IPUT REAL ESTATE DUBLIN

SHAPING OUR CITY

IPUT PLC

ANNUAL REPORT & FINANCIAL STATEMENTS 2019

Riverside Two, Sir John Rogerson's Quay, Dublin 2

OUR VISION

Our vision is to set the benchmark for excellence in Irish real estate and positively shape the future of our city.

WHO WE ARE

We are Ireland's leading commercial property investment company and the largest owner of offices and logistics assets in Dublin. We are a long term investor with a 50-year track record in real estate. We own and manage a portfolio comprising over 5.2 million sq ft, with a net asset value of over €2.75 billion.

We have an international reputation for delivering the highest quality in everything we do. Our goal is to own exceptional buildings that set new standards in design and sustainability in order to attract best-in-class occupiers, drive long term shareholder value and contribute positively to the communities in which we work. By sustainably investing in the public realm, we make a positive contribution to the social and cultural fabric of our city.

PHILOSOPHY

We are passionate about our buildings and our presence in the city. We make long term investment decisions for the benefit of our stakeholders, with an emphasis on excellence in design, sustainability and the occupier experience.

OUR VALUES

CUSTODIANS

We are custodians of our city. Our ambition is to make a positive contribution to society by sustainably redeveloping our properties, actively managing our estate and working closely with our stakeholders.

LEADERS

We are leaders in Irish real estate and will continue to advance that position through our culture of excellence and innovation.

TRUSTED

We build trust through performance, not just in our track record but in our conduct and openness with our investors and stakeholders.

PASSION

We are passionate about the built environment. We take pride in the buildings we develop, own and manage, taking care to ensure they support and improve the communities in which we work.

The Exchange, IFSC, Dublin 1

2019 HIGHLIGHTS

A RECORD YEAR

We have an unrivalled track record in delivering consistent returns to shareholders through multiple real estate cycles.

580,000 sq ft
Wilton Park Estate offices fully pre-let to LinkedIn

€31m
New lease income generated in 2019

€360m+
Committed to acquisitions

€71m
Disposals

+10.3%
Increase in net rental income

4.2%
Dividend Yield

€282m
New Equity

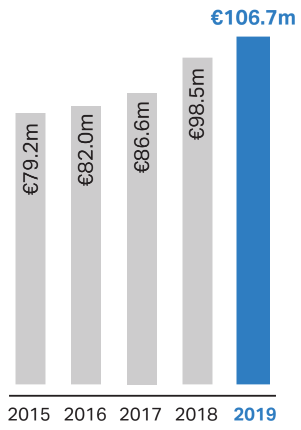
€54m
Secondary Trades

KEY PERFORMANCE INDICATORS

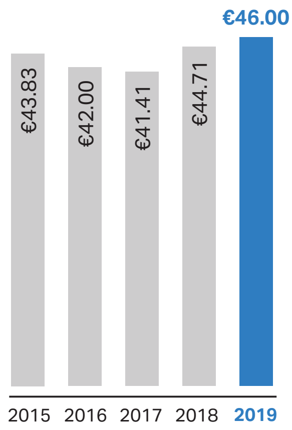
SECURE, LONG TERM INCOME RETURNS

We have paid over €671 million in dividends over the past decade and now distribute in excess of €100 million a year to shareholders.

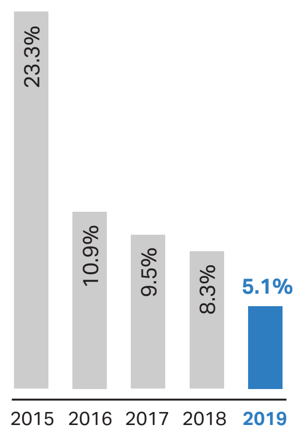
Dividend
€106.7m
+8.3%



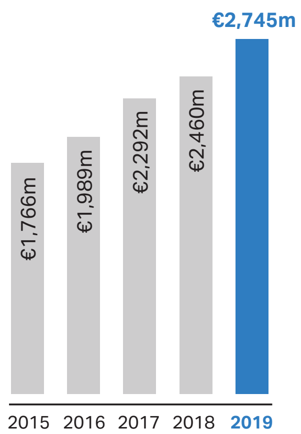
Dividend Per Share
€46.00
+2.9%



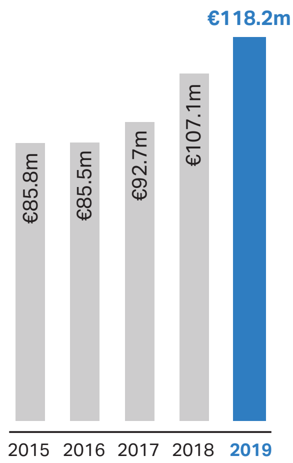
Total Shareholder Return
5.1%
-38%



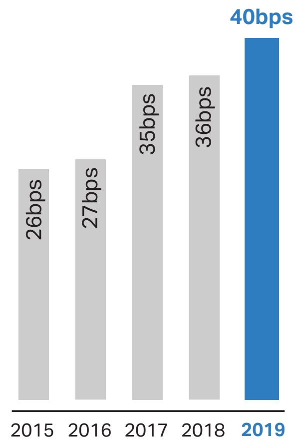
Net Asset Value
€2.745bn
+11.6%



Net Rental Income
€118.2m
+10.4%



Total Expense Ratio
40bps
+4bps



SETTING A LONG TERM VISION

CHAIRMAN'S STATEMENT

John F. Mulcahy

During 2019, we set about establishing our vision for the next decade, building on our industry leadership position and our role as the largest property company in Dublin.

We wanted to set out our philosophy and values to articulate the culture that drives IPUT, and to ensure that it is embedded in our work. It is a philosophy that reflects our history and influences our future direction. Our 50-year track record underscores our long term investment decisions that benefit all stakeholders. We are also mindful of the role we play as custodians to our city and meet that expectation with a passion to deliver buildings that emphasise excellence in design, sustainability and the occupier experience.

The outcomes of this philosophy are already evident in another strong year for IPUT. One major highlight was our success at Wilton Park where we secured a pre-let of almost 600,000 sq ft of Grade A office space to LinkedIn, one of the world's leading technology companies. The US company had already pre-let the first phase of the project, One Wilton Park, in 2018. The letting of the entire office scheme is a win for us and for our city. By focusing on delivering a high-quality mixed-use project with placemaking at its heart, we have been able to support Dublin's competitiveness on the global stage to attract a major long term employer for the city.

During 2019, we also significantly increased our focus on enriching and greening our buildings and spaces. This long term strategy enables us to remain the real estate provider of choice in Dublin which, in turn, reinforces and supports resilient returns for our shareholders.

We were the first Irish property company to sign up to the UN Principles for Responsible Investment, an accolade of which we are very proud. Our commitment to maintain our leadership position is also reflected in new sustainability targets covering energy, waste, and the health and wellbeing of our team and those that occupy and use our buildings.

Strong Financial Performance

A strong vision and culture enabled IPUT to deliver another excellent financial performance in 2019. We generated €118.2 million of net rental income, an increase of 10.4% on the prior year. This strong performance reflects an active programme of new lettings and lease reviews during the year, and the full-year benefit of key development projects – 10 Molesworth Street and The Exchange – which were completed and let during 2018.

Rental values across the portfolio continued to improve with significant reversionary potential embedded in our portfolio. Passing rental income at the year-end was €120 million with an estimated rental value of €139 million.

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We paid a dividend per share of €46 for 2019. This represents an increase of almost 3% on the prior year and a net yield to investors of 4.2%

€336m
New investment in 2019

€1.25bn
New equity over past 5 years

650,000 sq ft
Planning permit at Carrickmines Park

580,000 sq ft
Development pipeline pre-let

An evolving and growing portfolio

We ended 2019 with a portfolio of 95 assets and a net asset value (NAV) of €2.75 billion. We are proud of the transition we have made over the past five years adding almost €1 billion to our NAV and have clear visibility on this exceeding €3 billion on completion of our current development pipeline. In 2019, we invested over €360 million and disposed of assets valued at €71 million.

While our primary focus is offices, we maintain targeted exposure to the logistics and retail sectors. Our retail holdings are primarily through out-of-town retail, which we believe offers better defensive characteristics and growth opportunities over the medium term.

One significant transaction during the year was our acquisition of Phase 2 of Carrickmines Park and which was followed by the achievement of planning for Phase 3. This planning will allow us to potentially add an additional 650,000 sq ft to create a dominant shopping and leisure experience; and consolidate Carrickmines' position as the leading out-of-town retail destination in Dublin.

We also made significant investments in logistics assets during the year in line with our investment strategy, to gain increased exposure to this strong growth sector.

Dividend growth

We paid a dividend per share of €46 for 2019. This represents an increase of almost 3% on the prior year and a net yield to investors of 4.2%. Our focus remains on building strong, secure income returns which will support further growth in dividends over time.

We are pleased to have delivered dividend growth against the backdrop of significant capital investment in our redevelopment projects. While these currently represent just over 5% of our portfolio, they are not income producing during the period of construction. However, each of our development projects will produce significant income returns, in particular our Wilton Park estate with its pre-let to LinkedIn.

“Our ability to attract €1.25 billion of new equity over the past five years reflects the strength and capability of our management team

Growing capital base

We continue to attract significant new capital from global institutional investors. New institutional investment in IPUT enables us to continue to grow, while also providing a significant liquidity benefit for existing investors. In 2019, we attracted over €330 million of new investment, which brings total investment in the fund to €1.25 billion over the past five years.

Our ability to attract this new equity reflects the strength and capability of our management team, the quality of our portfolio and income stream, and our consistent, strong returns through the cycle. We have outperformed the MSCI industry benchmark over a 3, 5, 10 and 20 year time horizon.

Governance and oversight

We have a strong, independent Board with the skills and experience to discharge its responsibility to all shareholders. While we have an experienced, diverse and majority independent Board, we continue to keep Board composition, size and skill set under annual review.

Paul Armstrong retired from the Board during the year and we would like to thank Paul for his commitment and expertise during his tenure. No other changes were made to the Board in 2019.

The Board reviews its performance, effectiveness and oversight on an annual basis including assessment of the principal risks and uncertainties facing the business. This active review ensures that our portfolio exposure and investment strategy reflect the evolving environment and market outlook. Full details of the principal risk and uncertainties are set out on page 54 while a market review and outlook is included on page 40.

Shareholder engagement

We place significant emphasis on engagement with our shareholders. We engage with them directly in a structured way during the course of year and also at industry events. We host an annual investor event which represents an opportunity for the Board and management to meet with shareholders; provide them with a deeper understanding of the business; and, to tour some of our landmark assets. In 2019, this was in the form of the *Shaping Our Cities* event in Dublin which was attended by several hundred people including many of our major shareholders.

On behalf of the Board, I would like to extend our thanks to all our shareholders for their continuing support and engagement in 2019.

Outlook

2019 represented a record year for the Irish real estate investment market and for IPUT. As 2020 started, while we were cautious on the outlook for the year, we had expected that Ireland's economy would continue to outperform. However, in recent weeks, the impact of the COVID-19 outbreak has been profound and far reaching – affecting not only the global financial markets but daily life.

As a Board and management team, we have activated our business continuity plans and remain in constant dialogue with our occupiers, shareholders and other stakeholders. We have taken steps to protect the health and wellbeing of our employees and the occupiers of our buildings.

While the depth of the impact on the economy is unclear, we have a very strong business and an experienced management team who have managed real estate assets through multiple cycles. We have strong liquidity and very low leverage within the business which positions us to continue to perform in what is a difficult market environment. The geographic diversity of the Irish real estate market's capital base means that, when the impact of COVID-19 recedes, the sector is better positioned to recover than at any other point in its history.

We continue to carefully monitor the progress of COVID-19 and actively engage with our occupiers. We recognise the potential economic impact the virus may have on real estate values and income returns but believe that our long term focus, experienced management team and strong capital structure positions IPUT well in the current market environment.

I would like to thank the Board, and all the IPUT team for their commitment and contribution to the making 2019 another successful year for the Fund.

John F. Mulcahy
Chairman


POSITIONED TO PERFORM

CHIEF EXECUTIVE'S REVIEW

Niall Gaffney

48%
International shareholder base

€500m
Secured available funding

700,000 sq ft
On-site development pipeline

€37m
Additional projected rent roll

Twin forces of change

As we enter a new decade, it is clear that the centre of gravity has shifted in real estate, with the twin forces of climate change and rapid advances in technology now driving our industry.

These transformational shifts demand new thinking to ensure that the real estate industry continues to deliver buildings that remain physically resilient and socially relevant for occupiers, local communities and cities.

With the *Shaping Our Cities* report, which we launched in 2019 in partnership with Arup, we evaluated the readiness of the industry to adapt to these two overarching trends. As part of this, we spent time identifying and learning from global best practice in the use of digital technology, as well as the growth in demand from investors for more sustainable, efficient and environmentally-friendly properties.

Our ability to adapt to changes in technology and the impact of climate change are critical to our continued success. We already know that a focus on sustainability and strong business performance are not mutually exclusive, and we anticipate that technology will enter the same slipstream.

The knowledge gained from our research work on *Shaping Our Cities* arms us with learnings to apply to the 700,000 sq ft of active office development projects we have in our pipeline, and our ambition to create next-generation superior spaces that have a positive impact on the wider city.

Our success at Wilton Park is a milestone for Dublin, representing the largest single occupier pre-let in 2019 and the stand-out transaction of the year in the Irish market. This cornerstone development is also emblematic of the virtuous circle that can be created by building sustainably while generating shareholder value. By developing an ambitious mixed-use project that incorporates true placemaking not seen on a scale before in Dublin, we have attracted LinkedIn, a major global tech company that also prioritises a sustainable and conducive environment for its workforce.

"In line with our values, our new RCF includes a €200 million 'green' component, representing the largest green debt facility in the Irish real estate market

The impact of taking this bold approach also underpins our financial future. Wilton Park will be the backbone of dividend growth for the next three years and be responsible for more than three quarters of an anticipated incremental €37 million of rental income through to 2023, representing a running yield of more than 5.5%. The remainder will be generated through our pipeline of equally ambitious developments across the city.

This includes the Tropical Fruit Warehouse project at Sir John Rogerson's Quay. Here, our respect for the city's heritage as well as our focus on sustainability and improving the occupier experience, make us ideally placed to transform this landmark space into an 80,000 sq ft office building that has the ability to bring another global company to Dublin.

As we continue to focus on delivering visionary projects in the period ahead we are confident that our commitment to quality will result in long term income growth and consistent returns for our shareholders.

Enriching and greening our city

In 2019, we adopted a wider focus on greening our buildings and developing public spaces which contribute to the future shape of our city. We make these investments because they have a positive impact on our occupiers and the wider community, which, in turn, strengthens our position and ultimately supports the value of our assets.

Our Asset Services team has led the significant investments we have made in cultivating green spaces around our buildings during 2019. We opened a new urban garden at Earlsfort Terrace and invested in a major upgrade to Wilton Park. We have partnered with Teagasc, the state agency with responsibility for horticulture, and the National Botanic Gardens to foster a relationship that will see some of their trainee students support the investment we make in green spaces around the city.

We are also proud to support and help shape our city through the arts. We partnered with the Royal Hibernian Academy during 2019 and opened a number of artist-in-residence studios at Wilton Park to provide support for up and coming young Irish artists. We also supported *MakingIn*, one of Ireland's leading art, design and architectural events, and used that platform to highlight how we are designing buildings to positively impact the shape of the urban environment and enhance the public realm.

Strength in global diversification

We are proud of the globally recognised, institutional names which have invested in IPUT alongside our long-standing Irish shareholders. We continued to build on our strong and diverse shareholder relationships in 2019, attracting additional investment of €336 million into the business. This diversity in our shareholder base has also been of great benefit to us. We have been able to draw upon their expertise in investing across many international markets and sectors; and bring that experience and insight to bear on our long term investment decisions.

Since the financial year-end, we have strengthened and diversified our sources of finance. We now have €500 million of available liquidity to fund the growth of the business, comprising of two components; a €300 million revolving credit facility (RCF) and a €200 million US Private Placement (USPP). An important part of our €300 million RCF is the €200 million 'green' component; the largest such green facility in the Irish real estate sector, which reinforces our commitment and ability to deliver on our sustainable ambitions.

We also entered the USPP market raising €200 million in an over-subscribed offering. The addition of these new institutional grade investors to the business is testament to the quality of our asset portfolio and income stream, and the faith they have in the underlying philosophy and leadership of the business.

Outlook

As we move forward with our development programme, we are currently facing what is an unprecedented period in modern history. The impact of COVID-19 on all economies and markets, in a very short time, has been significant. It is unclear how long and how severe the impact will be, but we remain focused on managing all the factors within our control to protect the health and wellbeing of our people, our occupiers and our wider business.

The Irish economy entering this crisis was performing strongly and the ownership of the Irish real estate market is fundamentally different to what it was prior to the 2008 global financial crisis. We are, no doubt, facing a significant slow-down in the economy as we manage through this crisis period. However, we remain cautiously optimistic on the long term prospects once the threat of COVID-19 recedes. Over the long term, we expect Ireland, and Dublin in particular, will remain an attractive destination for FDI and we can again outperform other markets.

That said, we are not complacent about the impact of the challenge we are facing now and we expect it will be a very difficult year for many business sectors including the commercial real estate sector. However, we entered the COVID-19 crisis with a diverse and supportive shareholder base, a strong liquidity position and very low leverage. The majority of our active office development pipeline is pre-let. We have a blue-chip occupier base with strong covenants and a WAULT of 7 years.

We strongly believe that our commitments to sustainability and responsible investment are even more important now than ever before. We will maintain that focus in the current year and continue to enhance our position as a leader in Irish real estate. While 2020 will likely be a challenging year for our entire sector, we have a strong business and are well-positioned to deliver strong income returns over the long term.

