance at 31 December	10,083

Amounts recognised in profit or loss

During 2019, I-RES recognized interest on lease liabilities of circa €4,000.

Amounts recognised in statement of cash flows

During 2019, I-RES's total cash outflow for leases was circa €247,000.

Lease as lessor

The Group leases out its investment property consisting of its owned residential and commercial properties as well as a portion of the leased property. All leases are classified as operating leases from a lessor perspective. See note 13 for an analysis of the Group's rental income.

7. Property, plant and equipment

	Land and buildings	**Furniture and fixtures**	**Total**
	€'000	€'000	€'000
At cost			
As at 1 January 2019	-	**59**	**59**
Additions	10,114	-	10,114
As at 31 December 2019	**10,114**	59	**10,173**
Accumulated amortisation			
As at 1 January 2019	-	**53**	**53**
Additions	31	1	32
As at 31 December 2019	**31**	54	85
As at 31 December 2019	**10,083**	**5**	**10,088**

8. Other Assets

As at	31 December 2019	31 December 2018
	€'000	€'000
Other Current Assets		
Prepayments(1)	**2,301**	4,254
Deposits on acquisitions	**6,945**	4,661
Other receivables(2)	**577**	1,595
Trade receivables	**1,963**	2,123
Total	**11,786**	12,638

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

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

9. Accounts Payable and Accrued Liabilities

As at	31 December 2019	31 December 2018
	€'000	€'000
Accounts Payable and Accrued Liabilities(1)		
Rent - early payments	**2,662**	1,605
Trade creditors	**446**	2,369
Accruals(2)	**6,914**	5,080
Value Added Tax	**194**	102
Total	**10,216**	9,156

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

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

10. Credit Facility

As at	31 December 2019	31 December 2018
	€'000	€'000
Bank Indebtedness		
Loan drawn down	**555,020**	309,159
Deferred loan costs	**(5,169)**	(1,665)
Total	**549,851**	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 of €1.7 million associated with paydown of the Previous Revolving Credit Facility and a write off of €1.4 million of unamortised deferred financing cost.

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 IRES Residential Properties Limited, its subsidiary, and a fixed charge over the shares held by the Company in IRES 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).

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 Credit Facility (€204.8 million) from a variable rate to a fixed rate facility up to the maturity date (see note 14 for further details).

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

11. 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, 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 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.

On 10 July 2019, an additional 1,294,038 options were granted to the Chief Executive Officer in connection with the second tranche placing of the new ordinary shares.

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 31 December 2019, the maximum number of additional options issuable under the LTIP is 21,542,450 (31 December 2018: 38,696,396).

LTIP **For the year ended**	**WA exercise price**	**31 December 2019**	**31 December 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	1.70	2,596,499	-
Exercised or settled	1.02	(975,000)	(16,861,940)
Share Options outstanding as at 31 December 2019 (2)	**1.24**	**12,496,499**	**10,875,000**

(1) Cancelled/forfeited - the unvested shares resulting from the departure of certain CAPREIT employees.

(2) Of the Share Options outstanding above, 9,233,333 were exercisable at 31 December 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	**10 July 2019**	**18 June 2019**	**16 November 2017**	**26 March 2015**	**16 April 2014**
Number of shares	**1,294,038**	**1,302,461**	**2,000,000**	**11,900,000**	**17,080,000**
Share price on date of grant (€)	**1.682**	**1.710**	**1.489**	**1.005**	**1.040**
Award grant price (€)	**1.682**	**1.710**	**1.489**	**1.005**	**1.040**
Risk-free rate (%)	**2.0**	**1.9**	**2.2**	**0.4**	**1.2**
Distribution yield (%)	**3.8**	**3.6**	**3.9**	**5.0**	**5.0**
Expected years	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**
Volatility (%)	**16.6**	**16.6**	**19.6**	**20.2**	**20.3**
Award option value (€)	**0.16**	**0.17**	**0.18**	**0.07**	**0.08**

The expected volatility is based on historic market volatility prior to the issuance. The volatility of the 18 June 2019 and 10 July 2019 issue is based over the prior seven years. 16 November 2017 issue's volatility is based over the past four years, 26 March 2015 issue's volatility is based over the prior five years, and 16 April 2014 issue's volatility is based over the prior four years. The risk-free rate is based on Irish government bonds with a term consistent with the assumed option life.

The share-based compensation expense during the year ended 31 December 2019 was €236,000 (31 December 2018: €228,000).

12. 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.

The number of shares authorised is as follows:

For the year ended	**31 December 2019**	**31 December 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 year ended	**31 December 2019**	**31 December 2018**
Ordinary shares outstanding, beginning of year	**434,153,946**	417,292,006
New shares issued(1)(2)	**87,525,000**	16,861,940
Ordinary shares outstanding, end of year	**521,678,946**	434,153,946

(1) On 12 June 2019 and 9 July 2019, I-RES successfully completed a placing of 86,550,000 new Ordinary Shares at a price of €1.55 per share raising gross proceeds of approximately €134.2 million (before commissions, fees and expenses). The additional 975,000 shares were new shares issued for options issued under the LTIP.

(2) For the year ended 31 December 2018, all shares were issued pursuant to exercise of share options by the former CEO of I-RES and certain employees of CAPREIT at weighted average exercise prices of €1.02 per share.

13. Revenue from investment properties

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.

	31 December 2019	31 December 2018
	€'000	€'000
Rental Income	53,946	44,565
Revenue from services	7,055	5,464
Car park income	1,096	579
Revenue from contracts with customers	**8,151**	**6,043**
Total Revenue	**62,097**	**50,608**

14. 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 Credit Facility (€204.8 million) from a variable rate to a fixed rate facility to maturity date (see note 10 for further details), the fixed interest rate is at 1.66% (1.75% less 0.09%) on the total €204.8 million interest rate swap.

In 2019, a fair value gain of €131,000 (2018: loss of €659,000) has been recorded in the consolidated statement of profit or loss and other comprehensive income and the fair value of the interest rate swaps was a liability of €788,000 at 31 December 2019 (31 December 2018: liability of €913,000).

15. 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 31 December 2019, aggregated by the level in the fair value hierarchy within which those measurements fall.

As at 31 December 2019

	Level 1 Quoted prices in active markets for identical assets and liabilities	**Level 2** Significant other observable inputs	**Level 3** Significant unobservable inputs(1)	**Total**
	€'000	**€'000**	**€'000**	**€'000**
Recurring Measurements - Assets				
Investment properties	**-**	**-**	**1,359,201**	**1,359,201**
Derivative financial instruments(2)	**-**	**788**	**-**	**788**
Total	**-**	**788**	**1,359,201**	**1,359,989**

As at 31 December 2018

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

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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 as follows:

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks.

The Group's financial assets currently comprise short-term bank deposits and trade receivables.

Short-term bank deposits are held while awaiting suitable investment properties for investment. These are denominated in euros. Therefore, exposure to market risk in relation to these is limited to interest rate risk.

Interest rate risk

With regard to the cost of borrowing, I-RES has used, and may continue to use hedging, where considered appropriate, to mitigate interest rate risk.