Niall Gaffney
Chief Executive

Concrete pour, One Wilton Park, Dublin 2

OUR STRATEGY

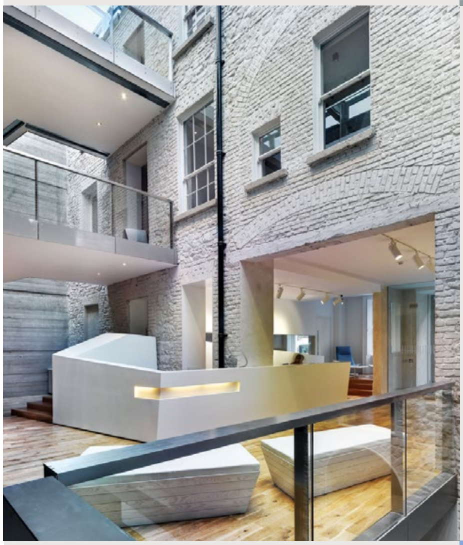
DELIVERING IN 2019

Regenerating Offices

- 235,000 sq ft of LEED Platinum offices under construction
- Planning received for 430,000 sq ft of LEED Platinum offices
- Acquired Pearse Street portfolio and contracted No. 3 Dublin Landings, totalling 160,000 sq ft of prime Dublin offices

Strengthened Logistics

- Acquired 202,000 sq ft of prime logistics assets in Dublin
- Planning received for 280,000 sq ft of high bay logistics space
- Acquired 47 acres of zoned land with potential for 900,000 sq ft of logistics

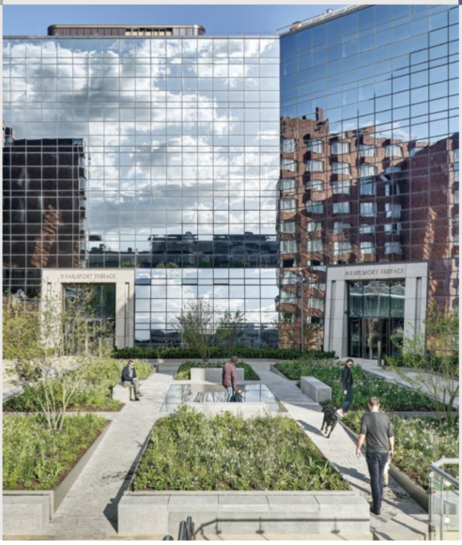


Repositioned Retail

- Disposal of interest in Pavilions Shopping Centre for €71 million
- Acquired two prime retail park assets in Dublin and Cork
- Planning received for 650,000 sq ft mixed-use scheme at Carrickmines Park

Securing Income

- Pre-let of Two, Three & Four Wilton Park adding a further €24 million to income stream over 3 years
- 24 lease agreements completed in 2019 securing €31 million of income
- WAULT of 11.6 years on new leases



Responsible Investment

- First Irish property company to sign up to UN Principles for Responsible Investment
- Investment in public realm including new park openings at Earlsfort Terrace and Wilton Park
- 1.6 million sq ft potential office and logistics assets targeted for LEED Gold or Platinum

OUR STRATEGY

SHAPING OUR CITY

In 2019, we continued to evolve our investment strategy to ensure that it aligns with our philosophy to create exceptional buildings that deliver long term shareholder value, enhance the occupier experience and contribute positively to the future shape of our city.

Our principal objective is to drive long term shareholder returns by investing in prime properties in Dublin which have core income or value-added potential.

We achieve superior long term income performance from our assets through a combination of active management and redevelopment initiatives.

Our overriding objective is to invest in buildings that will ultimately enhance the occupier experience. We believe that this overarching strategy will allow us to set new environmental standards for our buildings in Ireland and mark us out as the real estate provider of choice.

As our business model has shifted to focus on the redevelopment of prime real estate, so too has our investment strategy. It has prompted us to ensure that we have aligned our business practices and our real estate assets with leading global standards in sustainability, occupier engagement and social responsibility.

Over the past five years we have demonstrated our commitment to implementing this strategy by continually raising standards across our business and the Irish institutional real estate market.

In the following pages, we set out the four pillars of our investment strategy and explain how we execute these across the different aspects of our business:

ENRICHING OUR **BUILDINGS**

GREENING OUR **PORTFOLIO**

A PLATFORM FOR **IRISH DESIGN**

THE **NEXT CHAPTER**

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The Fund is well positioned to continue to grow office and logistics weightings through ongoing portfolio regeneration and strategic developments

Niall Gaffney - Chief Executive, IPUT

ENRICHING OUR BUILDINGS

The occupier experience is at the heart of enriching our buildings and spaces. Every new development, redevelopment or refurbishment is a fresh beginning, allowing us to incorporate the highest global standards in sustainable development and ensuring the building stands out in the Dublin market.

We have, or are in the process of, renewing approximately 1.6 million sq ft of office and logistics space to ensure we can maximise income generation for our shareholders while providing cutting-edge spaces for occupiers.

Our top ten holdings represent 45% of net asset value and include many of Dublin's most attractive and highly regarded real estate assets. Certifying our buildings against industry-leading environmental efficiency, digital connectivity and sustainability benchmarks, means we set the standard in Irish real estate and create demand for our buildings in the market.

We have set ourselves the goal of creating goodwill and equity in the brand that is "An IPUT Building". A building that is owned and managed by IPUT is something we want occupiers to value and ultimately appreciate.

Delivering high-quality sustainable buildings helps major global companies attract and retain talent, and means we are able to drive income growth and security through these long and deeply held relationships.

It is also important that our occupiers' workplaces are healthy and fulfilling places to spend time in. We engage with our occupiers through our dedicated Asset Services team, which allows us to provide an enhanced level of property management and maintain strong, long term partnerships with our occupiers.

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IPUT design buildings that people want to work in. They're one of the better landlords I've had in the world and I am thrilled to be able to deal with them. It's been a great relationship

Jim Morgensen
VP Global Workplace Services, LinkedIn

Pictured:
10 Molesworth Street, Dublin 2


AIB
AIB

Pictured top:
Earlsfort Terrace, Dublin 2

Pictured bottom:
Wilton Park, Dublin 2

OUR STRATEGY

GREENING OUR PORTFOLIO

We believe a sustainable approach and financial performance go hand-in-hand. Sustainability is now firmly embedded into our investment strategy and informs all of our decisions.

Our objective is to ensure our buildings are cutting-edge with world-class sustainability, connectivity and wellness credentials. This means they are attractive and healthy places to work and position IPUT as the real estate provider of choice.

We set the benchmark for sustainability in Ireland by working with world-class credentials, and are the first Irish property company to sign the UN Principles for Responsible Investment.

Our portfolio is on track to achieve net zero operational emissions by 2030, and we are committed to adopting circular economy methods with durability, adaptability and recyclability as priorities.

Our investments in the public realm will also continue. We recognise our responsibilities and take our presence in Dublin city seriously.

During 2019, we invested in a new urban park, designed by award-winning landscape architect Robert Townshend, at 5 & 6 Earlsfort Terrace in the heart of Dublin's CBD. We also invested in re-opening Wilton Park to enhance its amenities and reactivate this public space for the local community.

These investments make a positive contribution socially, but also result in enhanced occupier engagement and retention, ultimately protecting rental income and the value of our buildings.

“

IPUT is serious about the evolution of office space both in terms of occupier needs and sustainability, the environment and the embracing of technology… they are trendsetters in this area

Achal Gandhi
Head of Global Portfolio Management,
CBRE Global Investment Partners

A PLATFORM FOR IRISH DESIGN

We have a passion for good design. Prime properties need to be of the highest quality to reach their full financial potential, so we commission leading architects, designers and artists, enabling us to provide the highest standard of space and experience for our occupiers.

We like to use our buildings and spaces as a canvas for art, design and creativity. It improves the accessibility to public art, and it allows us to partner with local artists to explore the intersection of the urban landscape and the creative industries.

In 2019, IPUT and the Royal Hibernian Academy (RHA) commenced a new initiative, the *Artist in Residence Programme* at Wilton Park Studios, Dublin 2. As a direct response to the acute lack of studio space in Dublin, IPUT has committed to fully support a facility with three artist studios rotating on an annual basis, with artists selected via the RHA School. IPUT has commissioned works from some of the resident artists such as Leah Hewson (pictured below).

In early 2020, we kickstarted our placemaking strategy for Wilton Park. With the support of the RHA, we presented *Eilis O'Connell RHA, Six Works – an Augmented Reality Exhibition,* which allowed visitors to use their smart devices to see sculpture works come to life virtually throughout Wilton Park.

IPUT is committed to the concept of placemaking wherever we have the opportunity to do so. In Wilton Park we have one such unique opportunity. Focused around the re-opened one acre park, over the next three years we intend to reposition and reinvigorate the Wilton Park estate for the benefit of all stakeholders in this part of the city.

IPUT gave me the space to create and showcase my art to Dublin city

Leah Hewson
Artist

Pictured left:
Artist Leah Hewson at work in IPUT's Wilton Park Studios, Dublin 2

Pictured opposite page:
'Abiding Traces' created by Leah Hewson displayed at Tropical Fruit Warehouse, Dublin 2


'ABIDING TRACES' created by LEAH HEWSON at WILTON PARK STUDIOS
IPUT
RHA
ARTIST IN RESIDENCE PROGRAMME
TROPICAL FRUIT WAREHOUSE
EST. 1892
80,000 SQ FT
GRADE A OFFICE SPACE
AVAILABLE FOR PRE-LET NOW
TROPICAL FRUIT WAREHOUSE
80,000 SQ FT OF GRADE A OFFICE SPACE
TROPICALFRUITWAREHOUSE.COM

Computer generated image of new streetscape around Wilton Park, Dublin 2

OUR STRATEGY

THE NEXT CHAPTER

Our 700,000 sq ft office development pipeline is an extraordinary opportunity to bring the next generation of offices to our city. Through Wilton Park and the Tropical Fruit Warehouse, we will be setting the standard in contemporary, sustainable buildings that appeal to the modern workforce and which will underpin strong returns for shareholders.

We are regenerating existing properties to make them work harder for us; increasing lettable space, enhancing the occupier experience, and supporting long term income growth. We successfully delivered on this strategy in 2019 with 10 Molesworth Street, which we acquired in 2013, redeveloped and pre-let to AIB on a long term lease. It has now contributed a full-year of income and was awarded a LEED Platinum rating for its sustainable performance.

To differentiate our buildings, we set ourselves ambitious targets on financial and social outcomes, as these are critical to the future success of our business. These priorities are important to our potential occupiers, and to those that choose to work for them.

In 2020, beyond our 700,000 sq ft of CBD office developments, we will continue to expand our Dublin logistics portfolio. We acquired 47 acres of land in 2019 creating an opportunity to transform the fragmented logistics sector around Dublin's C-Ring M50 motorway.

We plan to develop approximately 900,000 sq ft of next generation, high-quality branded logistics space that takes sustainability and the wellbeing of its occupiers as seriously as we do for offices.

Our 50 years' experience gives us a long term outlook and the understanding that by focusing on quality, sustainability and the occupier experience, we have the opportunity to combine profit and purpose and deliver value for all of our stakeholders.

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IPUT create visionary projects for which there is a demand and they look after their properties and the occupier relationship

Alexander Gebauer
CEO West Europe, Allianz Real Estate

DEVELOPMENT PROJECTS

TROPICAL FRUIT WAREHOUSE, DUBLIN 2

THE DOCKLANDS RE-IMAGINED

We will deliver 80,000 sq ft of exceptional office space, blending original warehouse features with spectacular modern architecture and design. The unique design and river-front setting in the heart of Dublin's south docklands will, in our view, attract global occupiers.

5.5%

Projected Income Yield on Cost

€5m p.a.

Projected Income

PROJECT TIMELINE

2018	2019	2020	2021	Q2 2021
On-site	**Construction**	**Superstructure**	**Completion**	**Income Producing**
On-site with restoration works to original warehouse facade	Removal and restoration of roof trusses. Archaeological dig complete and discovery of Marine School wall	Reinstatement of original roof trusses. Installation of steel superstructure carrying the cantilevered two-storey glass box over the reinstated warehouse building	Modern office block to the rear completed, interlinking with reinstated warehouse	Building reaches practical completion and ready for occupation

DEVELOPMENT PROJECTS

WILTON PARK, DUBLIN 2

TRUE PLACEMAKING

Wilton Park is our landmark 600,000 sq ft office development, which will be centred on a one-acre restored park, setting a new standard for placemaking in Dublin. The development, upon completion in 2024, will incorporate a new public square and carefully landscaped streetscapes. We aim to create a new sustainable environment for both work and leisure incorporating curated food halls and a variety of dining spaces.

5.8%

Projected Income Yield on Cost

€32m p.a.

Projected Income

PROJECT TIMELINE

2013 – 2017	2013 – 2016	2017 – 2018	2018 – 2019	2019
Site	**Planning**	**Construction**	**Design**	**Pre-Letting**
Entire site strategically assembled across four buildings	Vacant possession of One Wilton Park and planning permission achieved for 150,000 sq ft redevelopment	Construction of One Wilton Park commences. One Wilton Park pre-let to LinkedIn	Detailed Design of Two–Four Wilton Park and Planning permission granted for additional 450,000 sq ft	The entire of Two–Four Wilton Park offices pre-let to LinkedIn

Q1 2020
Construction
Demolition of Wilton Park House commences

Q1 2021
Completion
One Wilton Park completes. Income €8 million p.a.

Q1 2023
Completion
Two-Three Wilton Park completes. Income €16 million p.a.

Q1 2024
Completion
Four Wilton Park completes. Income €8 million p.a.

PORTFOLIO OVERVIEW

LARGEST OWNER OF OFFICES & LOGISTICS ASSETS IN DUBLIN

Our primary focus is to own Grade A, large-scale offices in Dublin with industry-leading environmental and digital connectivity credentials. This focus, and the establishment of our 'IPUT Building' brand, marks us out as the real estate provider of choice and attracts high-quality occupiers to our portfolio. Our occupiers provide strong covenants for our business while driving secure long term income and returns for our shareholders. We ended 2019 with 1.86 million sq ft of offices in our portfolio with 100% occupancy. We have a pipeline of further 700,000 sq ft of Grade A offices; the significant majority of which is pre-let.

We also believe in the attractive growth potential of the logistics sector. We acquired over 202,000 sq ft of logistics assets in 2019 increasing our footprint to 2.4 million sq ft. We are now the largest owner of logistics assets in Dublin. We have a development pipeline of 280,000 sq ft with the potential to develop close to a further 620,000 sq ft on our existing land bank in the years ahead.

Our retail exposure is primarily through out-of-town retail, which we believe offers the best medium to long term growth characteristics. We strengthened our position in out-of-town retail during 2019 while also exiting some minority retail positions to focus on wholly owned assets within our portfolio. At the end of the year, just under 20% of the portfolio comprised retail.

No. of Properties	Total Portfolio Size	Occupancy	Located in Dublin
95	5.2m sq ft	99.9%	97% (by value)

PORTFOLIO BY ASSET MIX

Office	Retail	Logistics	Other
67%	19%	11%	3%
€1.82 billion	**€539** million	**€293** million	
1.86 million sq ft	**920,000** sq ft	**2.4** million sq ft	
40 assets	**17** assets	**31** assets	

Pictured:
3 Dublin Landings, Dublin 1

OFFICE PORTFOLIO

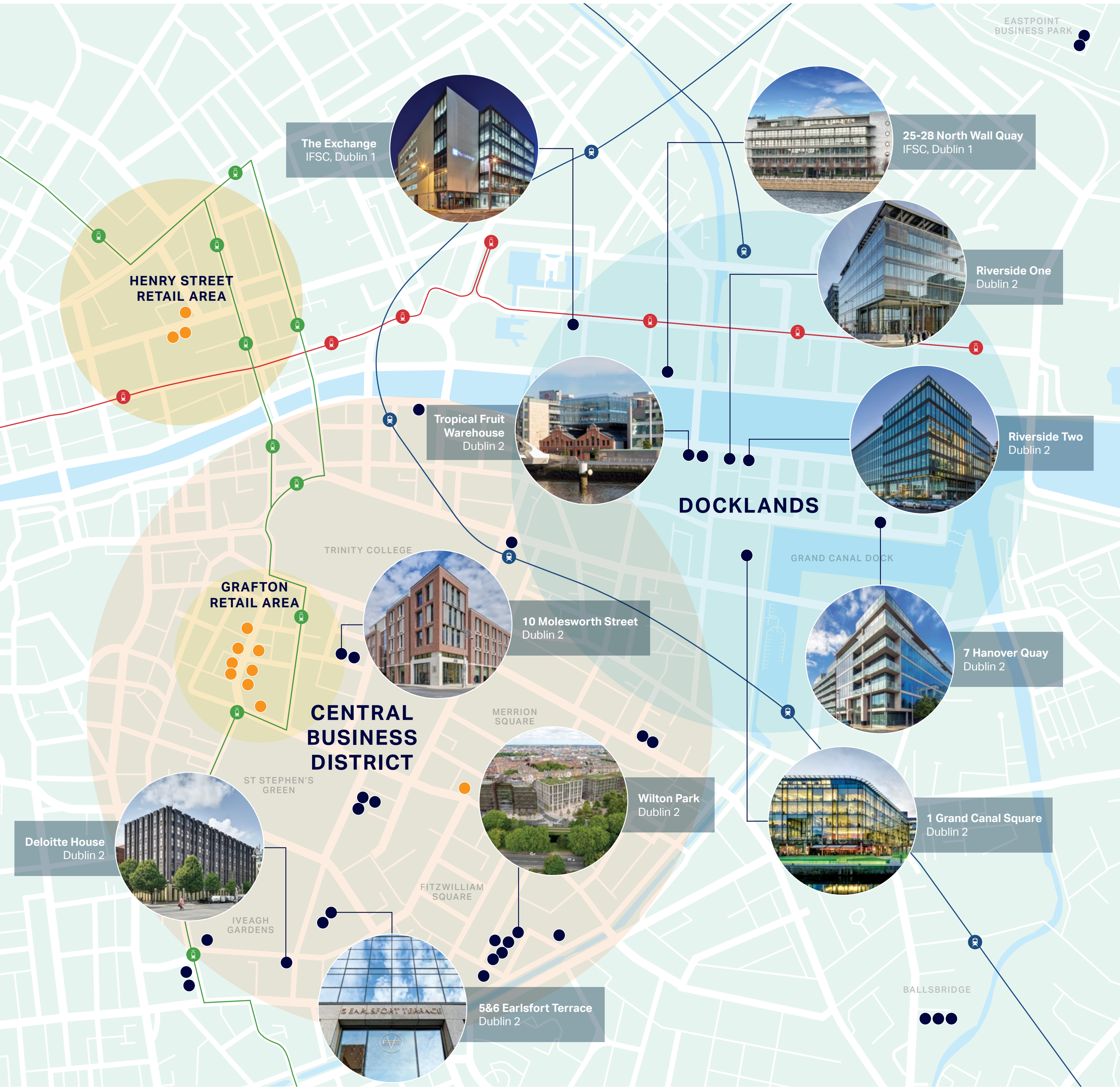
DUBLIN FOCUSED

We are the largest owner of Grade A office buildings in Dublin. Our ambition is to own and manage buildings that enhance the occupier experience, setting new standards for offices in the city and marking us out as the real estate provider of choice.

32	75%	€1.75bn
Office assets in CBD	**Grade A offices**	**Value of CBD offices**

8.9 Years	€75m p.a.	100%
Core WAULT including Wilton Park	**Contracted office rent**	**Occupancy**

KEY OCCUPIERS



● Office ● Retail

LOGISTICS PORTFOLIO

PRIME ASSETS

We are now the largest owner of logistics space in Dublin controlling over 10% of modern stock in the city. The Fund's logistics portfolio now extends to over 2.4 million sq ft of space occupied by leading global operators.

31	2.4m sq ft	47 acres	€293m
Assets in Dublin	**Total area of logistics properties**	**Zoned land for future logistics development**	**Portfolio value**

- < 50,000 sq ft **61%**
- 50,000-100,000 sq ft **10%**
- > 100,000+ sq ft **29%**

KEY OCCUPIERS

DB SCHENKER · Nightline GROUP · GEODIS · uniphar · DHL · IKEA · Musgrave · DUNNES STORES · BWG FOODS

Unit 624, Northwest Business Park
Dublin Airport Logistics Park
Unit 103, Northwest Business Park
DEVELOPMENT OPPORTUNITY
Kilshane Cross
33 acres of land with capacity to build 620,000 sq ft
North Dublin Corporate Park
Swords
To Belfast
Dublin Airport
Unit 14-16, Blanchardstown Corporate Park
M2
To Meath
N2
M1
M50
M3
Unit D1, Airport Business Park
Santry
Port Tunnel
Geodis Building, Damastown Business Park
N3
Furry Park Industrial Estate
Coolock
Rosemount Business Park
Drumcondra
RAIL
Clontarf
LUAS
Port Tunnel
M4
To Galway
N4
Phibsborough
Phoenix Park
East Wall
Dublin Port
Lucan
DUBLIN
North Wall
Chapelizod
Ballyfermot
Kilmainham
Kilcarbery Distribution Park
N81
Aviva Stadium
Ballsbridge
Clondalkin
Ranelagh
N11
Kimmage
Donnybrook
4058-4060, Kingswood Road, Citywest
N7
Ballymount
Terenure
Booterstown
UCD
To Limerick / Cork
Tallaght
N31
To Wexford
Churchtown
Uniphar Distribution Centre, Citywest
Dundrum
Stillorgan
DEVELOPMENT OPPORTUNITY
Aerodrome Business Park
14 acres of land with capacity to build 280,000 sq ft
Sandyford Industrial Estate
Ballinteer
Carrickmines

RETAIL PORTFOLIO

PREMIER RETAIL

We own three of Ireland's leading out-of-town retail parks which offer attractive long term growth prospects. The remainder of the Fund's exposure to retail is predominantly located on Grafton Street, the principal shopping street in Dublin city.

€539m
Portfolio value

920,000 sq ft
Total area of retail assets

100%
Occupancy

62%
Retail holding in retail parks

84
Tenancies

7 Years
Retail WAULT

KEY OCCUPIERS

Pictured above:
Computer generated images of Phase 3 Carrickmines Park, Dublin 18

PHASE 3, CARRICKMINES PARK

650,000 sq ft

Planning Permission Granted

We successfully received planning permission for Phase 3 Carrickmines Park during 2019. The permission incorporates retail warehousing, neighbourhood retail, cinema, entertainment space, offices and a multi-family complex.

Phase 3 Carrickmines will complement the current IPUT holding in Carrickmines, which comprises over 395,000 sq ft of space including retail warehousing, offices and restaurants.

As part of the Fund's overall masterplan for Carrickmines Park, the planning grant enables the creation of a new architecturally designed public park with direct connectivity to Dublin's light rail network.

The Fund is currently in the process of submitting amendments to the planning in response to current market demand for multi-family units. On completion, it will reinforce Carrickmines Park as one of Ireland's premier retail destinations.

ACQUISITIONS & DISPOSALS

2019 saw a substantial amount of activity within the Fund's portfolio with over €450 million of transactions committed, including €71 million of strategic disposals completed.

Our acquisitions over the course of 2019 netted the portfolio a blended yield of over 4.9%. Our disposal activity has allowed us to reposition our retail portfolio in favour of out-of-town retail parks which we believe will have greater defensive characteristics. We also see our expansion into logistics complementing our retail park holdings. The transactions undertaken over the year reflect our ability to marry our disposal programme with our investment strategy. Our team have realised excellent disposal outcomes and reinvested the capital, in a timely fashion, into quality income producing assets within the calendar year.

The headline acquisition for the year was the off-market acquisition of 3 Dublin Landings on Dublin's North Quays for €115 million. This transaction, announced in December, completed in 2020 and represents a significant addition to IPUT's prime CBD office portfolio. We also added to the CBD office portfolio with the acquisition of the Pearse Street Portfolio, comprising 51-54 Pearse Street and Magennis Court. These acquisitions further consolidated our position as Dublin's largest office owner and support the ongoing modernisation of our building stock.

As part of our retail portfolio rebalancing we disposed of our minority interest in Pavilions Shopping Centre for €71 million. In parallel, we acquired Phase 2, Carrickmines Park, consolidating our ownership of Carrickmines Park in south Dublin while reducing our exposure to co-owned assets.

During 2019, we also continued to invest in the logistics sector. IPUT acquired two prime logistics assets in addition to a 47-acre landbank located in prime locations next to Dublin Airport and the well-established Aerodrome Business Park, for a total of €40 million. Following these acquisitions IPUT is now the largest owner of logistics assets in Dublin with 2.4 million sq ft under management.

€360m+

Committed to acquisitions

€71m

Value of disposals

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3 Dublin Landings

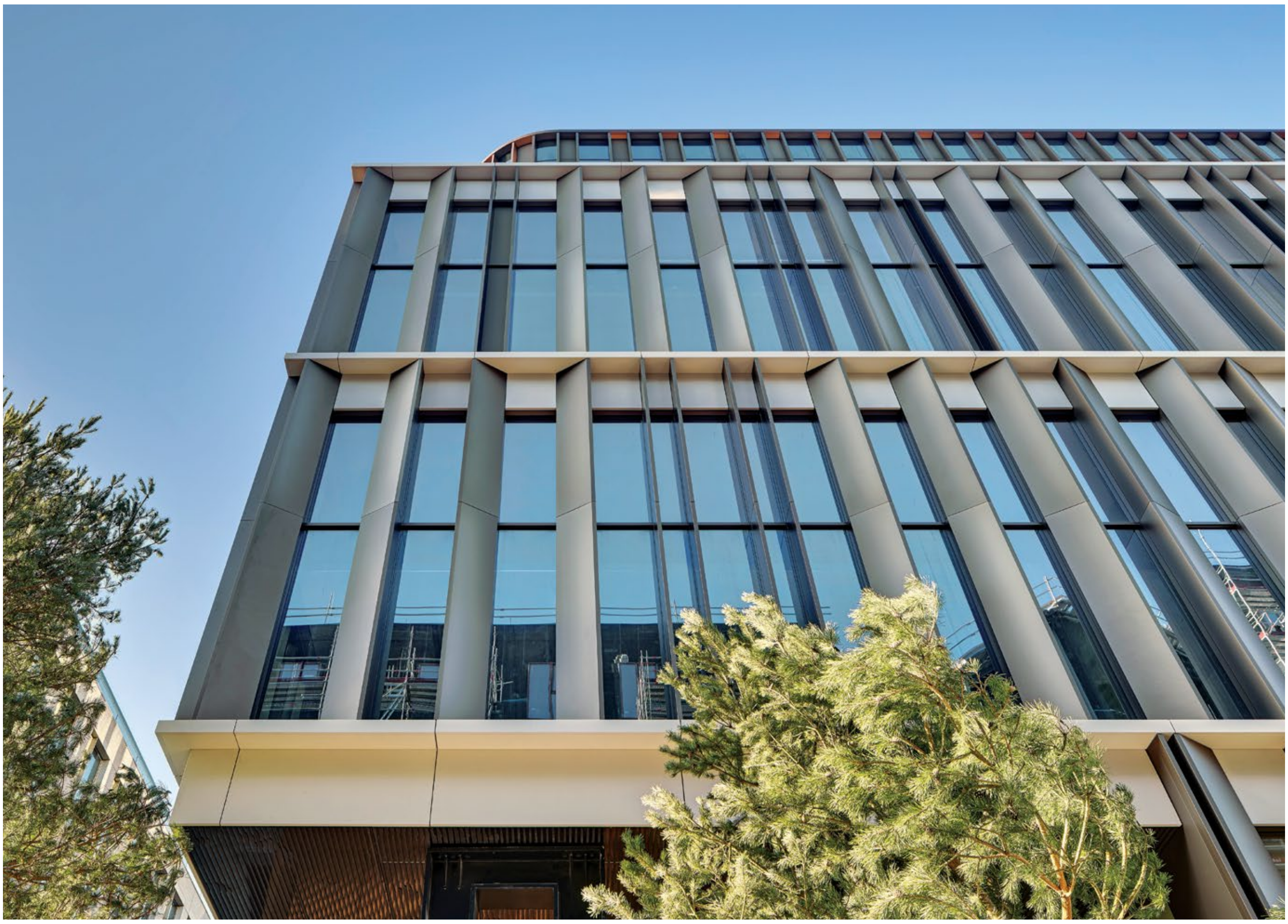
€115m

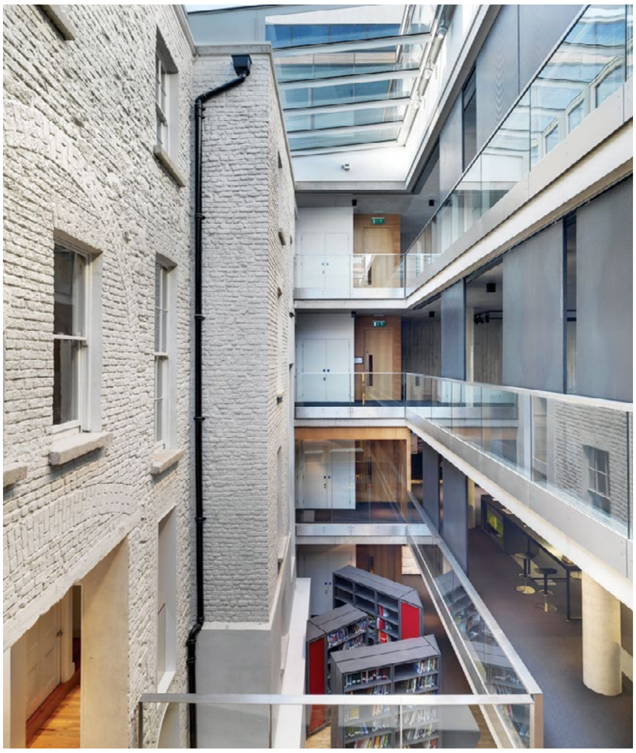
Phase 2, Carrickmines

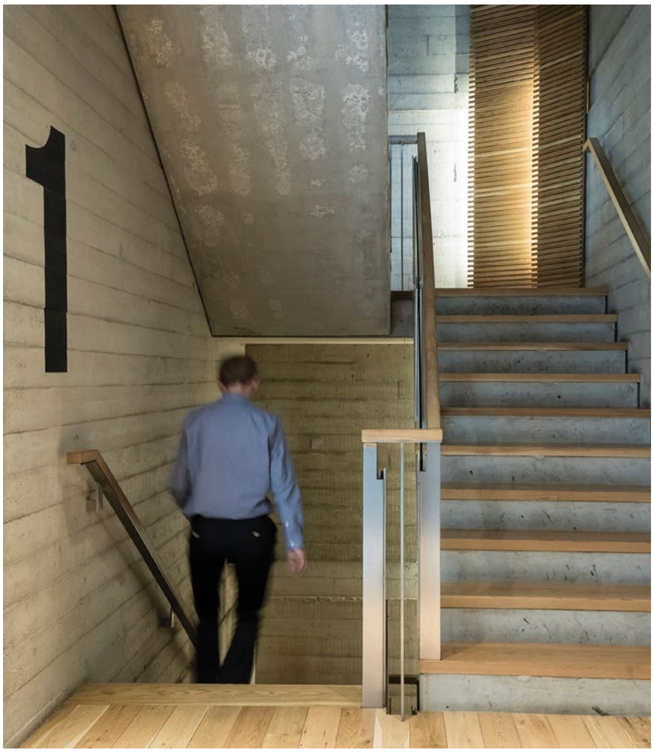
€95m

Logistics Acquisitions

€40m







Pictured top:
3 Dublin Landings, Dublin 1

Pictured bottom left and right:
51-54 Pearse Street, Dublin 2

LETTING ACTIVITY

DRIVING INCOME GROWTH

2019 was an exceptionally productive year on the income front. The team achieved a record level of new lettings, lease renewals and rent review outcomes that supported growth in both rental income and WAULT.

The Fund completed a total of 19 rent reviews, agreed 24 new lettings (including LinkedIn) and seven lease re-gears / variations across office, logistics and retail assets covering 1.8 million sq ft of space, securing over €33 million of income over the medium term.

New Lettings

In December 2019, IPUT completed the significant pre-let agreement with LinkedIn for 430,000 sq ft of office space at Two to Four Wilton Park, Dublin 2, confirming the technology company as the sole office occupier at the 600,000 sq ft estate following the pre-let of One Wilton Park in 2018.

New letting activity across the year saw the Earlsfort Terrace development reach full occupancy, following completion of an extensive redevelopment programme earlier in the year. On the whole, €31 million was generated from new leases agreed with a range of occupiers across the portfolio.

Rent Reviews

Portfolio rent reviews were actively managed across the year to ensure that Fund income was maximised and secured. The Fund completed 19 rent reviews during 2019 over 865,000 sq ft resulting in a 30% rental increase on these leases. These resulted in an additional €2.6 million of income being secured for the Fund which was 5% ahead of estimated rental value (ERV).

The Fund's estate comprised 95 assets at the end of 2019 representing a total of 5.2 million sq ft of lettable space. Occupancy at year-end was 99.9%.

95% of break options which arose in the portfolio during 2018/2019 were not exercised with the portfolio WAULT excluding breaks now exceeding 10 years.

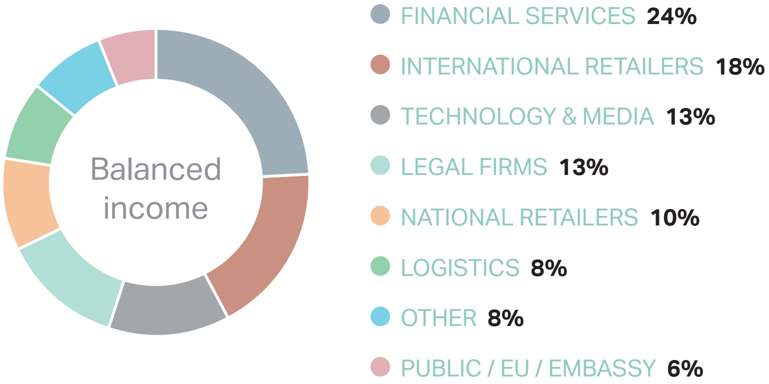
We are focused on continuing to secure the reversionary potential within the portfolio and will seek to drive further rental income growth over the next 12 months.

11.6 years	24	19	€31m p.a.
Average WAULT on new lettings	**New lettings**	**New rent reviews**	**New income secured**

OCCUPIERS

BALANCED PORTFOLIO

We seek to mitigate the risk to our portfolio income by diversifying our leases across a range of business sectors. Our portfolio comprises a total of 270 tenancies with no one sector dominating our rent roll.



CASE STUDY

IPUT acquired Unit 1 Dublin Airport Logistics Park, Dublin with vacant possession for €19 million in Q1 2019. Following the acquisition, IPUT's development team completed an extensive upgrade to this 185,000 sq ft logistics building to bring it in line with the highest international logistics standards. The building was pre-let to GEODIS, a global logistics leader, on a 20 year lease generating €1.6 million per annum generating an attractive income yield on cost of 6.6% and a profit on cost off 12.6%. The successful refurbishment and pre-letting of Unit 1 demonstrates our team's ability to identify prime real estate opportunities where we can leverage our expertise to secure enhanced returns for our shareholders.

IRISH INVESTMENT MARKET

2019 REVIEW

Market activity

2019 was a record year for the Irish investment market with €7.5 billion invested – 65% above the previous record set in 2014 and a 98% increase on 2018. Even if the €1.5 billion sale of Green REIT is removed, turnover for the year was almost one third higher than the previous record. This has been fuelled by the exceptional demand for the private rented sector (PRS), which had a record year of transactions.

Office investment

Office properties were the second busiest sector with deal activity of €2 billion recorded during 2019 which accounted for 26.7% of overall investment turnover. This would be considerably higher if the substantial Dublin offices element of the mixed Green REIT portfolio were included. The total number of office properties traded was 90 buildings across Ireland, 79 of which were in Dublin.

Investor appetite for Dublin offices stems from a strong underlying occupier market. On the demand side more than 3.2 million sq ft of take-up was recorded in 2019; the third time in five years that this level has been reached. At the same time, the average letting size has increased significantly since 2016. There are numerous factors behind these trends. Firstly, Ireland retains its advantage as a host nation for FDI. Other notable attributes which are a major driving force behind the larger lettings include; a very young demographic (inexpensive, tech-savvy labour), use of English as the main spoken language, a business-friendly tax regime, and strong cultural ties with the US in particular.

However, the virtualisation of the global economy has played a role too, by making peripheral locations geographically a less important factor for Ireland than it was when economic success depended on goods trade. Digitalisation means it is now as easy to run a global business from Ireland as anywhere else in the world. Finally, Ireland has benefited from the first round of the OECD's BEPS project, which was launched in 2015 to address issues of multinational tax avoidance. In line with the 'permanent establishment' concept, multinationals seeking to onshore intellectual property assets in Ireland have achieved compliance with BEPS by demonstrating substance in the local economy. In practice this included establishing larger bases in Ireland, which may have contributed to some of the very large office lettings that we have seen in Dublin over recent years.

Strong demand for business space has been met with remarkably constrained development in the context of a robust economy. After accounting for demolitions, net additions to the total Dublin stock in 2019 were a very modest 635,000 sq ft (in a stock of 42.3 million sq ft). As a result, the metropolitan area vacancy rate stands at 8.6%, only marginally above a 20 year low. The number of larger deals continues to increase with 10 lettings in excess of 50,000 sq ft in 2019. Current active requirements in the market are estimated to be in excess of 5 million sq ft. Demand continues to be driven by larger ICT and financial services requirements, with 70% of all requirements focused on the CBD. The CBD vacancy rate has reduced to 5.3% and reflecting all of this, net initial yields remained at a cyclical low of 4% in 2019. Looking ahead there is more supply to come in 2020 and 2021, however, supply remains controlled with limited speculative schemes currently on-site.