As at 31 December 2019, I-RES' Credit Facility was drawn for €555.0 million. On 28 February 2017 and 15 September 2017, I-RES entered into interest rate swap agreements aggregating to €204.8 million. The interest rate swap agreements effectively convert the hedged portion of the Credit Facility from a variable rate to a fixed rate facility to maturity date. The fixed interest rate is at 1.66% (1.75% less 0.09%). The agreements effectively convert borrowings on a EURIBOR-based floating rate credit facility to a fixed rate facility. As of 15 September 2017, interest on the remaining portion of the Credit Facility is paid at a rate of 1.75% per annum plus the higher of the one-month or three-month EURIBOR rate (at the option of I-RES) or zero. For the year ended 31 December 2019, a 100-basis point change in interest rates would have the following effect on the unhedged portion:

<u>As at 31 December 2019</u>

	Change in interest rates	**Increase (decrease) in net income**
		2019
	Basis Points	**€'000**
EURIBOR rate debt(1)	+100	**(1,849)**
EURIBOR rate debt(2)	-100	**-**

(1) Based on the fixed margin of 1.75% plus the one-month EURIBOR rate as at 31 December 2019 of -0.472% on the unswapped portion of the Credit Facility.

(2) Based on the fixed margin of 1.75% plus the floor of zero on the unswapped portion of the Credit Facility.

<u>As at 31 December 2018</u>

	Change in interest rates	**Increase (decrease) in net income**
		2018
	Basis Points	**€'000**
EURIBOR rate debt(1)	+100	**(660)**
EURIBOR rate debt(2)	-100	**-**

(1) Based on the fixed margin of 2.0% plus the one-month EURIBOR rate as at 31 December 2019 of -0.368% on the unswapped portion of the Credit Facility.
(2) Based on the fixed margin of 2.0% plus the floor of zero on the unswapped portion of the Credit Facility.

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 31 December 2019	€'000	€'000	€'000	€'000	€'000
Loan drawn	-	-	-	555,020	-
Bank indebtedness interest (2)	4,757	4,809	9,540	23,340	-
Derivative financial instruments	-	-	788	-	-
Lease liability	314	314	628	1,883	9,414
Other Liabilities	10,022	-	-	-	-
Security deposits	7,158	-	-	-	-
	22,251	5,123	10,956	580,243	9,414

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

As at 31 December 2018	6 months or less[1] €'000	6 to 12 months[1] €'000	1 to 2 years [1] €'000	2 to 5 years[1] €'000	More than 5 years[1] €'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.

The carrying value of bank indebtedness and trade and other payables (other liabilities) approximates their fair value.

Credit risk

Credit risk is the risk that: (i) counterparties to contractual financial obligations will default; or (ii) the possibility that the Group's tenants may experience financial difficulty and be unable to meet their rental obligations.

The Group monitors its risk exposure regarding obligations with counterparties through the regular assessment of counterparties' credit positions.

The Group mitigates the risk of credit loss with respect to tenants by evaluating the creditworthiness of new tenants and obtaining security deposits wherever permitted by legislation.

The Group monitors its collection experience on a monthly basis and ensures that a stringent policy is adopted to provide for all past due amounts. All residential accounts receivable balances exceeding 30 days are written off to bad debt expense and recognised in the consolidated statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of profit or loss and other comprehensive income. The Group's impairment loss allowance for trade receivables amounted to €581,000 for the year ended 31 December 2019 (2018: €217,000).

Cash and cash equivalents are held by major Irish and European institutions with credit ratings of AA and AAA respectively. The Company deposits cash with individual institutions to avoid concentration of risk with any one counterparty. The Group has also engaged the services of a depository to ensure the security of the cash assets.

Risk of counterparty default arising on cash and cash equivalents and derivative financial instruments is controlled by dealing with high-quality institutions and by a policy limiting the amount of credit exposure to any one bank or institution.

Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, I-RES may issue new shares or consider the sale of assets to reduce debt. I-RES, through the Irish REIT Regime, is restricted in its use of capital to making investments in real estate property in Ireland. I-RES intends to make distributions if its results of operations and cash flows permit in the future.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. At 31 December 2019, capital consists of equity and debt, and Group Total Gearing was 40.8%. I-RES seeks to use gearing to enhance shareholder returns over the long term. The level of gearing is monitored carefully by the Board. Given the stability of the residential rental accommodation sector, a 45% gearing policy is currently considered prudent by the Board.

The Board monitors the return on capital as well as the level of dividends paid to ordinary shareholders. Subject to distributable reserves, it is the policy of I-RES to distribute at least 85% of the Property Income of its Property Rental Business for each accounting period.

16. 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.

17. 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 9 August 2019, the Directors resolved to pay an interim dividend of €14.1 million for the period ended 30 June 2019. The dividend of 2.7 cents per share was paid on 13 September 2019 to shareholders on record as at 23 August 2019.

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.

On 22 February 2018, the Directors resolved to pay an additional dividend of €11.3 million for the year ended 31 December 2017. The dividend of 2.7 cents per share was paid on 23 March 2018 to shareholders on record as of 2 March 2018.

	31 December 2019	**31 December 2018**
	€'000	€'000
Profit for the year	**86,282**	119,785
Less: unrealized gain in net movement in fair value of investment properties	**(56,234)**	(92,664)
Property Income of the Property Rental Business	**30,048**	27,121
Add back:		
Share-based compensation expense	**236**	228
Unrealised change in fair value of derivatives	**(131)**	659
Distributable Reserves	**30,153**	28,008

18. Supplemental Cash Flow Information

For the year ended	**31 December 2019**	**31 December 2018**
	€'000	€'000
Financing costs on credit facility as per the consolidated statement of profit or loss and other comprehensive income	**12,036**	6,706
Interest expense accrual	**(315)**	-
Capitalised interest	**442**	218
Less: amortisation of financing fees	**(2,486)**	(835)
Interest Paid on Loan Drawn Down	**9,677**	6,089

Changes in operating assets and liabilities

For the year ended	**31 December 2019**	**31 December 2018**
	€'000	€'000
Prepayments	**(1,358)**	(3,391)
Trade receivables	**160**	(746)
Other receivables	**1,018**	1,359
Deposits	**-**	(4,617)
Accounts payable and other liabilities	**274**	(224)
Security deposits	**1,864**	1,298
Changes in operating assets and liabilities	**1,958**	(6,321)

For the year ended	31 December 2019	31 December 2018
	€'000	€'000
Issuance of shares	**135,142**	**17,264**
Issuance costs	**(3,129)**	**-**
Net proceeds	**132,013**	**17,264**

		Changes from Financing Cash Flows					Non-cash Changes			
Liabilities	**2018**	**Credit Facility drawdown**	**Credit Facility repayment**	**Financing fees on credit facility**	**Financing fees on credit facility**	**Amortisation of other financing costs**	**Lease liability payable**	**Loss on derivative financial instruments**	**Interest accrual relating to derivatives**	**2019**
Bank indebtedness	309,159	637,451	(391,590)			-				555,020
Deferred loan costs, net	(1,665)				(5,990)	2,486				(5,169)
Derivative financial instruments	913					-		(131)	6	788
Lease liability	-			(247)			10,118			9,872
Total liabilities from financing activities	**308,407**	**637,451**	**(391,590)**	**(247)**	**(5,990)**	**2,486**	**10,118**	**(131)**	**6**	**560,511**

19. Related Party Transactions

CAPREIT LP has an indirect 18.3% 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 restated or as may be amended or restated from time to time, pursuant to which I-RES pays 3.0% per annum of its gross rental 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 year ended 31 December 2019, I-RES incurred €4.0 million in asset management fees. In addition, €1.9 million in property management fees were incurred and recorded under operating expenses. For the year ended 31 December 2018, €3.2 million in asset management fees and €1.5 million in property management fees were recorded. For the year ended 31 December 2019, CAPREIT charged back €1.36million (2018: €1.21 million) relating to salaries.