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2019 was a record year for the Irish investment market with €7.5 billion invested – 65% above the previous record set in 2014 and a 98% increase on 2018

74%

Investment turnover activity from overseas investors

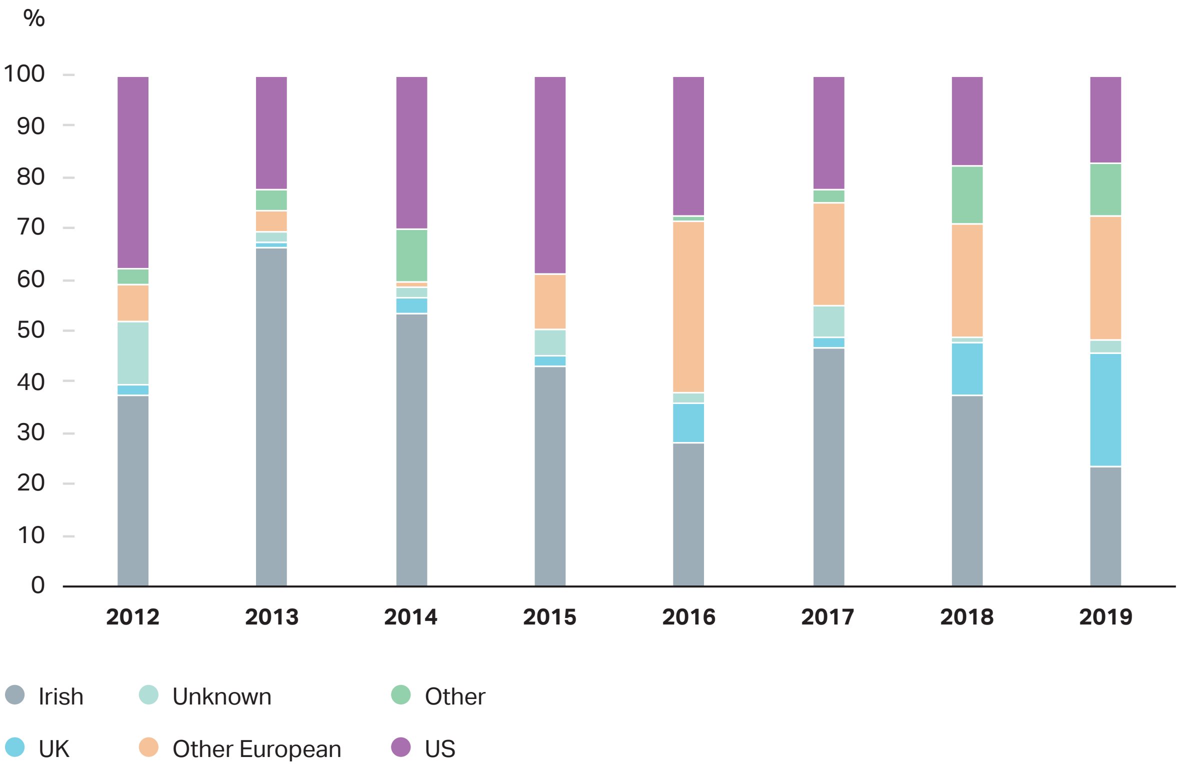
PRS investment

The other big investment sector in 2019 was PRS, with €2.4 billion of capital flowing into residential assets. This reflects an attractive yield profile relative to other European centres and investor perceptions of a tightly supplied market. However, all of the signs suggest that residential supply is quickly catching up with demand. House price growth in Dublin is currently around -1%, while rental growth has slowed from over 13% in mid-2018 to 3.5% by the end of 2019. This, and perceptions of policy risk in the housing area as a new government comes in, may lead to a fall-off in PRS investment volumes this year. However, the increased supply of housing will ease concerns about wage inflation, competitiveness and the potential for housing shortages to deter mobile international capital.

Outlook

Initial expectations for 2020 were for the Irish economy to continue expanding in a low interest rate environment. The potential external risk factors to that outlook included Brexit, trade agreements and the proposed new phase of BEPS 2.0. However, the outlook for the Irish economy, and that of the wider global economy, is now highly uncertain given the significant and unexpected disruption caused by COVID-19. While predicting the full impact of COVID-19 is impossible, the ownership structure of the Irish real estate market, the current low vacancy rates and limited speculative developments on the horizon mean the market is better positioned entering this crisis than was the case in 2008.

Investment Turnover by Buyer Nationality



Source: Savills Research

CLICK HERE
To watch film of the event

Pictured above: Launch of *Shaping Our Cities* event, attended by over 200 people at the RHA Gallery

THOUGHT LEADERSHIP

SHAPING OUR CITIES

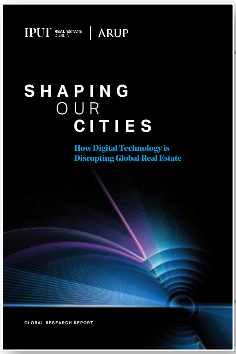
Leadership is one of our corporate values and we place significant emphasis on thought leadership which helps inform our investment strategy and decision making.

We have a passion for delivering buildings that represent our values and set the benchmark for excellence. During the course of 2019, with almost 700,000 sq ft of development projects in our pipeline, we wanted to examine the two forces currently influencing global real estate - technology and sustainability - to ensure we understand global best practice. This understanding will be key to ensuring that we continue to deliver stock that is cutting-edge, attractive to occupiers and which can have a positive impact on the future of the city.

We partnered with Arup, the global engineering firm, to evaluate the readiness of the industry to adapt to the evolving impact of technology and sustainability and to learn how we could apply global best practice to our projects. In so doing, there is a clear benefit for our future occupiers and for long term returns for our shareholders.

Our thought leadership report, which we launched in Q4 2019, entitled *Shaping Our Cities*, provides some interesting learnings, which we will apply to the future development of our estate and help set Dublin high among the leading cities of the world. Importantly, however, it validated much of the work we have been doing over the past decade and gives us confidence that we are delivering on our vision to set the benchmark for excellence in Irish real estate.

The launch of *Shaping Our Cities* was held in the RHA Gallery and was well attended by a cross section of our stakeholders including shareholders, major occupiers and industry leaders.



CLICK HERE
To download a copy of *Shaping Our Cities* Global Research Report
PUBLISHED Q4 2019

CLICK HERE
To download a copy of our previous Report *Dublin in a Global Real Estate Context*
PUBLISHED Q4 2018

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We partnered with Arup to evaluate the readiness of the industry to adapt to the evolving impact of technology and sustainability

OUR RESPONSIBLE INVESTMENT JOURNEY

Our vision is to set the benchmark for excellence in Irish real estate and to positively shape the future of our city.

We have a clear commitment to sustainable business practices, which now form a cornerstone of our investment strategy. We established our first formal sustainability strategy in 2016, putting in place the structures and governance for data collection, energy management, and the responsible development and management of our portfolio.

Following the implementation of that three-year strategy between 2016 and 2018, our focus in 2019 was to define a new three-year Responsible Investment Strategy to build on the progress we have made. This new strategy, covering the period up to 2022, will ensure that we continue to adopt industry leading best practice, reduce the impact of our portfolio on the environment and deliver buildings that are attractive to occupiers – all the while aligning with the evolving sustainability requirements of our investors.

We believe that investing in buildings that enhance the occupier experience and adopt industry leading environmental standards will mark us out as a real estate provider of choice and support strong income returns over the long term.

2019 Progress

2019 was a significant year of progress for IPUT on our sustainability journey. Consistent with our conviction that a focus on sustainability and strong business performance are not mutually exclusive, we were the first Irish property company to sign up to UN Principles for Responsible Investment. We also invested significant time and resources in thought leadership and stakeholder engagement. We engaged with over 165 occupiers in our occupier survey, held three occupier engagement events, produced a thought leadership paper with ARUP and hosted several hundred stakeholders at our *Shaping Our Cities* event to outline how the twin forces of climate change and technology are shaping the future of real estate and our cities.

We continued to make progress within the business to reduce our own environmental footprint. We reduced the like-for-like emissions within our direct control by 16% year on year, the outcome of improvements in energy management across all of our sites. We also developed a deeper understanding of our Scope 3 value chain from our occupiers and other indirect sources as this will be an important factor in our longer term net zero emissions strategy.

We progressed the roll out of real-time monitoring of energy performance at our directly managed portfolio allowing for targeted energy performance improvements and accurate data collection. We also commissioned a new portfolio waste strategy to be implemented at our directly managed portfolio during 2020.

Our entire portfolio now has a building energy rating (BER) certification ensuring that we understand the relative positioning of every one of our assets and where any energy efficiency improvements can be made.

We have 300,000 sq ft of our office portfolio certified to LEED Gold or Platinum standard and 1 million sq ft of our office portfolio Wired Scored certified.

We completed a significant new LED lighting installation at Carrickmines Park which, over five years, will deliver a 65% reduction in energy consumption which is the equivalent of 6,642 tonnes of carbon savings.

2019 was our fourth year of participation in GRESB and we succeeded in maintaining our score of 67. We expect to improve our score in 2020 consistent with our commitment to continuous improvement of our sustainability credentials.

Our commitment to sustainability and responsible business practices extends far beyond a sole focus on our emissions and energy usage. We are committed to positively impacting our city in the spaces around our buildings. Consistent with this, we made significant investments in urban gardens and parks at Earlsfort Terrace and Wilton Park.

2019 HIGHLIGHTS

PRI Principles for Responsible Investment

First Irish property company to become a signatory to the UN Principles for Responsible Investment

LEED

300,000 sq ft of offices and 1.5 million sq ft pipeline certified to LEED Gold or Platinum

WIRED SCORE

1,000,000 sq ft of offices Wired Scored certified

Roll out of real-time monitoring of energy performance on all directly managed properties

16% reduction to greenhouse gas emissions compared to 2018

Completion of a full occupier satisfaction survey

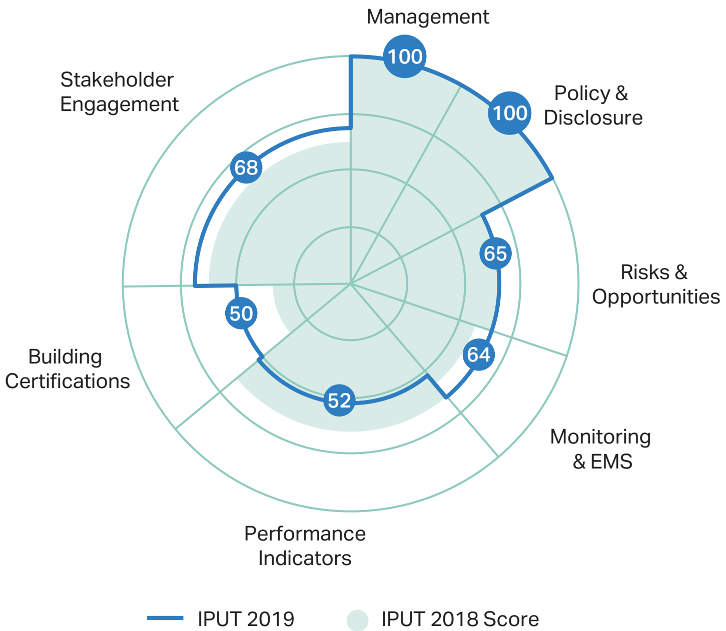
Establishment of a new Responsible Investment Strategy with clear targets

GRESB PERFORMANCE

4th Year GRESB Participant

In 2019 IPUT maintained its GRESB score of 67.

GRESB 2019



2019–2022 RESPONSIBLE INVESTMENT STRATEGY

By investing in sustainable buildings and public realm, we place an emphasis on people.

Following the progress we have made since 2016 and in reviewing industry best practice together with feedback from investors, employees, occupiers and other stakeholders, we have prepared a new Responsible Investment Strategy for the period from 2019 to 2022 with three primary pillars.

These pillars, set out below, reflect how we believe commercial real estate will evolve over the course of the next decade and are the basis to continue to position IPUT as an industry leader in sustainable business practice.

1 Climate Action

Net zero operational emissions from our directly managed portfolio by 2025.

Our 2020 target is to ensure that all electricity procured by our directly managed sites is 100% renewable.

2 Circular Economy

Design buildings and processes to optimise materials to remove waste.

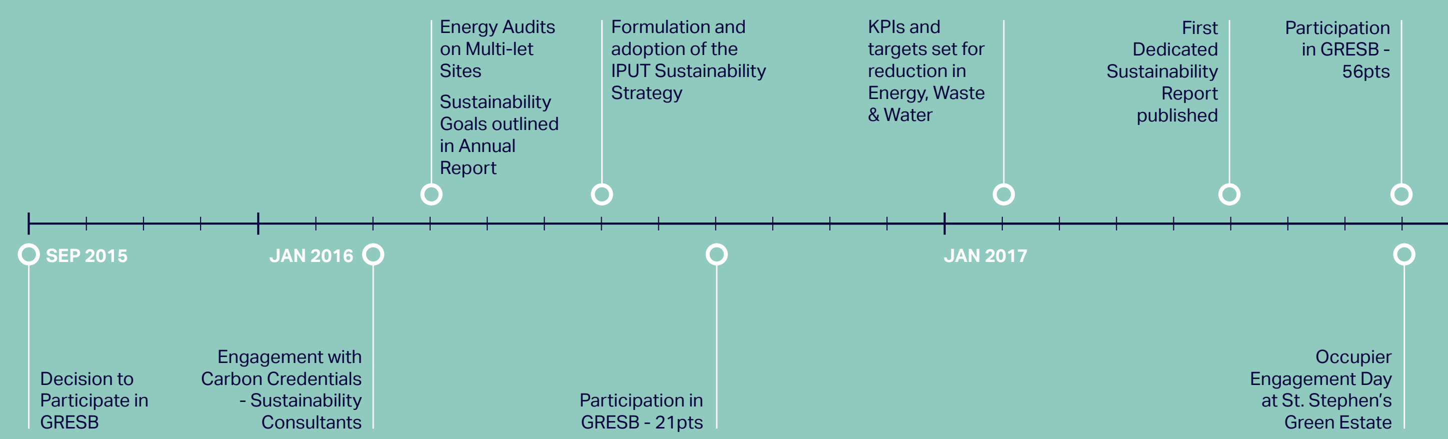
Our initial target, for 2021, is to increase recycling rates to 75% across all directly managed sites.

3 Health and Wellbeing

Tools and initiatives to enhance the user experience of an IPUT building.

Our 2020 target is to roll out placemaking initiatives at Wilton Park and across our wider portfolio.

OUR **SUSTAINABILITY JOURNEY**



SUSTAINABILITY

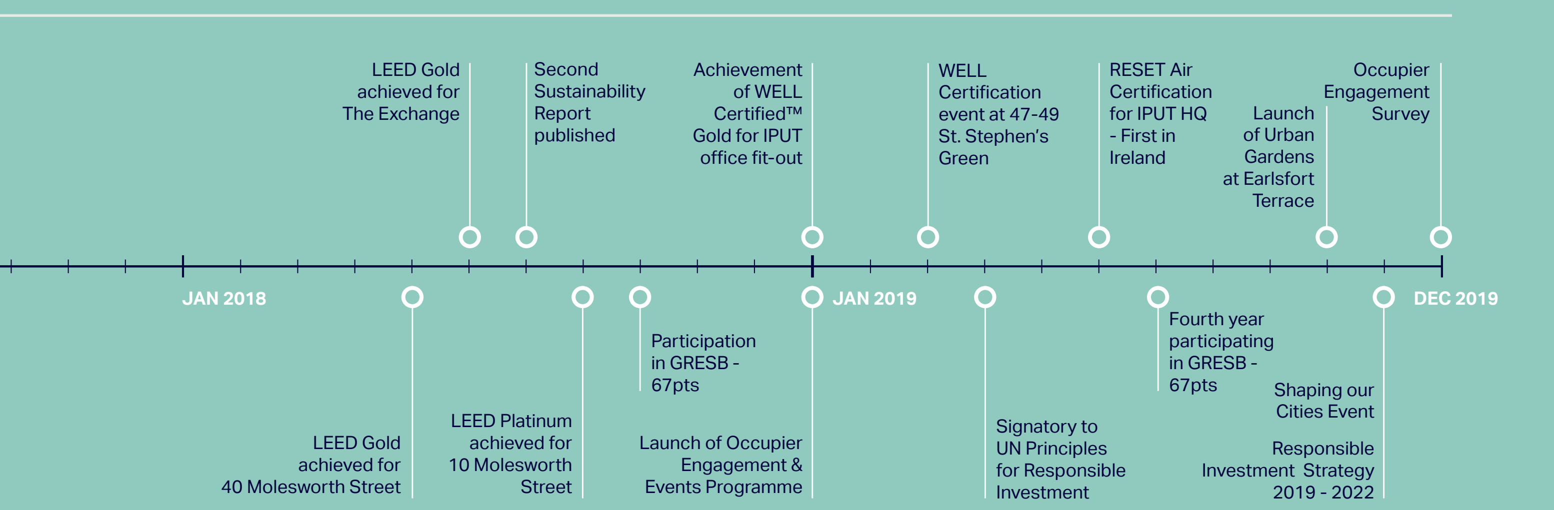
PERFORMANCE HIGHLIGHTS

We continue to work to reduce greenhouse gas emissions across the portfolio.

A portion of this reduction is due to buildings being sold or exiting operations as part of our redevelopment pipeline. Like-for-like emissions within IPUT's direct control reduced by 16% year on year, the result of improvements in energy management across our sites.

During 2019, we began to deepen our assessment of Scope 3 value chain emissions from our occupiers and other indirect sources. We believe that an accurate assessment of these emissions, which we can influence but are outside our direct control, are essential to our longer term net zero emissions strategy and ensuring that we positively contribute to addressing the climate crisis. In the tables below, we include a more comprehensive understanding of our Scope 3 emissions. During 2020, we will continue to refine this detail to also include the embodied carbon in our developments.

	2018	2019
SCOPE 1 Emissions from natural gas combustion and refrigerant top ups	1,736 t CO_2e	**1,379 t CO_2e**
SCOPE 2 Emissions from purchased electricity and district steam (using location-based)	3,430 t CO_2e	**1,957 t CO_2e**
SCOPE 3 Emissions from third parties in value chain with estimations (using location-based)	31,014 t CO_2e	**31,438 t CO_2e**
TOTAL SCOPE 1, 2 AND 3	**36,180 t CO_2e**	**34,774 t CO_2e**



SENIOR MANAGEMENT TEAM

Niall Gaffney
Chief Executive

Niall Gaffney is IPUT's Chief Executive, a position he has held since 2007. Under his leadership IPUT has been transformed from a wholly Irish owned property fund, to become an internationally recognised real estate brand which now has a substantial global institutional shareholder base. Over more than a decade, he has been instrumental in raising over €1.2 billion of equity from global real estate investors and built IPUT to become the largest owner of offices and logistics assets in Dublin. IPUT has delivered industry leading returns during his tenure as CEO. Niall has also spearheaded IPUT's sustainability programme and commitment to redeveloping its portfolio which, in turn, supports long term secure returns for shareholders.

Michael Clarke
Head of Investment

Michael Clarke is IPUT's Head of Investment. Michael joined IPUT in 2011 and is responsible for implementing IPUT's investment strategy. Michael has played a central role in building IPUT's portfolio to a NAV of €2.75 billion. He has led the strategy of capital recycling, disposing of assets and re-deploying capital into assets which better align with IPUT's investment strategy, or development opportunities which will drive superior income returns for shareholders.

Pat McGinley
Chief Operating Officer

Pat McGinley is IPUT's Chief Operating Officer with responsibility for the company's operational and finance functions including investor relations, risk management, tax planning and treasury management. He joined IPUT as Head of Finance in 2012 and was appointed Chief Operating Officer in 2019.

Pat manages IPUT's banking relationships and plays a key role in the capital raising process. Over the past eight years, IPUT has internationalised its shareholder base from an exclusively Irish owned business to one which is now almost 50% owned by global institutional investors.

Niall Ringrose
Head of Property Management

Niall joined IPUT in 1992 and has held the position of Head of Property Management since 1998. Niall manages the property portfolio which comprises 95 buildings and 270 occupiers. He oversees rent recovery, rent reviews, lease renewals across the portfolio and has played a key role in delivering the excellent rent collection rate over the past number of years.

Tom Costello
Head of Construction

Tom joined IPUT in 2014 and is responsible for leading the design, construction and safe delivery of development projects. He currently oversees IPUT's €350 million investment in the development of One to Four Wilton Park, a 600,000 sq ft office development in Dublin's CBD which has been entirely pre-let to LinkedIn.

Derek Noble
Head of Development

Derek Noble joined IPUT in 2016 as Head of Development. He is responsible for the delivery of some of IPUT's major development projects including the Tropical Fruit Warehouse development on Dublin's South Docks and the development of a new retail and leisure destination at Phase 3 of Carrickmines Retail Park, one of IPUT's out-of-town retail assets.

Glenn Cran
Head of Asset Services

Glenn Cran joined IPUT as Head of Asset Services in 2018. Glenn is responsible for delivering an industry leading asset services model for the IPUT portfolio. This includes providing a range of occupier and other asset management services for multi-let properties. He is also responsible for managing the external spaces across the estate.

GOVERNANCE FRAMEWORK

The Board of Directors is committed to maintaining the highest standards of corporate governance.

IPUT is regulated by the Central Bank of Ireland as a qualifying investor alternative investment fund (QIAIF) and as an internally managed alternative investment fund under the European Union (Alternative Investment Fund Managers) Regulations 2013.

Board of Directors

The Board is responsible for the long term success of the Fund. Supported by key Board Committees, the Board is responsible for setting and developing the Fund's overall investment strategy, for the oversight of the business and the continuous assessment of the principal risks and uncertainties facing the business. The composition of the Board is continually reviewed in order to ensure that it comprises the necessary diversity of background, knowledge and expertise to provide effective stewardship and oversight of the Fund. The Board is satisfied that during 2019 it, and each of the key Sub-Committees, continued to operate effectively.

Board Composition & Independence

The Board currently consists of seven non-executive Directors, six of whom are independent. While not subject to regulatory requirements in terms of Board composition, we recognise the value of independent oversight at Board level. In line with best practice, the Board comprises over 50% independent Directors. During the year, Paul Armstrong retired from his position as a non-executive Director.

Chairman and CEO

John Mulcahy is Chairman of the Board. He was appointed to the Board as an independent non-executive Director in 2014 and as Chairman in 2016. There is a clear separation of duties between the Chairman and the CEO. The Chairman is responsible for the effective working of the Board while the CEO, together with the senior management team, is responsible for the day-to-day running of the business.

Meetings

The Board met four times in 2019. The principal agenda items at Board meetings include: business strategy; financial and operational performance; the acquisition, development and disposal of properties; investor engagement and feedback; and Board effectiveness and oversight. Attendance at Board meetings during 2019 is outlined on the page opposite.

Board Committees

In order to ensure the effective leadership and oversight of the business, the Board has established and delegated certain of its key responsibilities to Board Sub-Committees: the Investment Committee; the Audit & Risk Committee; and the Remuneration Committee. The responsibilities of each of these Committees are set out clearly in written terms of reference, which have been approved by the Board. Summary responsibility of each of these committees together with meeting attendance in 2019 is set out on the page opposite.

Communication with Shareholders

The Board places a high priority on effective communication with shareholders to foster mutual understanding of the Fund's investment strategy; performance and prospects; and the views of investors. On a day-to-day basis, engagement with investors is the responsibility of the senior management team who maintain regular dialogue with shareholders.

The following Committees have been established to assist the Board in discharging its role and responsibilities:

Committee	Key Responsibilities	Meets
Investment Committee	Assisting the Board in the implementation of the Fund's property investment strategy and in particular its policies in relation to the acquisition, management, development and disposal of properties.	Quarterly
Audit & Risk Committee	Monitoring the integrity of financial statements, internal controls, risk management processes and reviewing the effectiveness of the external auditors.	Quarterly
Remuneration Committee	Setting the remuneration policy for all Board members and recommending and monitoring the level of remuneration of the senior management team and other members of staff.	Semi-annually

The attendance at the Board and Committee meetings in 2019 was as follows:

Member	Board Meetings	Investment Committee Meetings	Audit & Risk Committee Meetings	Remuneration Committee Meetings
John F. Mulcahy	●●●●	◉◉◉◉◉	◉◉◉◉◉	◉◉◉
Frank Close	●●●●	●●●●●		●●●
Paul Armstrong	●●●●	●●●●○		
Marie Collins	●●●●		●●●●●	
Simon Radford	●●●●	●●○○○		●●●
Jim Foley	●●●●		●●●●○	●●●
Donal Courtney	●●●●		●●●●●	●●●
Eithne Fitzgerald	●●●●		●●●●●	

● Committee Member ◉ Committee Meeting Attendee

BOARD OF DIRECTORS

John F. Mulcahy
Independent Non-Executive Chairman

John has over 40 years' experience in the real estate sector. His current roles include Chairman of Glenveagh Properties plc and being a member of the Boards of TIO ICAV, and Quinta do Lago S.A., a Portuguese resort developer. Previously, he was a member of the board (from 2012 to 2014), and Head of Asset Management (from 2011 to 2014), at NAMA. Prior to that, John was Chairman and CEO of Jones Lang LaSalle's operations in Ireland from 2002 to 2010. John was also a founding member of the RICS Asset Valuations Standards Committee and the Property Advisory Committee of the National Pension Reserve Fund. In April 2014, John was awarded the Gold Medal by the Society of Chartered Surveyors Ireland (SCSI). The Gold Medal is given to recognise people who have contributed significantly to the property and construction sector in Ireland.

Frank Close
Independent Non-Executive Director

Frank has over 30 years' experience in the investment management, fund administration and real estate businesses. Apart from IPUT plc, he currently holds a number of directorships including KBI Funds ICAV, which invests in global stock markets, Lothbury Fund Managers Limited, which acts as a manager to a number of property funds, and several Jersey based companies.

He is also Chairman of Lothbury Property Trust which invests in UK commercial real estate.

Chairman of the Investment Committee

Marie Collins
Independent Non-Executive Director

Marie is a Chartered Director and holds Board and Officer positions across a range of sectors. She is Chairwoman of Home Building Finance Ireland, Director of Bank of Ireland, General Investment Trust and is a member of the Audit and Risk Committee of the Communications Regulator. She is a Trustee and Chair of the Audit & Risk Committee of Trinity College Foundation and a Director and Chair of the Audit and Risk Committee of Eco-Unesco.

She is a Board Evaluator and Board Training Consultant with the Institute of Directors. She is a former Chairperson of the Irish Association of Pension Funds and previously held the position of General Manager and Secretary to the Trustees of ESB Pension Fund.

She holds a MBA from Trinity College and is a Fellow of both the Institute of Chartered Secretaries and Administrators and the Institute of Pension Managers and holds a Diploma in Corporate Governance from UCD.

Simon Radford
Independent Non-Executive Director

Simon is the principal founder of Lothbury Investment Management Limited in the UK. He has over 30 years' experience in managing property investments on behalf of institutional clients and pension funds. Simon was previously a Director with NatWest Investment Management and Gartmore Investment Management.

He is currently Chief Executive of Lothbury Investment Management which has assets under management of over £2 billion and is Chairman of the London Region of the Royal Institute of Chartered Surveyors. Simon is also a Director of The Association of Real Estate Funds.

Jim Foley
Non-Executive Director

Jim is a Director of Trustee Decisions Ltd and acts as a professional trustee on the pension schemes of Unilever, Royal College of Surgeons in Ireland, Coillte, Eirgrid and Eir.

Jim previously worked at the Central Bank of Ireland, the Institute of Public Administration, the National Australia Group and Eircom in economic, finance and human resource roles. Jim has a primary degree in Financial Services (BFS) from UCD, qualified as an Accountant with the ACCA, holds an MSc (Business Admin) from Trinity College, a Diploma in Corporate Governance from UCD and is a Qualified Pension Trustee QPT (IIPM).

Jim is Chairman of Irish Airlines Pensions DAC and a Director of INTRUST Properties Ltd. Jim is also a Director of the Irish Forestry Unit Trust Forestry Management Ltd which is regulated by the Central Bank of Ireland and was Chairman of the Irish Association of Pension Funds Ltd from 2015 to 2017.

Jim was appointed as Chairman of the Remuneration Committee in March 2020.

Donal Courtney
Independent Non-Executive Director

Donal is a Fellow of the Institute Of Chartered Accountants in Ireland and holds a Certificate in Director Duties and Responsibilities from Chartered Accountants Ireland. Donal qualified as a Chartered Accountant with Arthur Andersen in Dublin where he went on to become a practice manager specialising in Financial Services.

Donal has held a number of Chief Financial Officer positions in Ireland with Orix, the Japanese financial services company, Airbus Industries, the aircraft manufacturer, and GMAC Commercial Mortgage Bank, the commercial property financing arm of General Motors.

Donal currently sits on the Board of Permanent tsb plc and Dell Bank International DAC, both of which are regulated by the Central Bank of Ireland, where he also chairs the audit committees.

Chairman of the Audit & Risk Committee

Eithne Fitzgerald
Independent Non-Executive Director

Eithne is a former senior Partner of A&L Goodbody, international law firm, having worked with the firm for 35 years. There she specialised in mergers and acquisitions, corporate finance and advising on a range of corporate law matters. She headed up A&L Goodbody's London office for 3 years and has held a number of management positions in the firm, including as a member of the firms Policy Committee and the Partner Selection Committee.

Eithne has also regularly been involved in the recruitment and development of young lawyers. She holds a degree from Trinity College Dublin and a Diploma in European Law from University College Dublin and is a qualified lawyer. She is former non-executive director of One 51 plc an environmental services, renewable energy, food and speciality plastics business (now IPL Plastics plc) where she also chaired the Nominations Committee.

RISK MANAGEMENT

IPUT aims to deliver its strategic objectives whilst operating within a risk framework defined by our risk appetite.

We recognise that risks are inherent in running any business and use the Fund's risk management framework to ensure that risks to the Fund's strategy are identified, understood and managed.

Our risk appetite statement identifies the relevant risks to which the Fund is exposed and outlines the controls and key risks indicators in place to mitigate and monitor these risks. We have outlined our key risks below:

Investment Risk

Details	Impact	Mitigation	Change to risk in last 12 months
Incorrect reading of the cycle.	Under / over allocation to specific sectors could reduce fund/property performance.	We have been established for over 50 years and have multi cycle experience. Lessons learned in previous cycles have helped shape our investment strategy. We are long term holders of commercial property and do not actively trade our portfolio for short term capital gains. Detailed due diligence is carried out on each asset and individual business plans are produced with performance forecast monitored to ensure target returns are being achieved. Our investment strategy is always under review and updated annually. We adjust our risk profile based on our experience, and internal & external research on the market. Investment Strategy is approved by the Investment Committee and the Board.	STABLE

Property Portfolio Management Risk

Details	Impact	Mitigation	Change to risk in last 12 months
Occupier & Tenant Risk.	Weaker occupier demand and increased tenant default could have an adverse impact on income and rental growth forecasts and could have a negative impact on capital values and our dividend payments.	We monitor relevant leading indicators and engage with key market participants. We review the status of occupier demand and tenant default on a quarterly basis. We actively engage with occupiers to ensure spacial requirements are adequate and any upgrades required to space are carried out in an efficient manner and to market leading standards. We have an overweight allocation to the office sector, which has historically been the best performing asset class in terms of income security. We have a diversified occupier base and we monitor our exposure to individual sectors and occupiers to ensure that we are not over-exposed to any occupier or sector. We endeavour to stagger our lettings to ensure there is no period when there are a high level of renewals or expiries which could potentially leave us exposed to periods of low occupier demand. We have a stringent vetting process to ensure occupier covenants are sufficiently strong and when deemed necessary we engage with third parties to carry out bespoke research on specific tenants.	INCREASED

Development Management Risk

Details	Impact	Mitigation	Change to risk in last 12 months
Risk that development projects do not produce the targeted financial returns due to one or more of the following factors: • Delay on site • Increased construction costs • Adverse letting conditions	Targeted financial returns not reached.	Investment appraisals, which include contingencies and inflationary cost increases, are prepared and sensitivity analysis is undertaken to measure that an adequate return is made in all likely circumstances. The procurement process used by the Company includes the use of highly regarded firms of quantity surveyors and is designed to minimise uncertainty regarding costs. Development costs are benchmarked to ensure that the Company obtains competitive pricing and, where appropriate, fixed-price contracts are negotiated. Procedures carried out before starting work on site, such as site investigations, historical research of the property and surveys conducted as part of the planning application, reduce the risk of unidentified issues causing delays once on site. The Company's pre-letting strategy reduces or removes the letting risk of the development as soon as possible. Detailed reviews are performed on construction projects to ensure that forecasts are aligned with our contractors. Post-completion reviews are carried out for all major developments to ensure that improvements to the Company's procedures are identified, implemented and lessons learned.	INCREASED

Operational Risk

Details	Impact	Mitigation	Change to risk in last 12 months
Key person dependency - Failure to attract and retain appropriate corporate knowledge and skills.	Inability to execute our business strategy.	Staffing levels are regularly assessed, and resources increased as required. Remuneration Committee in place to assess staff performance and remuneration packages. We offer highly competitive remuneration packages to our employees that are benchmarked annually. Our recruitment process is tailored to attract the best talent available. Staff performance is measured on a six-monthly basis to provide regular assessment.	REDUCED

Financial & Liquidity Management

Details	Impact	Mitigation	Change to risk in last 12 months
Liquidity - Portfolio assets are commercial property and are by nature illiquid.	Access to finance is restricted or not sufficient to redevelop existing portfolio assets. Insufficient funds to deal with share redemptions.	We continue to diversify our shareholder base in recent years to improve the liquidity of the Fund. The Board receives quarterly reports on subscription and redemption activity/requests from the Administrator. By maintaining relationships with investors and prospective investors in the market, this proximity permits the Senior Management Team to gauge and plan for redemption or investor demand. The Board will seek to maintain minimum cash balances of 1% of the net asset value of the Fund. The Senior Management Team receives quarterly market updates from economists and investment advisors with expertise in the European and Irish commercial property markets. Capital is monitored by our Finance department on an ongoing basis. We have a Liquidity Management Policy, a Repurchase Policy and Stress Testing Procedures in place. Stress Testing is conducted on a bi-annual basis.	STABLE
Investor Concentration – Over reliance on a single investor.	Inability to implement business strategy.	We continue to diversify our shareholder base in recent years to improve the liquidity of the Fund. By maintaining relationships with investors and prospective investors in the market, this proximity permits the Senior Management Team gauge and plan for redemption or investor demand. Limit on shareholding of a single investor.	INCREASED

Market Risk

Details	Impact	Mitigation	Change to risk in last 12 months
Political changes domestically and internationally.	Political uncertainty could create an environment where investors and businesses are reluctant to make investment decisions. Potential disruption to trade flows post Brexit.	Uncertainty relating to such events are regularly assessed and considered when reviewing and evaluating our investment strategy. We engage with relevant parties to ensure we are properly briefed on upcoming policy changes or the regulatory implications or political events. These matters are brought to our Board's attention and where appropriate, we raise our concerns through relevant channels and advance our views on these issues. Investment restricted to the Republic of Ireland. Brexit remains a risk, however Dublin, where IPUT is focused, has seen increased demand for office space from UK based companies seeking an EU base.	STABLE
Dublin real estate market – Under-performance of Dublin property relative to other sectors or asset classes.	Reduced shareholder returns.	Our Investment strategy focuses on prime assets in Dublin which have historically outperformed the rest of Ireland over the long term, benefiting from strong occupier demand and investor appetite. We are actively engaged with key market participants at all times giving us first-hand knowledge of any market changes. The Board receives quarterly valuation reports from two independent third party valuers and the Board receives a quarterly property management report from the Head of Property Management. Our Investment Committee meet quarterly to assess the risks and opportunities in the market and monitor how these impact on the execution of our strategy. Our investment strategy is always under review and updated annually. We adjust our risk profile based on our experience, and internal & external research on the market.	STABLE
Risk that the Global Pandemic (e.g. Coronavirus) could potentially have a negative impact on the Company's performance.	Negative impact on Company's performance.	The Company employs a business continuity plan, cloud computing and anytime work solutions to reduce the operational impact of any business continuity or force majeure events. We follow the HSE guidelines with staff working from home as advised. Operations are able to continue with staff working from home and IT capability is fully functional. We continue to monitor the situation and the impact on the Irish economy. We maintain contact with our Investors, tenants and third-party providers to assess the potential impacts to the Company.	INCREASED

INDEPENDENT PROPERTY VALUER CERTIFICATE JONES LANG LASALLE

as at 31 December 2019

Instruction

In accordance with our appointment as property valuers to the Company we have provided our opinion of value of the freehold / equivalent long leasehold interests held for the benefit of the IPUT Property Fund in the properties subject to and with the benefit of the tenancies therein. We understand that all of the properties are held as investments.

Purpose of Valuation

Financial reporting purposes.

Valuation Date

31 December 2019.

Compliance with Valuation Standards

The Valuations of all the properties have been prepared in accordance with the RICS Valuation – Global Standards 2017, VPS 4 and IVS Framework in accordance with IFRS 13.

We have assessed the Fair Value of the properties in accordance with VPS 4.7. Under these Provisions "Fair Value" is defined 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".

Our opinion of the Fair Value of each of the properties has been primarily derived using comparable recent market transactions on arm's length terms in accordance with Fair Value Hierarchy Level 3.

Status of Property Valuer

External Valuers.

Valuer

We confirm that the personnel responsible for this valuation are qualified for the purpose of the valuation in accordance with the RICS Red Book and have the sufficient local and national knowledge, skills and understanding to undertake the valuation competently.

Inspections

The properties were not specifically inspected by us for the purposes of this valuation. Each property was inspected at the time of its initial valuation by us and is the subject of an annual re-inspection.

Fair Value

We are of the opinion, subject to the contents of our Report and Assumptions therein, that the aggregate of the Fair Values as at 31 December 2019 of the good and marketable freehold and long leasehold interests held by the Fund, subject to and with the benefit of the tenancies therein, in the properties valued by us, is:

€1,482,503,700

(One Billion, Four Hundred and Eighty Two Million Five Hundred and Three Thousand and Seven Hundred Euro)

No allowance has been made of any expenses of realisation, or for taxation, (including VAT) which may arise in the event of a disposal and each property has been considered free and clear of all mortgages or other charges which may be secured therein. We have estimated attributable acquisition costs at 9.96%.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges. No account has been taken of the availability or otherwise of capital based Government or European Community grants.

The valuation is of each property considered individually and excludes any additional value or reduction which might arise by the aggregation of the entire portfolio or a group of properties for sale to one purchaser. Neither has any allowance been made to reflect any premium which a purchaser of shares in the Fund might pay for the opportunity of investing in an existing well balanced and diversified portfolio with the benefit of an established management structure.

The property details upon which these valuations are based are as set out in the Valuation Control Schedule provided to IPUT plc.

Our opinion of Fair Value is based upon the Scope of Work, Sources of Information and Valuation Assumptions attached to our Report, and has been primarily derived using comparable recent market transactions on arm's length terms.

Sources of Information

We have been provided with information by the IPUT senior management team which we have accepted as correct and up to date as to tenure, tenancies, site and floor areas, planning permission and other relevant matters.

Details of title / tenure under which the properties are held and of lettings to which they are subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in our Report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of the Fund's legal advisor.