The amount payable to CAPREIT LP (including IRES Fund Management) totalled €2.0 million as at 31 December 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 IRES Fund Management) totalled €0.1 million as at 31 December 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.

IRES Fund Management Limited has multiple leases for office space with I-RES. The rental income for the office space for the year ended 31 December 2019 was €116,000 (€116,000 for the year ended 31 December 2018). The leases expire on 1 March 2020, 1 December 2020 and 1 December 2021. Minimum annual rental payments from IRES Fund Management for the next two years are as follows:

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

Directors

At the time of appointment as a Director, Phillip Burns was regarded as an independent non-executive director. Following a decision of the Board on 29 March 2019, Phillip Burns was no longer considered to be independent, having regard to certain cross-directorships concerning the Company and European Residential Real Estate Investment Trust ("ERES"), a Canadian company that is a subsidiary of CAPREIT and has its shares listed on the TSX Venture Exchange and in respect of which Phillip Burns is Chief Executive Officer.

As such, Phillip Burns has been appointed as a senior employee of CAPREIT (or its affiliate) and the Chief Executive Officer of European Residential Real Estate Investment Trust "ERES", which in turn has a material business relationship with the Company, which is the parent company of the Investment Manager and this appointment gives rise to a significant link with another director on the Board of the Company, Mark Kenney, President and Chief Executive Officer of CAPREIT.

Executive Members

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's base salary as at 31 December 2019 was €400,000 and she is entitled to a bonus of up to 150% of her annual base salary, subject to approval by the Board. Ms. Sweeney does not receive any additional fees for her role as executive director of the Company.

Ms. Sweeney is 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.

On 10 July 2019, an additional 1,294,039 options were granted to Ms. Sweeney in connection with the 2nd tranche placing of the new ordinary shares.

In December 2018, 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 IRES Fund Management Limited's nominee on the Board. Mark Kenney is the President and Chief Executive Officer of CAPREIT.

Purchase of I-RES Shares

On 18 June 2019, CAPREIT LP indirectly purchased 8,778,387 shares of I-RES. On 10 July 2019, CAPREIT LP indirectly purchased an additional 8,721,613 shares of I-RES. As at 31 December 2019, CAPREIT LP's beneficial interest in I-RES increased to 18.3% (2018: 18.0%) due to the share purchases.

Expenses

Total remuneration is comprised of remuneration of the non-executive Directors of €384,333 for the year ended 31 December 2019 and €329,167 for the year ended 31 December 2018, excluding remuneration related to the Chief Executive Officer.

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. For these reasons, I-RES does not consider these owners' management companies to be material for consolidation as the total asset of the owner's management companies is less than 0.3%, either individually or collectively. I-RES has considered the latest available financial statements of these owners' management companies in making this assessment.

Details of the owners' management companies in which the Group had an interest during the year ended 31 December 2019, along with the relevant service fees paid by the Group to them, are as follows:

Owners' Management Entity	Registered Official Address	Development Managed	Percentage of Voting Rights Held % of total[1]	Service Fees Incurred in the Period €'000	Payable by I-RES €'000	Prepaid by I-RES €'000
Majority voting rights held						

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Priorsgate Estate Owners' Management Company Company Limited by Guarantee	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	Priorsgate	52.4	183.0	0.0	3.8
GC Square (Residential) Owners' Management Company Limited by Guarantee	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	The Marker Residences	81.0	233.1	0.0	0.0
Landsdowne Valley Owners' Management Company Limited by Guarantee(5)	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	Lansdowne Gate	78.6	447.9	0.0	0.0
Charlestown Apartments Owners' Management Company Limited by Guarantee (3)	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	Charlestown	82.5	477.1	0.0	39.9
Bakers Yard Owners' Management Company Company Limited By Guarantee	Ulysses House Foley Street Dublin 1	Bakers Yard	66.2	162.7	3.1	1.0
Rockbrook Grande Central Owners' Management Company Limited by Guarantee	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	Grande Central	73.5	304.7	0.0	0.0
Rockbrook South Central Owners' Management Company Limited by Guarantee	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	South Central	80.0	432.8	0.0	0.0
Rockbrook Estate Management Company Limited by Guarantee	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	Rockbrook Commercial	92.9(2)	33.2	0.0	5.2
TC West Estate Management Company Company Limited by Guarantee	Charter House, 5 Pembroke Row, Dublin 2 D02 FW61	Tallaght Commercial	75.0	393.0	41.8	0.0
TC West Residential Owners' Managemenr Company Limited by Guarantee (4)	Charter House, 5 Pembroke Row, Dublin 2 D02 FW62	Tallaght Residential	87.2	844.9	0.0	0.0
Gloucester Maple Owners' Management Company Limited By Guarantee	Ti Phuirseil Freeport, Barna, Galway H91 W90P	City Square	89.3	45.5	0.0	23.7
Elmpark Green Residential Owners' Management Company Limited By Guarantee	2 Lansdowne, Shelbourne Ballsbridge Dublin 4	Elmpark Green	60.5	542.5	0.0	6.8
Coldcut Owners' Management Company Limited By Guarantee	c/o Brehan Capital Partners Limited, 2nd Floor, Guild House, Guild Street Dublin 1	Coldcut Park	97.7	199.1	0.0	4.5
Time Place Property Management Company Limited By Guarantee	RF Property Management Ground Floor Ulusses House 23/24 Foley Street, Dublin 1, D01 W2T2	Time Place Dublin 18	74.4	62.7	0.0	0.0
Burnell Green Management Company Company Limited By Guarantee	City Junction Business Park, Northern Cross, Malahide Road Dublin 17	Burnell Green Northern Cross Dublin 17	93.2	53.3	0.0	0.0
Feltrim Court Owners Management Company Company Limited By Guarantee	87 Forrest Walk, Swords, Co Dublin, K67 V022	Russell Court Swords Co Dublin	80.6	26.4	18.4	0.0
Minority voting rights held						
BSQ Owners' Management Company Limited by Guarantee(6)	5th Floor, St Stephen's Green House, Earlsfort Terrace St Stephens Green, Dublin 2	Beacon South Quarter	12.70	805.7	0.0	0.0

GC Square Management Company Limited by Guarantee	2nd Floor, Guild House Guild Street, Dublin 1	The Marker Commercial	48.00	0.0	0.0	0.0
Sandyford Forum Management Company Company Limited by Guarantee	28/30 Burlington Road Dublin 4	The Forum	6.30	6.1	0.0	4.2
Stapolin Management Company Limited By Guarantee	15 Adelaide Street Dun Laoghaire Co Dublin A96 D8Y9	Staploin	11.44	48.5	0.0	5.9
Red Arches Management Company Limited by Guarantee	16 Adelaide Street Dun Laoghaire Co Dublin A96 D8Y9	Red Arches	4.73	16.2	16.4	0.0
Stillbeach Management Company Company Limited By Guarantee	Wyse 9 Lower Baggot Street Dublin 2 D02 XN82	Beechwood Court Stillorgan Co Dublin	32.0	75.2	0.0	11.3
Burnell Court Management Company Company Limited By Guarantee	City Junction Business Park, Northern Cross, Malahide Road Dublin 17	Burnell Court Northern Cross Dublin 17	25.8	43.7	0.0	0.04
Carrington Park Residential Property Management Company Limited By Guarantee	Rfpm Ulysses House Foley Street Dublin 1, D01 W2T2	Carrington Park Dublin 9	40.8	108.9	0.0	0.0
Heywood Court Management Company (Dublin) Company Limited By Guarantee	Lansdowne Partnership, 69 Mespil Road, Dublin 4	Heywood Court Dublin 9	43.3	37.2	0.0	25.8
Hartys Quay Management Company Limited By Guarantee	David O'Suillivan & Co 1st Floor Red Abbey Bld, Unit 20 South Link Industrial Estate Cork	Hartys Quay Co Cork	29.4	41.8	0.0	0.0
Belville Court Management Company Company Limited By Guarantee	1/2 Windsor Terrace, Dun Laoghaire, Co Dublin	Belville Dublin 18	47.5	23.0	0.0	32.1
Stag Management Company Limited By Guarantee	Rathgar House 53a Rathgar Avenue, Rathgar, Dublin 6, D06 K5K2	Belleville Castleknock Dublin 15	18.2	9.6	0.0	0.0
The Mills Twelfth Lock Management Company Company Limited By Guarantee	11 The Mills, Castleknock, Dublin 15, D15 FC64	Twelfth Lock, Castleknock, Dublin 15	7.3	2.9	0.0	0.0
St Edmunds Management Company Limited By Guarantee	Smith Property Management Block 37/41, Dunboyne Business Park, Dunboune Co Meath A86 Xy27	Palmerstown Dublin 20	5.8	15.7	12.7	0.0
Custom House Square Management Company Limited By Guarantee	C/O Anne Brady McQuillain Dfk, Iveagh Court, Harcourt Road, Dublin 2.	Custom House Square, IFSC, Dublin 1	2.0	11.5	0.0	0.0
Total				5,688.0	92.5	164.4

(1) For residential apartments the voting rights are calculated based on one vote per apartment regardless of the size of that apartment. For commercial, it is based on square footage of the units or the memorandum and articles of the particular management company.

(2) Includes voting rights controlled directly and indirectly.

(3) Formerly known as Charlestown Apartments Management Company Company Limited By Guarantee.

(4) Formerly known as TC West Residential Owners Management Company Company Limited by Guarantee.

(5) Formerly known as Landsdowne Valley Management Company Company Limited by Guarantee.

(6) Formerly known as BSQ Management Company Company Limited by Guarantee.

All of the owners' management companies are incorporated in Ireland and are property management companies. As noted above, as at 31 December 2019, €92,500 is payable and €164,400 is prepaid by the Group to the owners' management companies. As at 31 December 2018, €19,200 was payable and €125,100 was prepaid by I-RES to the owners' management companies.

20. Contingencies

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 31 December 2019 is circa €0.6 million. There is also an active insurance claim with respect to the water ingress and related damage. The amount of potential costs relating to these structural remediation works cannot be currently measured with sufficient reliability.

21. 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 substantially completed in December 2019 and to be handed over to the Company in Q1 2020. The outstanding amount is circa €0.3 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 as of 31 December 2019 and the amount outstanding is circa €0.9 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 May 2019, the Company entered into contract for the forward purchase of 55 apartments and duplexes for a total purchase price of €18.5 million (including VAT, but excluding transaction costs). Practical completion of the units is expected to be on or around Q2 2020 and the payment of €18.5 million will be made upon practical completion.

In September 2019, the Company enter into a design and build contract to intensify the commercial space at Tallaght Cross West. The total consideration of the contract is circa €9.7 million and the amount outstanding as of 31 December 2019 is circa €8.5 million.

Total lease commitments are outlined in note 6.

22. 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 year ended	**31 December 2019**	**31 December 2018**

Profit attributable to shareholders of I-RES (€'000)	**86,282**	**119,785**
Basic weighted average number of shares	**478,563,272**	**427,164,632**
Diluted weighted average number of shares(1)(2)	**481,508,009**	**431,236,978**
Basic Earnings per share (cents)	**18.0**	**28.0**
Diluted Earnings per share (cents)	**17.9**	**27.8**

(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 31 December 2019, 4,596,499 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 November 2016, 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 year ended	**31 December 2019**	**31 December 2018**
Total comprehensive income for the year attributable to shareholders (€'000)	**86,282**	119,785
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)	**(56,234)**	(92,664)
Changes in fair value of derivative financial instruments (€'000)	**(131)**	659
EPRA Earnings (€'000)	**33,070**	27,780
Basic weighted average number of shares	**478,563,272**	427,164,632
Diluted weighted average number of shares	**481,508,009**	431,236,978
EPRA Earnings per share (cents)	**6.9**	6.5
EPRA Diluted Earnings per share (cents)	**6.9**	6.4

23. Net Asset Value per Share

EPRA issued Best Practices Recommendations most recently in November 2016, 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.

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EPRA NAV per Share

As at	31 December 2019	31 December 2018
Net assets (€'000)	**810,169**	618,724
Adjustments to calculate EPRA net assets exclude:		
Fair value of derivative financial instruments (€'000)	**788**	913
EPRA net assets (€'000)	**810,957**	619,637
Number of shares outstanding	**521,678,946**	434,153,946
Diluted number of shares outstanding	**524,529,943**	436,272,927
Basic Net Asset Value per share (cents)	**155.3**	142.5
EPRA Net Asset Value per share (cents)	**154.6**	142.0

24. Directors' Remuneration, Employee Costs and Auditor Remuneration

For the year ended	31 December 2019	31 December 2018
	€'000	€'000
Directors' remuneration		
Short-term employee benefits	**1,361**	1,009
Pension costs	**60**	50
Other benefits(1)	**125**	84
Share-based payments(2)	**236**	207
Total	**1,782**	1,350

(1) Included in this amount is pay-related social insurance and benefits paid for the Directors.

(2) Included in share-based payments are 4,596,499 stock options that were anti-dilutive as at 31 December 2019.

For the year ended	31 December 2019	31 December 2018
	€'000	€'000
Employees costs		
Salaries, benefits and bonus	**1,040**	722
Social insurance costs	**90**	48
Pension costs	**60**	50
Share-based payments	**236**	207
Total	**1,426**	1,027

For the year ended	31 December 2019	31 December 2018
	€'000	€'000
Auditor remuneration (including expenses)(1)		
Audit of the Group accounts	**127.5**	117
Other assurance services(2)	**22.5**	15
Tax advisory services	**-**	-
Total	**150**	132

(1) Included in the auditor remuneration for the Group is an amount of €125,000 (2018: €93,000) that relates to the audit of the Company's financial statements.

(2) Non-audit remuneration for 31 December 2019 and 31 December 2018 relates to review of interim financial statements

Notes to Consolidated Financial Statements

25. 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 South Dock House, Hanover Quay, Dublin 2, Ireland.