We have inspected the properties (at varying dates) and carried out all the necessary enquiries with regard to rental and investment value, rateable value, planning issues and investment considerations.

We have read documents of title, leases and agreements, where they have been made available to us, in our capacity as chartered valuation surveyors and no reliance should be placed on our interpretation of same without verification by your legal advisors.

Assumptions

We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings including ground and groundwater contamination.

If any of the information or assumptions upon which the valuations are based is subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

Independence and Disclosure

Jones Lang LaSalle has continuously valued the Company's Portfolio or part of the Company's Portfolio since February 1968.

The total fees earned in the preceding financial year by Jones Lang LaSalle Limited from IPUT plc were less than 5% of our total income.

From 1967 to 2004 Jones Lang LaSalle acted as consultant surveyor, property manager and valuer and advised in the acquisition of a number of properties for the Company.

From January 2005 Jones Lang LaSalle's role is property valuer, property manager for multi-let properties and agent for specific agency and investment instructions.

Reliance

Our report is addressed to IPUT plc for internal purposes and third parties may not rely on it. In accordance with our standard practice this property valuation report is confidential to the party to whom it is addressed or to their other professional advisers for the specific purpose to which it refers.

Our role is limited to providing property valuations for assets held by the Company, in accordance with RICS standards. We are not acting as valuers of the Company; the valuation function for the Company and the setting of the net asset value of the Company remains with IPUT plc.

No reliance may be placed upon the contents of this property valuation report by any party other than in connection with the purpose of this valuation report. If at any stage it is intended to include the valuation or report, or any reference thereto, in any Prospectus or Circular to shareholders or similar public document, our specific consent will be required.

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Yours faithfully

John Moran
MRICS MSCSI
For and behalf of Jones Lang LaSalle

INDEPENDENT PROPERTY VALUER CERTIFICATE

CBRE

as at 31 December 2019

Instruction

To value the unencumbered freehold interest in the properties on the basis of Fair Value (IFRS 13) as at the valuation date in accordance with the terms of engagement entered into between CBRE Unlimited Company and the addressee dated 27 March 2019.

Valuation Date

31 December 2019.

Capacity of Property Valuer

External Valuer, as defined in the RICS Valuation – Global Standards 2017.

Purpose

Balance Sheet Purposes.

Fair Value in accordance with IFRS 13

€1,255,455,000

(One Billion, Two Hundred and Fifty Five Million, Four Hundred and Fifty Five Thousand Euro)

We confirm that the "Fair Value" reported above, for the purpose of financial reporting under International Financial Reporting Standards (IFRS), is effectively the same as "Market Value".

We have valued the properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

Our opinion of Fair Value (IFRS 13) is based upon the Scope of Work and Valuation Assumptions, and has been primarily derived using comparable recent market transactions on arm's length terms.

Compliance with Valuation Standards

The valuation has been prepared in accordance with the RICS Valuation –Global Standards 2017 ("the Red Book").

We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the valuation competently.

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE Unlimited Company, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject property as at the valuation date.

Assumptions

The property details on which each valuation are based are as set out in the reports provided to IPUT. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination.

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

Variation from Standard Assumptions

We have valued the following partial interests in the properties below;

- 6 Earlsfort Terrace, Dublin 2 (75% Interest)
- Unit 11, Liffey Valley Retail Park, Dublin 22 (50% Interest)
- Riverside 1, Sir John Rogerson's Quay, Dublin 2 (70.8% Interest)

We have assumed that co-ownership agreements are in place and that there are no restrictions regarding disposal or good estate management of the above interest.

Market Conditions

The values stated in this report represent our objective opinion of Fair Value in accordance with the definition set out above as of the date of valuation. Amongst other things, this assumes that the properties had been properly marketed and that exchange of contracts took place on this date.

Valuer

The properties have been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation – Global Standards 2017 ("the Red Book").

Independence

The total fees, including the fee for this assignment, earned by CBRE Unlimited Company (or other companies forming part of the same group of companies within Ireland) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total Irish revenues.

Conflicts of Interest

We confirm that we have had no previous material involvement with any of the properties, and that copies of our conflict of interest checks have been retained within the working papers.

Disclosure

The principal signatory of this report has continuously been the signatory of valuations for the same addressee and valuation purpose as this report since March 2013. CBRE Unlimited Company has continuously been carrying out valuation instructions for the addressee of this report since March 2013.

Reliance

This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

The contents of this Report may only be relied upon by:

(i) Addressees of the Report; or

(ii) Parties who have received prior written consent from CBRE Unlimited Company in the form of a reliance letter.

This Report is to be read and construed in its entirety and reliance on this Report is strictly subject to the disclaimers and limitations. Please review this information prior to acting in reliance on the contents of this Report. If you do not understand this information, we recommend you seek independent legal counsel.

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Royal Institution of Chartered Surveyors Valuation – Global Standards 2017 ("the Red Book") or the incorporation of the special assumptions referred to herein.

Bruce Campbell
MRICS, MSCSI
Senior Director, RICS Registered Valuer

Colm Luddy
MSCSI, MRICS
Senior Director

For and on behalf of CBRE Unlimited Company

CBRE

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of IPUT plc (the "Company") for the year ended 31 December 2019.

Principal activities and review of the development of the business

The Company is authorised and regulated by the Central Bank of Ireland as a qualifying investor alternative investment fund (QIAIF) and as an internally managed alternative investment fund under the European Union (Alternative Investment Fund Managers) Regulations 2013 and is a designated company pursuant to section 1395 of the Companies Act 2014. The Company promotes one sub-fund, the IPUT Property Fund (the 'Fund') which is the successor fund to the Irish Property Unit Trust (the 'Trust').

The Company invests in commercial property, in particular focusing on office, retail and industrial properties. All properties are located in Ireland and are generally held as medium to long term investments. The Company invests in properties with core income and added value prospects and seeks to reduce risk by investing in a diverse range of properties and sectors.

A full review of the performance and development of the Company is included in the Chief Executive's Review on page 10 and the financial highlights are set out on pages 4 and 5.

Results for the year and state of affairs at 31 December 2019

The results for the year and state of affairs of the Company are set out on pages 68 and 69. The profit and total comprehensive income amounted to €124,278,000 compared with €190,571,000 in 2018. Total Equity at 31 December 2019 amounted to €2,745,123,000 (2018: €2,459,851,000).

Dividends

Dividends of €106,653,000 were declared during the year (2018: €98,450,000). An analysis of the quarterly dividends paid during the year is set out in Note 20 to the Financial Statements.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are outlined on pages 54 – 57 of this report. The risks associated with the Company's financial instruments are outlined in note 21 to the Financial Statements.

The Board seeks to mitigate and manage these risks through continual review and setting of appropriate policies and procedures, through active asset management initiatives and the carrying out of due diligence work on potential occupiers before entering into any new lease agreements. It also regularly monitors the investment environment and the management of the Company's property portfolio.

The outbreak of COVID-19 presents global challenges and uncertainties. Its severity, spread and likely duration remain largely unknown and its impact on the global and Irish economy, including real estate valuations and returns, is at present uncertain.

We have taken the necessary measures to ensure the safety of our staff through the initiation of our business continuity procedures. The Board and Senior Management Team are closely monitoring the ongoing developments regarding the outbreak of COVID-19 and its impact on our operations and performance. Whilst we cannot be certain how long this situation will last, we continue to monitor and manage the situation closely as it evolves over the coming weeks and months and adjust our plans as appropriate.

Important events since the year end

These are described in Note 32 to the Financial Statements.

Directors, secretary and their interests

The Directors and Secretary of the Company are set out on page 104.

Mr. John Mulcahy was the beneficial owner of 4,064 participating shares (all of which were acquired at market value) in the Company at the beginning, and at the end of the year and throughout the reporting period.

The rights attaching to participating shares are outlined in Note 18 to the Financial Statements.

Other than as stated above, none of the Directors, the Secretary or their families had any interest in the share capital of the Company at any time during the year.

Mr. Paul Armstrong retired from the Board on 31 December 2019.

Related party transactions

Internal controls are in place to ensure that any related party transactions involved Directors or their connected persons are carried out on an arm's length basis and are disclosed in the Financial Statements. Transactions with Directors and parties related to them have been disclosed in Note 23 to the Financial Statements.

Going concern

The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Political donations

The Company made no political donations during the year (2018: nil).

Corporate Governance Code

The Board voluntarily adopted the 'Corporate Governance Code for Collective Investment Schemes and Management Companies' (the "Code") as published by the Irish Funds Industry Association ("IFIA") in 2011, as the Company's corporate governance code with effect from 23 December 2013. The Board is satisfied that it has complied with the provisions of the Code during the year ended 31 December 2019.

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Accounting Records

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act, 2014 with regard to adequate accounting records by using the services of appropriately qualified personnel and the maintenance of computerised accounts systems. The accounting records of the Company are maintained at the Company's registered office at 47-49 St. Stephen's Green, Dublin 2.

Relevant Audit Information

The Directors who held office at the date of approval of this Director's Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditors, KPMG, will continue in office in accordance with Section 383(2) of the Companies Act, 2014 and a resolution authorising the Directors to fix their remuneration will be proposed at the Annual General Meeting.

Annual General Meeting

The Annual General Meeting of the Company will be held at 12pm on 30 April 2020 at the Company's registered office at 47-49 St. Stephen's Green, Dublin 2.

For and on behalf of the board

John F. Mulcahy
Chairman

26 March 2020

Donal Courtney
Director

26 March 2020

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to IPUT plc ("the Fund") provide this report solely in favour of the shareholders of the Fund for the year ended 31 December 2019 ("the Accounting Period").

This report is provided in accordance with current Depositary obligation under the Central Bank of Ireland; AIF Rule Book, Chapter 5(iii). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation under the AIF Rule Book, we have enquired into the conduct of the AIFM for this Annual Accounting Period and we hereby report thereon to the shareholders of the Fund as follows;

We are of the opinion that the Fund has been managed during the year, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional document and by the Central Bank of Ireland under the powers granted to the Central Bank of Ireland by the investment fund legislation; and

(ii) otherwise in accordance with the provisions of the constitutional document and the investment fund legislation.

Northern Trust Fiduciary Services (Ireland) Limited

26 March 2020

NORTHERN TRUST

Reception interior of 5 Earlsfort Terrace, Dublin 2

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

to the Members of IPUT PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of IPUT plc ('the Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and related notes, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2019 and of its increase in net assets attributable to holders of redeemable participating shares for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report and all information other than the financial statements and our auditor's report thereon. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Opinions on other matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 63, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at **https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf**.

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

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Cliona Mullen
for and on behalf of

KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

27 March 2020

KPMG

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

		2019			2018		
		Income	Capital	Total	Income	Capital	Total
	Notes	€'000	€'000	€'000	€'000	€'000	€'000
Gross rental and related income	**5**	**130,074**	**–**	**130,074**	**119,740**	**–**	**119,740**
Net rental and related income	5	118,180	–	118,180	107,132	–	107,132
Management expenses	7	(9,467)	–	(9,467)	(7,640)	–	(7,640)
Fund expenses		(949)	–	(949)	(958)	–	(958)
Operating profit		107,764	–	107,764	98,534	–	98,534
Net movement on fair value of investment properties	10	–	13,888	13,888	–	92,357	92,357
Profit/(loss) on disposal of investment properties		–	2,620	2,620	–	(236)	(236)
Finance expense	8	(311)	–	(311)	(321)	–	(321)
Finance income	8	6	–	6	2	–	2
Profit before taxation		107,459	16,508	123,967	98,215	92,121	190,336
Taxation	9	–	–	–	–	–	–
Profit after taxation		107,459	16,508	123,967	98,215	92,121	190,336
Other comprehensive income		258	53	311	235	–	235
Profit and total comprehensive income		**107,717**	**16,561**	**124,278**	**98,450**	**92,121**	**190,571**

STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Notes	2019 €'000	2018 €'000
ASSETS			
Non-current assets			
Investment properties	10	2,695,101	2,405,545
Property, plant and equipment	13	7,157	6,968
Other receivables	14	18,930	15,147
Restricted cash	15	5,864	5,993
		2,727,052	**2,433,653**
Current assets			
Investment properties held for sale	12	16,000	67,770
Trade and other receivables	14	141,187	19,994
Cash and cash equivalents	15	74,062	75,803
		231,249	**163,567**
Total assets		**2,958,301**	**2,597,220**
EQUITY			
Capital and reserves			
Equity	19	2,745,123	2,459,851
Total Equity		**2,745,123**	**2,459,851**
LIABILITIES			
Non-current liabilities			
Trade and other payables	16	5,864	5,993
Borrowings	17	148,954	68,794
		154,818	**74,787**
Current liabilities			
Trade and other payables	16	31,004	36,371
Dividends payable	20	27,356	26,211
		58,360	**62,582**
Total liabilities		**213,178**	**137,369**
Total equity and liabilities		**2,958,301**	**2,597,220**

Approved for issue and signed on behalf of the Board of Directors of IPUT plc on 26 March 2020

John F. Mulcahy
Chairman

Donal Courtney
Director

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Notes	2019 €'000	2018 €'000
Balance at 1 January		**2,459,851**	**2,292,083**
Comprehensive income			
Profit after taxation		123,967	190,336
Other Comprehensive income		311	235
Profit and total comprehensive income		**124,278**	**190,571**
Transactions with owners			
Issue of shares	18	282,732	86,714
Repurchase of own shares	18	(15,085)	(11,067)
Dividends	20	(106,653)	(98,450)
Total transactions with owners		**160,994**	**(22,803)**
Balance at 31 December		**2,745,123**	**2,459,851**

STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	Notes	2019 €'000	2018 €'000
Cash flows from operating activities			
Profit before taxation		123,967	190,336
Adjustments to reconcile profit before taxation to net cashflows:			
– Depreciation	13	435	383
– Net movement on fair value of investment properties	10	(13,888)	(92,357)
– Lease incentives & other income		(3,945)	(6,639)
– (Profit)/loss on disposal of investment properties		(2,620)	236
– Finance expense	8	311	321
– Finance income	8	(6)	(2)
		(19,713)	**(98,058)**
Working capital adjustments:			
– Movement in trade and other receivables		(121,342)	(12,298)
– Movement in trade and other payables		(3,810)	14,698
		(125,152)	**2,400**
Net cash generated from operating activities		**(20,898)**	**94,678**
Cash flows from investing activities			
Additions to investment properties		(291,670)	(94,687)
Proceeds from sale of investment properties		71,000	68,573
Purchases of property, plant and equipment	13	(93)	(509)
Interest paid		(2,131)	(1,563)
Interest received		6	2
Net cash used in investing activities		**(222,888)**	**(28,184)**
Cash flows from financing activities			
Proceeds from issue of shares	18	282,732	86,714
Payments to repurchase own shares	18	(15,085)	(11,067)
Dividends paid to shareholders		(105,508)	(94,289)
Repayment of borrowings		(82,339)	(49,178)
Costs associated with borrowings		–	(1,270)
Drawdown of borrowings		162,245	34,569
Net cash provided by financing activities		**242,045**	**(34,521)**
Net (decrease)/increase in cash and cash equivalents		**(1,741)**	**31,973**
Cash and cash equivalents at 1 January		75,803	43,830
Cash and cash equivalents at 31 December	15	**74,062**	**75,803**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. General Information

IPUT plc (the 'Company') is incorporated under Part 24, Section 1394 of the Companies Act 2014 ('the Act') as an unlisted, limited liability umbrella investment company with variable capital and segregated liability between its sub-funds. It is authorised and regulated by the Central Bank of Ireland as a qualifying investor alternative investment fund (QIAIF) and as an internally managed alternative investment fund under the European Union (Alternative Investment Fund Managers) Regulations 2013 and is a designated company pursuant to section 1395 of the Act. The Company promotes one sub-fund, the IPUT Property Fund ('the Fund').

The Fund primarily invests in commercial property, in particular focusing on office, retail and industrial properties. The investment properties are located in the Republic of Ireland and are generally held as medium to long term investments. The Fund invests in properties with core income and added value prospects and seeks to reduce risk by investing in a diverse range of properties and sectors.

The Company's registered office is at 47-49 St Stephen's Green, Dublin 2, D02 W634, Ireland.

2. Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. The financial statements are prepared on a historical cost basis except for investment properties which are measured at fair value.

The Company has availed of an exemption under IFRS from preparing consolidated accounts on the basis that its subsidiaries are not material to the Company's operations.

The financial statements are presented in Euro, which is the functional currency of the Company, and all values are rounded to the nearest thousand Euro (€000) except where otherwise indicated.

Recent accounting pronouncements

The IASB have issued the following standards, policies, interpretations and amendments which were effective for the Group for the first time in the year ended 31 December 2019:

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- Amendments to IAS 28: Long term interests in Associates and Joint Ventures
- Annual improvements to IFRS Standards 2015-2018 Cycle
- Amendments to IAS 19: Plan amendment, Curtailment or Settlement.

ADOPTED IFRS NOT YET APPLIED

The following IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements:

- Amendments to references to the Conceptual Framework in IFRS Standards (effective date 1 January 2020)
- Definition of a business (Amendments to IFRS 3) (effective date 1 January 2020)
- Definition of material (Amendments to IAS 1 and IAS 8) (effective date 1 January 2020)
- IFRS 17 Insurance Contracts (effective date 1 January 2021)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date to be confirmed)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

Going Concern

The Directors believe that the Company has adequate resources to continue in existence for the foreseeable future and that it is appropriate to prepare the financial statements on a going concern basis.

Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

JUDGEMENTS OTHER THAN ESTIMATES

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Classification of property

The Company determines whether a property is classified as an investment property or as an investment property held for sale:

- Investment property comprises land and buildings (offices, industrial, retail property and residential) which are held primarily to earn rental income and for capital appreciation. These buildings are substantially rented to occupiers and not intended to be sold in the ordinary course of business.
- Investment property held for sale comprises land and buildings (office, industrial, retail property and residential) which is held for sale in the ordinary course of business.

Operating lease contracts – the Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the duration of the lease terms and lease payments, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

ESTIMATES

Valuation of property

The Company has appointed real estate valuation experts to determine the fair value of investment properties using recognised valuation techniques and the principles of IFRS 13 Fair Value Measurement.

The significant methods and assumptions used by real estate valuers in estimating the fair value of investment properties are set out in Note 3 and Note 10.

3. Significant Accounting Policies

Investment properties

Investment properties comprise completed property and property under refurbishment/redevelopment held to earn rental income, together with the potential for capital and income appreciation.

Investment property is initially measured at cost including transaction costs. Transaction costs include stamp duty, legal fees and any other professional fees incurred in the acquisition of the investment property. Any subsequent capital expenditure incurred in improving investment properties is capitalised in the period during which it is incurred.

Subsequent to initial recognition, investment properties are carried in the Company's statement of financial position at their fair value as at the reporting date, adjusted for the carrying value of lease incentives. Gains or losses arising from changes in the fair values are included in the statement of comprehensive income in the year in which they arise.

Investment properties are treated as acquired when the Company assumes the significant risk and returns of ownership and derecognised when it has disposed of these risks to a buyer and no future economic benefit is expected. The difference between the net disposal proceeds and the carrying amount of the asset would result in either a gain or loss on the disposal of the investment property. Any gains or losses are recognised in the statement of comprehensive income in the year of disposal.