26. Subsequent Events

On 10 January 2020, the Company entered into contract with a local developer to construct 61 units on the development land located next to Bakers Yard.

On 15 January 2020, the Company received 26 residential units at Waterside and made a payment of circa €8.2 million.

IRES plans to enter €200m equivalent of secured private placement notes (the "Notes") in March 2020. The proceeds from the Notes will be used to pay down its credit facility.

On 12 February 2020, IRES entered into USD Euro cross currency, interest rate swaps for the US tranche of the Notes of $75 million USD. The Notes are expected to have a weighted average fixed rate of 1.95% inclusive of this swap. The notes have a tenor of 7 to 12 years with average maturity of 9.7 years.

Supplementary Information
EPRA Performance Measures and Disclosures (Unaudited)

The following EPRA performance measures are presented to improve transparency, comparability and relevance across the European listed real estate industry.

EPRA Earnings per Share (EPS)

EPRA Earnings represents the earnings from the core operational activities (recurring items for the Company). 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 performance of the Group's operations.

EPRA Diluted Earnings per Share

EPRA Diluted EPS is 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. It has been presented as the Company believes this measure is indicative of the performance of the Group's 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. 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. The EPRA NAV is then divided by the diluted number of ordinary shares outstanding as at the end of the reporting period. 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.

EPRA Triple Net Asset Value per Share (EPRA NNNAV)

EPRA NNNAV's purpose is to report net asset value including fair value adjustments in respect of all material balance sheet items which are not reported at their fair value as part of the EPRA NAV. Generally, EPRA NAV is adjusted for the fair value of financial instruments, fair value of debt, and fair value of deferred tax to calculate EPRA NNNAV.

EPRA Net Initial Yield (EPRA NIY)

EPRA NIY is calculated as the annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the property. It has been presented by the Company to improve comparability of yield measures across the European real estate market.

EPRA "topped-up" Net Initial Yield (EPRA "topped-up" NIY)

EPRA "topped-up" NIY is calculated by making an adjustment to the EPRA NIY in respect of the expiration of rent-free periods or other unexpired lease incentives such as discounted rent periods and step rents. It has been presented by the Company to improve comparability of yield measures across the European real estate market.

EPRA Vacancy Rate

EPRA Vacancy Rate is calculated as the percentage of estimated residential rental value of vacant space divided by the estimated residential rental value of the whole portfolio as at the reporting date. The estimated rental value excludes properties under development, commercial properties and development land. It has been presented by the Company to improve comparability of the vacancy measure across the European real estate market.

EPRA Performance Measure	Unit	31 December 2019	31 December 2018
EPRA Earnings	€'000	33,070	27,780
EPRA EPS	€ cents/share	6.9	6.5

Diluted EPRA EPS	€ cents/share	6.9	6.4
EPRA NAV	€'000	810,957	619,637
EPRA NAV per share	€ cents/share	154.6	142.0
EPRA NNNAV	€'000	786,859	618,724
EPRA NNNAV per share	€ cents/share	150.0	141.8
EPRA NIY	%	4.4%	4.6%
EPRA "topped up" NIY	%	4.4%	4.6%
EPRA vacancy rate	%	2.2%	0.3%

EPRA Earnings per Share

For the year ended	31 December 2019	31 December 2018
Total comprehensive income for the year attributable to shareholders (€'000)	**86,282**	119,785
Adjustments to calculate EPRA Earnings exclude:		
Changes in fair value on investment properties (€'000)	**(56,234)**	(92,664)
Costs associated with early close out of debt instrument (€'000)	**3,153**	-
Changes in fair value of derivative financial instruments (€'000)	**(131)**	659
EPRA Earnings (€'000)	**33,070**	27,780
Basic weighted average number of shares	**478,563,272**	427,164,632
Diluted weighted average number of shares	**481,508,009**	431,236,978
EPRA Earnings per share (cents)	**6.9**	6.5
EPRA Diluted Earnings per share (cents)	**6.9**	6.4

EPRA NAV per Share

As at	31 December 2019	31 December 2018
Net assets (€'000)	**810,169**	618,724
Adjustments to calculate EPRA net assets exclude:		
Fair value of derivative financial instruments (€'000)	**788**	913
EPRA net assets (€'000)	**810,957**	619,637
Number of shares outstanding	**521,678,946**	434,153,946
Diluted number of shares outstanding	**524,529,943**	436,272,927
Basic Net Asset Value per share (cents)	**155.3**	142.5
EPRA Net Asset Value per share (cents)	**154.6**	142.0

EPRA Triple Net Asset Value (NNNAV)

As at	31 December 2019	31 December 2018
EPRA NAV	**810,957**	619,637
Adjustments to calculate EPRA net assets include:		
Fair value of financial instruments (€'000)	**(788)**	(913)
Fair value of debt	**-**	-
Deferred tax	**-**	-
EPRA triple net assets (€'000)	**810,169**	**618,724**
Diluted number of shares outstanding	**524,529,943**	436,272,927
EPRA NNNAV per share (cents)	**154.5**	141.8

EPRA Net Initial Yield (NIY)

As at	31 December 2019	31 December 2018
	(€'000)	(€'000)
Annualised passing rent	**72,798**	53,888
Less: Operating expenses(1) (property outgoings)	**(13,540)**	(11,263)
Annualised net rent	**59,258**	42,625
Notional rent expiration of rent-free periods(2)	**93**	48
Topped-up net annualised rent	**59,351**	42,673
Completed investment properties	**1,293,241**	882,416
Add: Allowance for estimated purchaser's cost	**56,260**	38,595
Gross up completed portfolio valuation	**1,349,501**	921,011
EPRA Net Initial Yield	**4.4%**	4.6%
EPRA topped-up Net Initial Yield	**4.4%**	4.6%

(1) Calculated based on the net rental income to operating revenue ratio of 81.4%

(2) For the year ended 31 December 2019

EPRA Vacancy Rate(3)

As at	31 December 2019	31 December 2018
	(€'000)	(€'000)
Estimated rental value of vacant space	**1,569**	147
Estimated rental value of the portfolio	**71,788**	51,541
EPRA Vacancy Rate	**2.2%**	0.3%

(3) Based on the residential portfolio

EPRA Capital Expenditure Disclosure

EPRA recommends that capital expenditures, as stated on the financial statements, be split into four components based on the nature of the assets the expenditures were on to allow for enhanced comparability. Namely, the categories are acquisitions, development, like-for-like portfolio, and other items.

(€'000)		
For the year ended	**31 December 2019**	**31 December 2018**

Acquisitions	**671**	336
Development	**28,958**	31,129
Like-for-like[4]	**7,312**	4,651
Total Capital Expenditure	**36,941**	36,116

(4) For 2019, Like-for-like is defined as properties held as of 31 December 2018.

Supplemental Information (Unaudited)

Kings Court (83 residential apartments, Smithfield, Dublin 7)

The Company acquired Kings Court, located in Smithfield, Dublin 7, in September 2013. The development was constructed in 2006 and is a residential development consisting of 83 residential apartments dispersed over four blocks. The entire development is constructed over a common basement with 65 car park spaces. The Company's 83 residential apartments consist of 25 one-bedroom, 54 two-bedroom and four three-bedroom residential apartments.

This development also has 566 sq. m. (6,093 sq. ft.) of commercial space, all of which is owned by the Company.

Grande Central (65 residential apartments, Sandyford, Dublin 18)

The Company acquired Grande Central, located in Sandyford, Dublin 18, in September 2013. The development was constructed in 2007 and is a residential development located within the suburb of Sandyford, Dublin 18, approximately 8 km south of Dublin City Centre. The development is on a 0.5 ha (1.2 acre) site and consists of a purpose-built apartment block with 195 residential apartments, 65 of which are owned by the Company. The entire development is constructed over a common basement with a single car park space per residential apartment. The Company's 65 residential apartments consist of 10 one-bedroom, 34 two-bedroom and 21 three-bedroom residential apartments.

Priorsgate (103 residential apartments, Tallaght, Dublin 24)

The Company acquired Priorsgate, located in Tallaght, Dublin 24, in September 2013. The development was constructed in 2007 and is a residential development on a 1.1 ha (2.6 acre) site located approximately 10 km southwest of Dublin City Centre. The development consists of 199 residential apartments dispersed over three blocks, 103 of which are owned by the Company. The Company's 103 residential apartments, which are dispersed over the three blocks, consist of 49 one-bedroom, 48 two-bedroom, five three-bedroom and one four-bedroom residential apartments.
The Company also owns eight adjacent commercial units with a total of 2,538 sq. m. (27,316 sq. ft.) of space. The entire development is constructed over a common basement with a single car park space per residential apartment.

Included with the property is an adjoining detached building on a 0.18 ha (0.44 acre) site known as Bruce House Site.

Camac Crescent (90 residential apartments, Inchicore, Dublin 8)

The Company acquired Camac Crescent, located in Inchicore, Dublin 8, in September 2013. The development was constructed in 2008 and is a residential development on a 0.56 ha (1.4 acre) site located in Inchicore, Dublin 8, approximately 3 km west of Dublin City Centre. The development consists of 110 residential apartments dispersed over six blocks, 90 of which are owned by the Company. The entire development is constructed over a common basement with a single car park space per residential apartment. The Company's 90 residential apartments consist of 21 one-bedroom, 49 two-bedroom and 20 three-bedroom residential apartments.

The Laurels (19 residential apartments, Tallaght, Dublin 24)

The Company acquired The Laurels, located in Tallaght, Dublin 24, in June 2014. The development was constructed in 2007 and consists of 19 residential apartments, all of which are owned by the Company. The Laurels consists of four one-bedroom, 13 two-bedroom and two three-bedroom residential apartments.

The Company also owns 190 sq. m. (2,045 sq. ft.) of commercial space in the form of one large unit which could be split into two units.

The Marker Residences (85 residential apartments, Grand Canal Dock, Dublin 2)

The Company acquired the Marker Residences, located in the Grand Canal Dock area of Dublin 2, in July 2014. The development was constructed in 2012 and consists of 105 luxury residential apartments, 85 of which were acquired by the Company, and approximately 1,218 sq. m. (13,111 sq. ft.) of commercial space, all of which was acquired by the Company. The Company's 85 residential apartments are all two-bedroom residential apartments.

Beacon South Quarter (225 residential apartments Sandyford, Dublin 18)

The Company acquired Beacon South Quarter, located in Sandyford, Dublin 18, in October 2014. The development was constructed in 2007/2008 and is a landmark mixed-use development on 5.3 ha (13 acres). A number of major employers are located in the immediate neighbourhood, including Vodafone, Merrill Lynch and Microsoft, and the development is adjacent to the LUAS light rail line to the city centre. The Beacon South Quarter development includes many high-end occupiers, including private medical care, leisure and a selection of food and lifestyle shops. The development consists of 880 luxury residential apartments, 225 of which are owned by the Company. The Company's 225 residential apartments consist of 26 one-bedroom, 173 two-bedroom and 26 three-bedroom residential apartments.

The Company also owns approximately 2,395 sq. m. (25,777 sq. ft.) of ancillary commercial space within the development.

In addition, the Company owns two adjacent development sites and one former site that has now been developed into The Maple and 6,847 sq. m. (73,701 sq. ft.) of commercial space.

For the year ended 31 December 2017, the Company has made property capital investments in this property related primarily to in-suite improvements. In addition to the capital expenditure work that has already been completed, I-RES is working with Beacon South Quarter's owner management company to resolve water ingress and fire remediation works previously identified.

Charlestown (235 residential apartments Finglas, Dublin 11)

The Company acquired Charlestown, a mixed-use development set on 16.2 ha (40 acres) in Finglas, Dublin 11, in October 2014. The development was constructed in 2007 and consists of 285 residential apartments, 235 of which are owned by the Company. The Company's 235 residential apartments consist of 36 one-bedroom, 164 two-bedroom and 35 three-bedroom residential apartments.
The overall development comprises facilities for tenants including a shopping centre, a medical centre and a variety of leisure and restaurant facilities. The property is located approximately 9.5 km from Dublin City Centre and 8 km from Dublin airport, and is adjacent to the main M50 and M2 transportation corridors.

Bakers Yard (86 residential apartments Portland Street North, Dublin 1)

The Company acquired Bakers Yard, an apartment development on 0.6 ha (1.4 acres) adjacent to Dublin City Centre in Dublin 1, in October 2014. The development was constructed in 2007/2008 and is within walking distance of many large government and private sector employers, as well as local and national public transport infrastructure. The development consists of 132 residential apartments, 86 of which are owned by the Company. The Company's 86 residential apartments consist of 13 one-bedroom, 61 two-bedroom and 12 three-bedroom residential apartments.

The Company also owns approximately 700 sq. m. (7,534 sq. ft.) of ancillary commercial space within the development. In addition, the Company owns an adjoining 0.18 ha (0.45 acre) site with planning consent for a further 55 residential apartments and three ground-floor commercial units.

Lansdowne Gate (224 residential apartments Drimnagh, Dublin 12)

The Company acquired Lansdowne Gate, a superior quality development on 2.2 ha (5.5 acres) in Drimnagh, Dublin 12, in October 2014. The development consists of 280 residential apartments, 224 of which are owned by the Company, set in 11 blocks over semi-basement car parking, with the benefit of a centralised district heating system, landscaped gardens and a children's playground. The Company's 224 residential apartments consist of 23 one-bedroom, 146 two-bedroom and 55 three-bedroom residential apartments.

The development was constructed in 2005 and is located adjacent to the LUAS light rail system, 5 km from the City Centre and within walking distance of numerous large employers, as well as shopping and leisure facilities.

Rockbrook Grande Central and Rockbrook South Central ("Rockbrook Portfolio") (270 residential apartments, Sandyford, Dublin 18)

The Company acquired the Rockbrook Portfolio, located in Sandyford, Dublin 18, in March 2015 via the acquisition of IRES Residential Properties Limited. The development consists of 270 residential apartments and approximately 4,665 sq. m. (50,214 sq. ft.) of mixed-use commercial space. The portfolio also includes a development site of approximately 1.13 ha (2.8 acres) and associated basement car parking. The property is located close to the Stillorgan LUAS light rail system stop, in an area serviced by numerous bus routes. Located nearby are the UPMC Beacon Hospital and large employers such as Microsoft, Vodafone, Volkswagen and the Clayton Hotel. The Company's 270 residential apartments consist of 46 one-bedroom, 203 two-bedroom and 21 three-bedroom residential apartments.