External independent valuers, JLL and CBRE Ireland (CBRE), have, in the opinion of the Directors, appropriate recognised professional qualifications and recent experience in the locations and categories of the properties being valued. They value the portfolio at each reporting date in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards which are consistent with the principles in IFRS 13. 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 investment properties. It is also the primary measurement of fair value that all major and reputable property market participants use when valuing a property investment.

The valuations as at the reporting date are prepared by considering comparable market transactions for sales and lettings. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the net annual rents receivable from the properties and associated rental costs when relevant. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation. Valuations reflect the type of occupiers actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation, the market's general perception of their credit-worthiness and the remaining economic life of the property.

When the Company commits to a refurbishment project on an existing investment property for future use as an investment property, the property continues to be held as an investment property. Where the Company begins to redevelop an existing investment property for continued use or acquires a property with the subsequent intention of developing as an investment property, the property continues to be held as an investment property. Investment properties that are currently being developed or are to be developed in the near future are held within investment properties. These properties are initially valued at cost. Any direct expenditure on investment properties under development is capitalised and the properties are then valued by external real estate valuers at their respective fair value at each reporting date.

The cost of properties in the course of redevelopment includes attributable interest, development team costs and other associated outgoings. Interest is calculated on the development expenditure by reference to specific borrowings. Interest is only capitalised where development activity is taking place. A property ceases to be treated as an investment property under development on practical completion.

An existing investment property is transferred to an investment property held for sale and held as a current asset when it has met the criteria as set out in the investment property held for sale policy. The property is reclassified at fair value as at the date of the transfer with any gains or losses recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3. Significant Accounting Policies (continued)

Fair value measurement

Fair value is the price that would be received if an asset was sold or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability as at the reporting date is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

Property, plant and equipment

Property, plant and equipment consists of land and buildings, motor vehicles, computer equipment, furniture, fixtures and fittings and is stated at cost less accumulated depreciation. The charge for depreciation is calculated to write down the cost of the assets to their estimated residual values by annual instalments over their expected useful lives which are set out below.

Land and buildings – 4% Straight Line

Fixtures and fittings – 20% Straight Line (includes Art costs which are not depreciated)

Computer equipment – 33.33% Straight Line

Motor vehicles – 20% Straight Line

Right of use assets – Over the lease term as defined under IFRS 16.

Land and buildings represents own use property and is measured at fair value as at the reporting date with changes in fair value reflected within the statement of comprehensive income, except impairment losses, which are recognised in the income statement unless they reverse a previous revaluation gain.

The fair value is the price that would be returned if the asset were sold in an orderly transaction between market participants based on the asset's highest and best use. Fair value is determined by registered independent appraisers on a quarterly basis. The property valuers' opinion of fair value is primarily derived from using comparable recent market transactions at arm's length terms and using appropriate valuation techniques. The fair value of investment properties is determined using the income capitalisation approach.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3. Significant Accounting Policies (continued)

Investment property held for sale

An investment property is transferred to current assets as an investment property held for sale when it is expected that the carrying amount will be recovered principally through a disposal rather than from continuing use. For this to be the case, the property must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such property and its sale must be highly probable.

For the sale to be highly probable:

- The Board must be committed to a plan to sell the property and an active programme to locate a buyer and complete the plan must have been initiated;
- The property must be actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Investment properties held for sale are measured at fair value less costs to sell. Investment properties classified as held for sale are presented separately as current assets in the statement of financial position.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period.

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle; and
- It is held primarily for the purpose of trading; and
- It is due to be settled within twelve months after the reporting period.

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Dividends

The Company seeks to maintain consistent dividend payments to shareholders. Dividends are declared quarterly from net income available for distribution. The payment of a dividend will depend on the performance of the Company and will be paid out of accumulated income less expenses.

Final dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the year in which the dividends are declared by the Company's board of directors.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3. Significant Accounting Policies (continued)

Revenue recognition

(a) Gross rental income from investment properties leased out under operating leases is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease in accordance with IFRS 16 Lease Accounting. Lease incentives are recognised as an integral part of the net consideration for the use of the property and amortised on a straight line basis over the term of the lease.

(b) Payments received from occupiers to surrender their lease obligations are recognised immediately in the statement of comprehensive income. Payments made to occupiers to surrender their lease obligations are charged directly to the statement of comprehensive income unless the payment is to enable the redevelopment of the property.

(c) Amounts received from occupiers to compensate for dilapidation liabilities are recognised in the statement of comprehensive income, net of any capital expenditure, when the right to receive them arises.

(d) Service charge income is recognised in the year in which it is earned.

(e) Accrued income relates to rents recognised in advance as a result of spreading the effect of rent free and reduced rent periods, capital contributions in lieu of rent free periods and contracted rent uplifts, over the expected terms of their respective leases.

(f) Interest income is recognised in the statement of comprehensive income as it accrues using the effective interest rate method.

Expense recognition

Expenses are accounted for on an accruals basis.

Share based payment

The grant-date fair value of cash-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in liabilities, over the vesting period of the awards, subject to performance conditions. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Pensions

The Company operates a defined contribution pension scheme and pension costs which are charged to the statement of comprehensive income represent the contributions payable by the Company during the year.

Impairment

The carrying amounts of the Company's assets (other than investment properties, the accounting policy for which is set out earlier in the note) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the asset's recoverable amount.

Share capital

The Company's participating shares are classified as equity in accordance with IAS 32.

Transaction costs incurred by the Company in issuing or acquiring its own shares are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

No gain or loss is recognised in the statement of comprehensive income on the issuance or repurchase of the Company's own shares.

Net asset value per share

The net asset value per share is calculated by dividing the total equity of the Company by the total number of shares in issue at the year end.

3. Significant Accounting Policies (continued)

Financial Instruments

(A) NON-DERIVATIVE FINANCIAL ASSETS

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through the statement of comprehensive income) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. At year end the Company had the following non-derivative financial assets, which are classified as amortised cost:

- ***Cash and cash equivalents***

  Cash and cash equivalents comprise cash balances and fixed deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

- ***Financial assets (including receivables)***

  The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured at 12 month ECLs.

  Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or the financial asset is significantly past due. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

  Measurement of ECLs

  ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3. Significant Accounting Policies (continued)

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(B) NON-DERIVATIVE FINANCIAL LIABILITIES

All financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value less initial direct costs and subsequently measured at amortised cost.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

– ***Trade and other payables***

Trade and other payables are recognised and carried at amortised cost.

Borrowing costs

INTEREST-BEARING BORROWINGS

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subject to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

FINANCE COSTS

Borrowing costs incurred in the redevelopment of investment properties which are capitalised in the financial period in which they are incurred. All other finance costs are recognised in the Income Statement using the effective interest method.

4. Sectoral information and condensed portfolio statement

All of the Company's properties are based in Ireland with 97% of the portfolio by value located in Dublin.

The following properties are valued at greater than 5% of the net asset value of the Company:

- Carrickmines Park, Dublin 18 (8.1%)
- 10 Molesworth Street, Dublin 2 (5.8%)
- 1 Grand Canal Square, Dublin 2 (5.5%)

	2019 €'000	2018 €'000
Gross rental income		
Office	73,246	65,735
Retail	27,443	23,024
Logistics	14,948	14,043
Other	220	102
	115,857	**102,904**

	2018 Investment properties €'000	2018 Investment properties under development €'000	2018 Total €'000
Property portfolio – fair value			
Office	1,610,800	98,140	1,708,940
Retail	469,640	–	469,640
Logistics	256,900	–	256,900
Land	–	47,308	47,308
Other	13,400	–	13,400
	2,350,740	**145,448**	**2,496,188**

	2019 Investment properties €'000	2019 Investment properties under development €'000	2019 Total €'000
Property portfolio – fair value			
Office	1,674,000	148,070	1,822,070
Retail	538,710	–	538,710
Logistics	292,570	–	292,570
Land	–	63,209	63,209
Other	21,400	–	21,400
	2,526,680	**211,279**	**2,737,959**

A reconciliation between the market value and the fair value of investment properties is set out in Note 10, 12 and 13.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

5. Gross and net rental income

	2019	2018
	€'000	€'000
Rent receivable	115,857	102,904
Service charge income	9,977	10,197
Asset services income	295	–
Adjustment for lease incentives & other income	3,945	6,639
Gross rental and related income	130,074	119,740
Service charge expenses	(9,977)	(10,197)
Property specific costs:		
- relating to properties generating income	(1,262)	(1,436)
- relating to properties not generating income	(655)	(975)
Net rental and related income	**118,180**	**107,132**

6. Auditor's remuneration

	2019	2018
	€'000	€'000
Audit fees	80	80
Total audit and audit related assurance services	**80**	**80**
Other fees		
Tax advisory services	7	–
Others	5	5
Total other fees	**12**	**5**

7. Management expenses

	2019	2018
	€'000	€'000
Employment costs	6,592	5,242
Depreciation	435	383
Other operating costs	2,440	2,015
	9,467	**7,640**

Employment costs

	2019	2018
Wages and salaries		
– fixed	3,924	3,059
– variable	3,332	2,680
Social welfare costs	527	496
Pension costs	300	233
	8,083	6,468
Less: Employment costs allocated to capital expenditure on investment properties	(1,491)	(1,226)
	6,592	**5,242**

The average number of employees (including Directors) during the year was 31 (2018: 27).

8. Finance expense & income

	2019	2018
	€'000	€'000
Interest expense on Revolving Credit Facility	311	321
	311	**321**
Interest income on short-term deposits	6	2
	6	**2**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

9. Taxation

	2019	2018
	€'000	€'000
Taxation	–	–
	–	–

The Company is an investment undertaking as defined in Section 739B of the Taxes Act and on that basis, it is not subject to Irish taxation on its income or gains, as they arise but is instead subject to the investment undertakings tax and Irish real estate fund tax in certain circumstances in respect of certain investors.

Investment Undertakings tax (IUT)

Subject to certain exceptions (see below), on the occasion of an IUT chargeable event the Company has an obligation to deduct IUT at 41% (25% in the case of certain corporate shareholders upon election) from amounts payable to such shareholders and pay it to the Irish Revenue Commissioners. An IUT chargeable event includes:

- the payment of a dividend;
- the redemption, encashment, cancellation or transfer of shares;
- the cancellation of shares for the purpose of meeting the tax arising on a transfer of shares; and
- the ending of a period of eight years beginning with the acquisition of a share by a shareholder and each subsequent period of eight years beginning immediately after the eight year period.

No IUT will arise on the Company in respect of IUT chargeable events of:

- a shareholder who is neither a resident in Ireland nor ordinarily resident in Ireland at the time of the IUT chargeable event, provided that the Company is in possession of a relevant declaration to that effect, or
- a shareholder who is an exempt Irish resident.

Irish Real Estate Fund tax (IREF)

The Company is also an IREF as defined in section 739K of the Taxes Act. On the occasion of an IREF taxable event, in respect of a 'specified person', the Company has an obligation to deduct IREF withholding tax at 20% from amounts payable to such shareholders and pay it to the Irish Revenue Commissioners. For this purpose an IREF taxable event includes, for example:

- the making of a distribution;
- the cancellation, redemption or repurchase of shares from a shareholder;
- any exchange by a shareholder of shares in a sub-fund of the Company for shares in another sub-fund of the Company
- other disposals of shares in the Company by a shareholder (e.g. on a secondary transfer to a third party investor).

Broadly a 'specified person' refers to a person (subject to limited exception) who is not otherwise subject to IUT on a chargeable event.

IREF withholding tax will not arise on the Company in respect of an IREF taxable event where the shareholder is not a specified person as defined in section 739K of the Taxes Act, provided the Company is in possession of a valid relevant declaration to that effect, where applicable.

In the year ended 31 December 2019 the Company deducted IUT of €1,685,250 (2018: €1,234,134) from payments made to non-exempt Irish resident shareholders and deducted IREF withholding tax of €3,938,404 (2018: €3,356,723) from payments made to 'specified persons'.

A tax rate reconciliation as required by IAS 12 'Income Taxes' is not presented as the Company is not subject to tax on its income or gains.

10. Investment properties

	2018 Investment properties	2018 Investment properties under development	2018 Total
	€'000	€'000	€'000
Fair value at 1 January	2,146,785	209,888	2,356,673
Reclassification in year	99,580	(99,580)	–
Acquisitions	74,936	–	74,936
Capital expenditure	44,831	22,919	67,750
Disposals	(105,347)	–	(105,347)
Transfer of owner occupied property to property, plant & equipment	(2,293)	–	(2,293)
Transfer to investment properties held for sale	(67,770)	–	(67,770)
Valuation surplus	91,373	17,860	109,233
Valuation deficit	(5,563)	(5,639)	(11,202)
Fair value at 31 December	2,276,532	145,448	2,421,980
Less: occupier lease incentives	(16,435)	–	(16,435)
Fair value at 31 December	**2,260,097**	**145,448**	**2,405,545**

	2019 Investment properties	2019 Investment properties under development	2019 Total
	€'000	€'000	€'000
Fair value at 1 January	2,276,532	145,448	2,421,980
Acquisitions	230,289	18,748	249,037
Capital expenditure	12,599	30,034	42,633
Transfer to investment properties held for sale	(16,000)	–	(16,000)
Valuation surplus	41,244	21,378	62,622
Valuation deficit	(40,478)	(4,327)	(44,805)
Fair value at 31 December	2,504,186	211,281	2,715,467
Less: occupiers lease incentives	(20,366)	–	(20,366)
Fair value at 31 December	**2,483,820**	**211,281**	**2,695,101**

Investment properties under development continued to be development lands at Quadrant 3, The Park, Carrickmines, Dublin 18, Waterside, Citywest Business Campus, Dublin 24, One Wilton Park, Dublin 2 and The Tropical Fruit Warehouse, 30-32 Sir John Rogerson's Quay, Dublin 2. Development lands at Kilshane Cross, Co. Dublin and Aerodrome Business Park, Co. Dublin were acquired during 2019 and are been held as investment properties under development.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

10. Investment properties (continued)

The fair value of the Company's investment properties as at the reporting date, as determined by the Company's external real estate valuers, differs from the fair value presented in the statement of financial position due to the Company presenting lease incentives separately. The above table reconciles the fair value of the investment properties as calculated by the external real estate valuers to the fair value of the investment properties included in the statement of financial position with the net movement on fair values in the statement of comprehensive income.

Included within the capital expenditure on investment properties in the period is capitalised borrowing costs of €2,131,000 (2018: €1,563,000) and development team costs of €1,491,000 (2018: €1,226,000).

The following table shows the impact of occupier lease incentives amortised in the period on the movement on fair value of investment properties.

	2018 Investment properties	2018 Investment properties under development	2018 Total
	€'000	€'000	€'000
Valuation surplus	91,373	17,860	109,233
Valuation deficit	(5,563)	(5,639)	(11,202)
Movement on fair value of investment properties	85,810	12,221	98,031
Less: movement in occupier lease incentives	(5,674)	–	(5,674)
Net movement on fair value of investment properties	**80,136**	**12,221**	**92,357**

	2019 Investment properties	2019 Investment properties under development	2019 Total
	€'000	€'000	€'000
Valuation surplus	41,244	21,378	62,622
Valuation deficit	(40,478)	(4,327)	(44,805)
Movement on fair value of investment properties	766	17,051	17,817
Less: movement in occupier lease incentives	(3,929)	–	(3,929)
Net movement on fair value of investment properties	**(3,163)**	**17,051**	**13,888**

10. Investment properties (continued)

Valuations are performed on a quarterly basis and the breakdown of properties valued by the Company's two independent property valuers at 31 December 2019 are as follows:

	2018 Investment properties	2018 Investment properties under development	2018 Total
	€'000	€'000	€'000
JLL	1,462,750	124,448	1,587,198
CBRE	887,990	21,000	908,990
	2,350,740	**145,448**	**2,496,188**

	2019 Investment properties	2019 Investment properties under development	2019 Total
	€'000	€'000	€'000
JLL	1,321,750	160,754	1,482,504
CBRE	1,204,930	50,525	1,255,455
	2,526,680	**211,279**	**2,737,959**

The Company's investment properties are held at fair value and were valued at 31 December 2019 by the external property valuers, JLL and CBRE. Both firms are independent qualified valuers in accordance with the Royal Institution of Chartered Surveyors Valuation – Global Standards 2017, VPS 4 and IVS Framework in accordance with IFRS 13. The valuation process includes a physical inspection of all properties at least once a year. In line with IFRS 13, all investment properties are valued on the basis of their highest and best use. The property valuers' opinion of fair value is primarily derived from using comparable recent market transactions at arm's length terms and using appropriate valuation techniques. The fair value of investment properties is determined using the income capitalisation approach. Under this approach, forecast net cash flows, based upon market derived estimated present rental values (market rent), together with estimated costs are discounted at market derived capitalisation rates to produce the valuers' opinion of fair value.

All investment properties are categorised as Level 3 in the fair value hierarchy (see Note 3 for definition) as one or more inputs to the valuation are partly based on unobservable market data. There were no transfers in or out of Level 3 during the year.

Key unobservable inputs

The following table summaries the valuation techniques and inputs used in the determination of the property valuations;

	2019				2018			
	ERV - per sq ft		Equivalent yield		ERV - per sq ft		Equivalent yield	
	Low €	High €	Low	High	Low €	High €	Low	High
Office	5	64	3.9%	6.5%	8	63	3.9%	6.5%
Retail	5	660	3.2%	5.9%	5	660	3.2%	6.4%
Industrial	3	11	5.1%	7.3%	1	11	5.1%	6.9%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

10. Investment properties (continued)

Sensitivities

The following schedule shows the impact of changes in key unobservable inputs on the fair value of the Company's properties through the increase/decrease of 0.25% in equivalent yield:

	2019		2018	
	0.25% increase in equivalent yield	0.25% decrease in equivalent yield	0.25% increase in equivalent yield	0.25% decrease in equivalent yield
	€'000	€'000	€'000	€'000
Office	(109,223)	121,832	(102,162)	113,623
Retail	(30,471)	34,079	(26,143)	29,350
Industrial	(13,033)	14,233	(10,084)	12,074
Land	–	–	–	–
Other	(1,254)	1,380	(811)	910
	(153,981)	**171,524**	**(139,200)**	**155,957**

11. Financial asset

	2019	2018
	€'000	€'000
Investment	–	–
	–	**–**

Northern Trust Fiduciary Services (Ireland) Limited holds, in its capacity as Depositary to the Company, the entire share capital of IPUT Secretarial Limited (€2) and IPUT Asset Services Limited (€100). IPUT Secretarial Limited acts as company secretary to IPUT plc and IPUT Asset Services Limited employs the Building Managers for a number of IPUT's multi-let properties. Both companies have their registered address at 47-49 St Stephen's Green, Dublin 2.

Further details in respect of the subsidiaries is given in note 23.