The portfolio also includes a development site of approximately 1.13 ha (2.8 acres) and associated basement car parking. The Company submitted a planning application in December 2018 to build 428 residential units on this site.

Tyrone Court (95 residential apartments, Inchicore, Dublin 8)

The Company acquired Tyrone Court, located in Inchicore, Dublin 8, in June 2015. The development was constructed in 2014 and consists of 131 apartments across four residential apartment blocks, 95 of which are owned by the Company. The Company's 95 residential apartments consist of four three-bedroom duplex units, three three-bedroom, 64 two-bedroom and 24 one-bedroom apartments.

The property is located in an established residential area close to Drimnagh Station, which is a 15-minute commute to City Centre. Located nearby are St. James's Hospital, Inchicore College, the Central Criminal Court and Heuston Station, all of which provide a strong employment centre and tenant market.

Bessboro (40 residential apartments, Terenure, Dublin 6)

The Company acquired Bessboro, located in Terenure, Dublin 6, in December 2015. The development was constructed in 2008 and consists of 40 residential apartments, all of which are owned by the Company. The Company's 40 residential apartments consist of six one-bedroom, 32 two-bedroom and two three-bedroom apartments.

Bessboro provides a strong suburban location only 7 km from Dublin City Centre and 4.6 km from the M50 motorway. The location provides a range of amenities including shops, schools, bars and restaurants, all within walking distance of Bessboro and also in close proximity to Bushy Park, golf and rugby clubs.

Tallaght Cross West (442 residential apartments, Tallaght, Dublin 24)

The Company acquired Tallaght Cross West, located in Tallaght, Dublin 24, in January 2016. The development was constructed in 2008 and consists of 507 residential apartments, 442 of which are owned by the Company. The Company's 442 residential apartments consist of 161 one-bedroom, 237 two-bedroom and 44 three-bedroom residential apartments.

The Company also owns 18,344 sq. m. (197,460 sq. ft.) of commercial space and associated underground car parking. The Company has received a grant of planning permission for the conversion of unused commercial space to 18 residential apartments.

The Forum (8 residential apartments, Sandyford, Dublin 18)

The Company acquired The Forum, located in Sandyford, Dublin 18, in February 2016. The development was constructed in 2007 and consists of 127 residential apartments, eight of which, along with 11 basement car parking spaces, are owned by the Company. The Company's eight residential apartments consist of one one-bedroom and seven two-bedroom residential units.
The Forum is located on the LUAS tram line and next to the Royal College of Surgeons' Sandyford facility. The development is also adjacent to the Company's Rockbrook and Beacon South Quarter portfolios.

City Square (23 residential apartments, Gloucester Street, Dublin 2)

The Company acquired City Square, located on Gloucester Street, Dublin 2, in April 2016. The development was constructed in 2006 and consists of 27 apartments, 23 of which are owned by the Company. The Company's 23 residential units consist of 15 one-bedroom and eight two-bedroom residential units.

The property is located near Trinity College and the River Liffey, and close to LUAS and DART lines.

Elmpark Green (201 residential apartments, Merrion Road, Dublin 4)

The Company acquired Elmpark Green, located in Merrion Road, Dublin 4, in May 2016. The Company's 201 residential apartments consist of 101 one-bedroom, 96 two-bedroom and four three-bedroom residential apartments.

The development was constructed in 2006, and consists of 332 apartments, 201 of which are owned by the Company. Elmpark Green is located near Merrion, Blackrock and Frascati Shopping Centres, and is also adjacent to the Elm Park Golf and Sports Club, as well as St. Vincent's University Hospital.

Coldcut Park (90 residential apartments, Clondalkin, Dublin 18)

The Company acquired Coldcut Park, located on Coldcut Road in Clondalkin, Dublin 18, in August 2016. The Company's 90 residential apartments consist of 18 one-bedroom, 22 two-bedroom, 33 three-bedroom and 17 four-bedroom residential apartments.

The development was constructed in 2012 and consists of 93 apartments, 90 of which are owned by the Company. The property is located near Liffey Valley Shopping Centre, LUAS Red Line and Cherry Orchard Railway Station.

The Maple (68 residential apartments, Sandyford, Dublin 18)

The Company completed the construction of The Maple, located in Sandyford, Dublin 18, in July 2017. The development consists of 68 residential apartments, all of which are owned by the Company. By apartment type, The Maple comprises four one-bedroom, 55 two-bedroom and nine three-bedroom apartments.

The development is conveniently located near UPMC Beacon Hospital, BSQ Shopping Centre and transportation links such as the Stillorgan LUAS stop

2019 Completed Developments and Acquisitions

See Completed Developments and High-Quality Acquisitions under the Business Review section of the Investment Manager's Review on page 12 for details on the following properties.

The Coast (52 units, Baldoyle)

Taylor Hill + Semple Woods (118 units, Balbriggan and Donabate)

Marathon Acquisition (815 units, Dublin and Cork)

The company acquired the following properties through the Marathon acquisition on 1 August 2019.

Carrington Park (142 residential apartments, Santry, Dublin 9)

Carrington Park is located in Santry in suburban north Dublin. The asset comprises 142 residential apartments (25 one bedroom, 93 two bedrooms, 23 three bedroom) in a mid-rise development which includes basement carparking. It is situated within the Northwood Campus a large mixed-use development covering 220 acres. It benefits from excellent road infrastructure providing easy access to Dublin Airport (4km), the City Centre (7km) and a number of business parks located around north Dublin. It also benefits from good public transport links being adjacent to a main bus corridor. The locality is well established with a good mix of local employment and local amenities.

Beechwood Court (101 residential apartments, Stillorgan, Co Dublin)

Beechwood Court is located in Stillorgan, an affluent south Dublin suburb. The asset comprises 101 highly-specified residential apartments in a mid-rise development which was designed by Reddy Architects and developed Jackson Homes in 2006. There are 9 one bedroom, 90 two bedroom and 2 three bedroom apartments. The development includes an underground car park and attractive landscaped gardens. The area is well a well-established residential location with a good mix of local employment and amenities. It is close to UCD (4km) Stillorgan Business Park (2km) and Stillorgan Shopping Centre (1km).

Northern Cross (128 residential apartments Malahide Road, Dublin 13)

Northern Cross is located off the Malahide Road in suburban North Dublin. The asset comprises 128 residential apartments which are split 69:59 in two medium rise blocks. Northern Cross is comprised of 36 one bedroom, 87 two bedroom and 5 three bedroom apartments. The development includes secure underground parking and landscaped internal courtyards The Malahide road connects the area to north county Dublin and the M1 & M50 interchange is also easily accessed being just 3km to the west. The area benefits from good amenities with the commercial at ground floor level within the development serving as the local town centre. Recently the area has seen extensive new residential development with Cairn Homes building out a new housing development to the east. This development includes a new neighbour hood centre, a new primary school and a new public park.

Richmond Gardens (98 residential apartments, Richmond Avenue, Dublin 3)

Richmond Gardens is located in Drumcondra in Dublin City. The asset comprises 98 residential well presented apartments which are in a several low-rise blocks located around an attractive internal courtyard. There are 23 one bedroom and 53 two bedroom apartments. The development also includes 98 parking spaces in an underground car park. The asset is situated off Richmond Avenue just north of the City Centre. The location benefits from 'the best of both' being close to the city centre but also having easy access to more suburban amenities. There are also a variety of local shops and bars within a short walk. It is close to both the Port Tunnel (2km) and Clontarf Road station (2km) which gives easy access to suburban Dublin and beyond.

Time Place (67 residential apartments, Sandyford Dublin 18)

Time Place is located in Sandyford in suburban-south Dublin. The asset comprises 67 residential apartments which are in a mid-rise block built over a secure basement car park. There are 9 one bedroom and 57 two bedroom aparmtents. The total development comprises 90 units is located off the Corrig Road immediately adjacent to the Beacon South Quarter. The area is an excellent suburban rental location being located close to the M50 and having several major employers (Microsoft, Vodafone, AIB) in the immediate vicinity in the Sandyford Business district. It benefits from excellent road links and excellent public transport links with Sandyford Luas stop being 5 mins away.

Xavier Court (41residential apartments, Sherrard Street, Dublin 1)

Xavier Court is in Drumcondra in Dublin City Centre on Sherrard St Upper. The asset comprises 41 self-contained residential apartments which are set in two mid-rise blocks built around a landscaped internal courtyard. There are 18 one bedroom, 21 two bedroom and 2 three bedroom apartments. The development abuts several period terraced building and is built over a secure underground car park. It is close to the city and benefits from its location in a trendy urban neighbourhood. Its location facilitates easy access to the key city centre locations. Dublin City University, the North Docks office district and Trinity college are all within 20 mins walk. The Mater hospital is also close by being less than 1km to the west. Drumcondra rail station is less that 5 mins walk which provides easy access to suburban Dublin.

Harty's Quay (50 residential apartments, Rochestown Road, Cork)

Harty's Quay is located in suburban south-east Cork. The area is generally considered one of the more attractive and affluent parts of Cork and is known for the many grand single family homes which often trade at prices in excess of €1m. The asset comprises 50 residential apartments set in two medium-rise blocks. There are 5 one bedroom, 43 two-bedroom and 2 three-bedroom apartments. The development comprises seven blocks in total with parking at surface level. The scheme is situated off the Rochestown road on an old quay side which affords the scheme spectacular sea views. It benefits from good access to the M40, which is 2km away, and is the main motorway servicing Cork.

Heywood Court (39 residential apartments, Santry, Dublin 9)

Heywood Court is located in Santry in suburban north Dublin. The asset comprises 39 residential apartments in a medium rise development with parking at both surface and basement levels. There are 4 one-bedroom and 35 teo bedroom apartments. It benefits from excellent road infrastructure providing easy access to Dublin Airport (4km), the City Centre (7km) and a number of business parks located around north Dublin. It also benefits from good public transport links being adjacent to a main bus corridor. The locality is well established with a good mix of local employment and local amenities.

Belville Court (29 residential apartments, Cabinteely, Dublin 18)
Belville Court is located in Cabinteely in suburban south Dublin. The asset comprises 29 residential apartments in a medium rise development with secure basement parking. There are 4 one-bedroom, 22 two-bedroom and 3 three bedroom apartments. The development comprises two separate blocks with all of the subject units being situated in the same block. The development benefits from a good mix of local amenities with a neighbourhood retail centre just 1km away.

Belleville, Ashtown and The Mills (21 residential apartments, Castleknock, Dublin 15)
Belleville and The Mills comprise two separate developments. They are considered together as they were built by the same developer and acquired together. The Mills is located in Castleknock in suburban west Dublin. Belleville comprises 18 residential apartments in two low-rise blocks and associated surface car parking. Ther are 16 two bedroom and 5 three bedroom apartments. The locality is a well-established residential area. Belleville is located just to the north of the Phoenix Park in Ashtown. It benefits from the amenity of the park while also having good road access to the city centre and the M50. It is a picturesque and well-established location.

St Edmunds (18 residential apartments, Palmerstown, Dublin 20)
St Edmunds is located in Palmerstown in suburban west Dublin. The asset comprises 18 residential apartments which are set in several mid-rise blocks. There are 12 two bedroom apartments and 6 three bedroom apartments. The development presents well and includes attractive open greenspace. Parking is provided in a secure private basement car park. There is a good provision of local amenities. The development is about 1km from the Liffey Valley Shopping Centre which is one of the largest shopping centres in Ireland. Fonthill Retail Park (<1km), Clondalkin Industrial Estate (4km) and the cluster of business parks around the Nass Road (8km) are nearby and provide substantial employment.

Russell Court (29 residential apartments, Swords, Co Dublin)
Russell Court is in Swords in north county Dublin. The asset comprises 29 residential apartments (all two-bedroom) which are set in two low rise blocks over a secure basement car park. It is located around 5km to the north of Dublin Airport and is also close to a number of business parks including Airside Retail Park (2km) and the Swords Business Park (2km).

Spencer House (12 residential apartments, IFSC, North Docks, Dublin 1)
Spencer House is located off Mayor Street Lower in Dublin's city centre. It is situated adjacent to the IFSC in the heart of Dublin's central business district. The asset comprises 12 residential apartments (588 units in total) which are set in mid-rise blocks over a secure basement car park. There are 3 one-bedroom apartments and 9 two bedroom apartments. The location offers a variety of inner-city amenities including shops, bars and restaurants. It's location benefits from its immediate proximity to the IFSC and Dublin's north docks office cluster which accommodates many major employers. The location benefits from excellent public transport links with a LUAS red line stop located immediately outside the development.

East Arran Street (12 residential apartments, Smithfield, Dublin 7)
East Aran Street is located off Ormond Key Upper in Dublin's city centre. The asset comprises a low-rise terrace of period houses that were fully converted and extended to accommodate 12 self contained apartments (two one-bedroom and 10 two bedroom). The apartments can avail of on street parking immediately outside the development. The apartments are well specified and spacious. It is a short distance from Dublin's main retail and centre being only 500m from both Jervis Shopping Centre and Temple Bar. It benefits from a host of local city-centre amenities including bars, restaurants and shops. Local transport links are excellent with frequent bus services and a LUAS red line stop about 500m away at the Jervis Centre.

The Oaks (14 residential apartments, Clonsilla, Dublin 15)
The Oaks is located in Clonsilla off Porterstown Road. The asset comprises a low-rise block of 14 apartments and associated surface car parking. There are 8 two-bedroom and 6 three-bedroom units. The area is part of the wider west Dublin / Blanchardstown urban area. The development is located 2km to the south of Blanchardstown shopping centre and less than 1km from the Coolmine industrial estate.

Coopers Court (14 residential apartments and 2 commercial units, Bond Street, Dublin 8)
Coopers Court is located in the Liberties area of Dublin 8. The asset comprises a mid-rise block of 14 two-bedroom apartments built over a secure basement car park. The area has become a location of choice for young working professionals in Dublin. The asset is situated near major employers such as St James's Hospital and Guinness.

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 announcement.

"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 rent;
"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;
"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;
"Gearing"	Calculated by dividing the Group's aggregate borrowings by the market value of the Group's total assets;
"Group Total Gearing"	Calculated by dividing the loan drawn down by the market value of the Group's investment properties consistant with the financial covernant of the groups Revolving Credit Facility;
"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 announcement 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 announcement 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 announcement 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".