12. Investment properties held for sale

	2019	2018
	€'000	€'000
Fair value at 1 January	67,770	8,650
Transfer from investment properties	16,000	67,770
Disposals	(67,770)	(8,650)
Fair value at 31 December	**16,000**	**67,770**

The Company completed the sale of its 25% interest in Pavilions Shopping Centre, Swords, Co. Dublin on 10 April 2019. The property was held for sale at 31 December 2018.

The Company reclassified its 35% interest in Opera Lane, Cork, Co. Cork to an investment property held for sale during the year. The conditions to classify this investment properties as held for sale were met. Income received from this property during the period was €1,250,000 (2018: €1,244,000), while costs incurred were €10,000 (2018: €15,000).

13. Property, plant and equipment

	Land & buildings	Fixtures & fittings	Computer equipment	Motor vehicles	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 January 2018	4,146	221	79	108	4,554
Additions	–	432	77	–	509
Reclassification of owner occupied	2,293	–	–	–	2,293
Disposals	–	(98)	(39)	–	(137)
	6,439	555	117	108	7,219
Depreciation/Revaluation					
At 1 January 2018	–	106	57	45	208
Depreciation charge for the year	235	96	30	22	383
Disposals	–	(72)	(33)	–	(105)
Revaluation	(235)	–	–	–	(235)
	–	130	54	67	251
Net book amounts as at 31 December 2018	**6,439**	**425**	**63**	**41**	**6,968**

	Land & buildings	Fixtures & fittings	Computer equipment	Motor vehicles	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 January 2019	6,439	555	117	108	7,219
Additions	316	85	8	36	445
Revaluation	53	–	–	–	53
Disposals	–	–	–	–	–
	6,808	640	125	144	7,717
Depreciation/Revaluation					
At 1 January 2019	–	130	54	67	251
Depreciation charge for the year	390	111	32	34	567
Revaluation	(258)	–	–	–	(258)
	132	241	86	101	560
Net book amounts as at 31 December 2019	**6,676**	**399**	**39**	**43**	**7,157**

The additions of €316,000 under Land & buildings, and €36,000 under Motor vehicles, represent an adjustment for the first time adoption of IFRS 16 Lease Accounting.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

14. Trade and other receivables

	2019	2018
	€'000	€'000
Trade receivables	110	86
VAT receivable	17,117	1,674
Prepayments and other receivables	123,960	18,234
Total current trade and other receivables	**141,187**	**19,994**
Non-current other receivables	18,930	15,147
Total trade and other receivables	**160,117**	**35,141**

An analysis of the age of the receivable balances by category that are past due and an analysis of the financial assets that are individually determined to be impaired are not presented as they are not considered material.

Included within prepayments and other receivables is withholding tax of €4,844,000 (2018: €4,080,000) deducted from shareholders and payable to the Revenue Commissioners.

The Company transferred €118,538,000 to A&L Goodbody to acquire 3 Dublin Landings, Dublin 1 in December 2019. This acquisition was completed on 20 January 2020.

Included within non-current trade and other receivables are occupier lease incentives of €18,930,000 (2018: €15,147,000). These amounts relate to rents recognised in advance as a result of spreading the effect of rent free periods, capital contributions in lieu of rent free periods and contracted rent uplifts over the expected terms of their respective leases.

The Company provided a loss allowance of nil (2018: nil) against trade and other receivables.

15. Cash and cash equivalents

	2019	2018
	€'000	€'000
Cash at bank and in hand	74,062	75,803
	74,062	**75,803**
Restricted cash and cash equivalents		
Rental deposits	3,219	3,219
Sinking funds	2,645	2,774
	5,864	**5,993**

Rental deposits and sinking fund monies represent cash held in bank accounts with conditions that restrict the use of those monies, and as such, does not meet the definition of cash and cash equivalents as defined in IAS 7 'Statement of Cash Flows'. At the statement of financial position date and date of approval of the financial statements there was no requirement to draw down these monies for at least twelve months, hence they are considered non-current.

16. Trade and other payables

	2019	2018
	€'000	€'000
Trade creditors	137	212
Deferred income	11,549	9,285
Accruals and other payables	19,318	26,874
Total current trade and other payables	**31,004**	**36,371**
Non-current trade and other payables	5,864	5,993
Total trade and other payables	**36,868**	**42,364**

Included in deferred income are rents received in advance of €11,549,000 (2018: €9,285,000).

Included in non-current trade and other payables are sinking fund amounts of €2,645,000 (2018: €2,774,000) and occupiers rental deposits of €3,219,000 (2018: €3,219,000). Sinking fund balances represent monies contributed by occupiers through individual property service charges in various multi-occupied properties. These funds are held in the name of the Company in specifically designated accounts for each individual property until such time that works of a capital nature to common areas require funding. Corresponding amounts are held as restricted cash and cash equivalents (see note 15).

17. Borrowings

	2019	2018
	€'000	€'000
Revolving credit facility	149,849	69,945
Arrangement fees and other costs	(1,465)	(1,465)
Amortised costs	570	314
Balance at 31 December	**148,954**	**68,794**
The maturity of borrowings is as follows:		
Less than 1 year	–	–
Between 2 and 5 years	148,954	68,794
Over 5 years	–	–
Total	**148,954**	**68,794**

The current five year revolving credit facility with Wells Fargo Bank International is for €250,000,000 at a margin of Euribor +1.40% and is due to mature in May 2023. There were a number of drawdowns during the year to fund the Company's development and refurbishment projects. The facility is secured by way of a floating charge over the assets of the Company.

The Directors confirm that all covenants have been complied with and are kept under review.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

17. Borrowings (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities

			Non-cash changes		
	Opening	Cash flows	Dividend declared	Amortised fees	Closing
2018	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Long term borrowings	84,266	(15,879)	–	407	68,794
Dividends payable	22,050	(94,289)	98,450	–	26,211
Total liabilities from financing activities	**106,316**	**(110,168)**	**98,450**	**407**	**95,005**

			Non-cash changes		
	Opening	Cash flows	Dividend declared	Amortised fees	Closing
2019	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Long term borrowings	68,794	79,904	–	256	148,954
Dividends payable	26,211	(105,508)	106,653	–	27,356
Total liabilities from financing activities	**95,005**	**(25,604)**	**106,653**	**256**	**176,310**

18. Share capital

	2019	2019	2018	2018
	€'000	No. of participating shares	€'000	No. of participating shares
Participating shares issued and fully paid				
Shares in issue on 1 January		2,238,363		2,170,271
Repurchase of own shares	(15,085)	(13,864)	(11,067)	(10,313)
Issue of shares	282,732	250,882	86,714	78,405
		2,475,381		**2,238,363**

The issuance and repurchasing of participating shares throughout the period is outlined in the table above.

Each of the participating shares entitles the shareholder to participate equally on a pro-rata basis in the dividends and net assets of the Fund. Each of the participating shares entitles the holder to attend and vote at meetings of the Company and of the Fund. The rights, entitlements, dividends or any voting rights attached to one participating share class relate solely to that share class.

The holders of participating shares are entitled to such dividends as the Directors may from time to time declare and, in the event of a winding up, have the entitlements referred to in the Company's Prospectus. At a general meeting, on a show of hands every holder of participating shares present in person or by proxy shall have one vote and on a poll, every holder of participating shares present in person or by proxy shall be entitled to one vote in respect of each participating share held by them.

18. Share capital (continued)

Applications for shares should be made on the application form and be submitted in accordance with the provisions set out in the prospectus to be received by the administrator on or prior to the dealing deadline for the relevant dealing day which is at least three months prior to the relevant dealing day or in each case such other business day(s) as the Directors may determine, provided the relevant requests are received at least four weeks before the valuation point for the relevant dealing day. The offer price for new shares is set at the net asset value per share at the relevant valuation point plus a provision for duties and charges.

Requests for the sale of shares may, at the sole discretion of the Directors, be permitted on each dealing day, and should be submitted to the Company in accordance with the provisions set out in the prospectus. Requests must be received by the relevant dealing deadline, which is at least six months prior to the relevant dealing day or in each case such other business day(s) as the Directors may determine, provided the relevant requests are received at least four weeks before the valuation point for the relevant dealing day.

Shares are repurchased at the repurchase price. The repurchase price is set at the net asset value per share in the Fund at the relevant valuation point less a provision for duties and charges to cover the costs associated with the disposal of commercial property in Ireland.

The Fund's dealing days are the first business days of January, April, July and October.

19. Net asset value per share

	2019	2018	2017
	€'000	€'000	€'000
Total assets	2,958,301	2,597,220	2,426,065
Total liabilities	(213,178)	(137,369)	(133,982)
Net assets at year end	**2,745,123**	**2,459,851**	**2,292,083**

	2019	2018	2017
	Shares	Shares	Shares
Number of shares in issue	**2,475,381**	**2,238,363**	**2,170,271**

	2019	2018	2017
	€	€	€
Net asset value per share	**1,108.97**	**1,098.95**	**1,056.13**
INREV net asset value per share (unaudited)	**1,127.18**	**1,114.67**	**1,070.77**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

20. Dividends payable

	Payment date	€ per share	2019 €'000	2018 €'000
For the year ended 31 December 2018				
Q1 dividend	9 April 2018	10.50		22,884
Q2 dividend	6 July 2018	11.00		24,104
Q3 dividend	5 October 2018	11.50		25,251
Q4 dividend	8 January 2019	11.71		26,211
		44.71		
For the year ended 31 December 2019				
Q1 dividend	5 April 2019	11.50	25,846	
Q2 dividend	5 July 2019	11.50	26,457	
Q3 dividend	7 October 2019	11.50	26,994	
Q4 dividend	8 January 2020	11.50	27,356	
		46.00		
Total dividends			**106,653**	**98,450**

21. Financial risk management

The Company is exposed to various types of risk that are associated with financial instruments. The most important types are market risk, liquidity risk and credit risk.

Market risk

Market risk is the risk that the fair values or future cash flows of financial instruments will fluctuate due to changes in market prices. The Company's financial assets comprise short term bank deposits and trade and other receivables. Exposure to market risk on the funds held in short term bank deposits is limited to interest rate risk. These deposits earn low interest rates and therefore an increase or decrease in the interest rate would not have a material effect on the results for the period. The Company's financial liabilities comprise dividends and trade and other payables, neither of which give rise to a significant market risk.

The Company does not have any exposure to foreign currency risk as all assets and liabilities are denominated in Euro.

The Company invests in commercial property in Ireland and as such is exposed to the risks of investing in the Irish property market. See note 4 and note 10 for further details.

Liquidity risk

Liquidity risk is the risk that the Company will encounter in realising assets or otherwise raising funds to meet financial commitments. The investment properties in which the Company invests are not traded on a public market and may be illiquid. As a result, the Company may not be in a position to liquidate its investments in a timely manner at an amount close to their fair value in order to meet its liquidity requirements.

Any request for the repurchase of shares made to the Company are accepted at the sole discretion of the Directors. The Company has a minimum six month dealing term to which the Directors can extend in line with the liquidity of the Fund.

In order to mitigate this risk, the Company maintains a level of liquidity appropriate to its underlying obligations, based on an assessment of the relative liquidity of the Company's assets in the market, taking account of the time required for liquidation and the price or value at which those assets can be liquidated and their sensitivity to other market risks or factors. The Company's liquidity risk is managed on an on-going basis by the senior management team and monitored on a quarterly basis by the Board.

21. Financial risk management (continued)

The Company had contracted capital commitments of €110,900,000 at 31 December 2019 (2018: €79,515,000) which related to construction contracts for the refurbishment/development projects. In order to manage the liquidity risk around the funding of these projects, the Company operates a €250 million Revolving Credit Facility ('RCF') with Wells Fargo. The maturity of borrowings is set out in Note 17.

The Board of Directors seek to maintain minimum cash balances of at approximately 1% of the net asset value of the Company. At the 31 December 2019 the company held €74,062,000 (2018: €75,803,000) which is 2.70% (2018: 3.08%) of the net asset value.

Details of the Company's financial liabilities and their maturities are as follows:

	At 31 December 2018	1 year or less	2 to 5 years	5 years +
	€'000	€'000	€'000	€'000
Trade creditors	212	212	–	–
Accruals and other payables	26,874	26,874	–	–
Rental deposits	3,219	–	3,219	–
Dividend payable	26,211	26,211	–	–
Borrowings	68,794	–	68,794	–

	At 31 December 2019	1 year or less	2 to 5 years	5 years +
	€'000	€'000	€'000	€'000
Trade creditors	137	137	–	–
Accruals and other payables	19,318	19,318	–	–
Rental deposits	3,219	–	3,219	–
Dividend payable	27,356	27,356	–	–
Borrowings	148,954	–	148,954	–

Interest rate risk

At 31 December 2019 the Company had a revolving credit facility with Wells Fargo Bank International for an initial commitment of €250,000,000 at a margin of Euribor +1.40%. €149,849,000 of this facility was drawn at the reporting date including the deduction of arrangement and other facility fees. The Interest incurred on this facility in the period was €2,132,000 (2018: €1,563,000).

An increase/decrease in the interest rate by 10 basis points will result in an increase/decrease of €149,849 on the debt of €149,849,000.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents held at banks, trade receivables and rent receivables from lessees.

The Company's policy is to enter into financial instruments with reputable counterparties. The senior management team closely monitor the creditworthiness of the Company's counterparties by reviewing their credit ratings and financial information on a regular basis.

In relation to rental income receivable, the senior management team assess the occupiers according to the Company's criteria prior to entering into lease arrangements. Occupiers payment records are monitored in order to anticipate and minimise the impact of any defaults and the Board receive regular reports on any occupiers in arrears. The Company is not exposed to any concentration of rental income from any one occupier.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

21. Financial risk management (continued)

All of the Company's cash is placed with financial institutions with a credit rating of at least B (Ulster Bank Ireland DAC A, Bank of Ireland Group plc BBB-, Permanent TSB plc BBB- and Barclays Bank plc A, based on Standard & Poor's long term rating). Should the financial position of the banks currently utilised significantly deteriorate, cash holdings would be moved to another bank. Cash deposits are spread across a number of different financial institutions.

Northern Trust Fiduciary Services (Ireland) Limited ("NTFSIL") is the appointed Depositary to the Company. NTFSIL has appointed The Northern Trust Company ("TNTC") as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation ("NTC"). NTC had a long term credit rating from Standard & Poor's of A+ at 31 December 2019.

The carrying amount of financial assets represents the maximum credit exposure:

	2019	2018
	€'000	€'000
Cash and cash equivalents	74,062	75,803
Restricted cash and cash equivalents	5,864	5,993
Trade and other receivables	160,117	35,141
	240,043	**116,937**

Fair value hierarchy

As at 31 December 2019, the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values and are classified in Level 2 of fair value hierarchy.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the Company at 31 December 2019 consisted entirely of equity. Equity comprises issued share capital and retained earnings as disclosed in the statement of changes in equity. The Board monitors the return on capital as well as the level of dividends paid to shareholders. It is the policy of the Company to pay dividends from accumulated revenue less expenses.

In accordance with the European Union (Alternative Investment Fund Managers Directive) Regulations 2013, the Company maintains an issued share capital of at least €300,000. The Minimum Capital Requirements state that the Company must hold the higher of Initial Capital Requirement plus Additional Amount (if applicable) and Expenditure. Based on our calculations the Expenditure method produces the higher figure. The required total of the initial capital and the additional amount shall not be required to exceed €10,000,000.

22. Remuneration disclosures

The Board has established a Remuneration Committee which is responsible for the making of decisions regarding remuneration of the Company's staff. The Board has adopted a Remuneration Policy which sets out the remuneration practices of the Company and which are intended to be consistent with the risk profile of the Company. The policy is to pay identified staff a fixed component with the potential to receive a variable component based on a combination of the performance of the individual and the Company. The fixed and variable remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant member of staff's position and professional status as well as market best practice. The assessment of performance is set in a multi-year framework appropriate to the life cycle of the Company in order to ensure that the assessment process is based on longer term performance.

The Directors and certain members of the senior management team are considered to be the Company's key management personnel. No Director or member of the senior management team had any interest in any transactions which were unusual in their nature or significant to the nature of the Company. The total remuneration of the key management personnel and fifteen identified staff (2018: fifteen, including members of the development team whose remuneration costs have been capitalised) who have a material impact on the risk profile of the Company, is set out below in aggregate for each of the applicable categories specified in IAS 24 'Related Party Disclosures':

		2018		
	Fixed	Variable		Total
		Short term benefits	Share based payments	
	€'000	€'000	€'000	€'000
Total remuneration of key management personnel and identified staff	2,459	1,760	687	4,906

		2019		
	Fixed	Variable		Total
		Short term benefits	Share based payments	
	€'000	€'000	€'000	€'000
Total remuneration of key management personnel and identified staff	3,012	1,960	1,158	6,130

Included within the variable component are amounts recognised in the statement of comprehensive income, in accordance with IFRS 2 Share-based Payment, relating to 748 shares which were issued to key management personnel at the NAV per share price on 4 January 2019 (2018: 415). These shares were granted to incentivise and align management's interests with those of shareholders and include a requirement to hold the shares for a minimum of five years. The shares were issued to participants at the net asset value per share at the date of issue i.e. €1,098.95 per share. The cost of awarding these shares amounted to €822,500.

In addition, key management personnel were awarded the right to be issued 320 shares in 2022 (2018: 276 shares in 2021). The entitlement to these shares is conditional on continued service and company performance over a 3 year vesting period. The fair value of the award has been measured with respect to the net asset value per share at the reporting date and after considering the conditions associated with the award. The cost will be recognised over the 3 year vesting period to 31 December 2021, subject to service and performance conditions and an amount of €687,000 has been included in trade and other payables at 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

23. Related party disclosures

To the extent not disclosed elsewhere in this report, details of the Company's related parties are set out below. The Company's principal subsidiaries as at 31 December 2019 are as follows:

Related company	Company's interest	Nature of business	Country of incorporation
IPUT Secretarial Limited	100%	Corporate Services	Ireland
IPUT Asset Services Limited	100%	HR services for Building Managers	Ireland

In addition, the Company holds an interest in a number of management companies responsible for the collection of service charges on properties owned by the Company. The Company has availed of an exemption under IFRS from preparing consolidated accounts on the basis that its subsidiaries are not material to the Company's operations.

The Directors received total remuneration of €615,000 during the year 2019 (2018: €500,000). No Directors fees remained payable at the year end.

The Directors are satisfied that there are arrangements in place to ensure that the obligations set out in the AIF Rulebook in respect of dealings by the Company, the depositary or any delegates or group companies of these are applied to all transactions with connected parties.

24. Operating lease arrangements

	2019	2018
	€'000	€'000
Within 1 year	119,640	109,668
After 1 year but not more than 5 years	428,248	395,127
More than 5 years	286,145	261,178
	834,033	**765,973**

The Company generates rental income through the leasing of investment properties to occupiers under non-cancellable operating leases. The Company had contracted to receive the above minimum lease payments at 31 December 2019.

25. Administration Fee

The Administrator ('Northern Trust Fund Administration Services (Ireland) Limited') is entitled to receive out of the assets of the Company, accrued and payable quarterly in arrears, the following fees:

- an annual fee based on a stepped percentage of the gross asset value, as at each dealing day (subject to a minimum annual fee of €80,000); and
- an annual fee of €100 per investor for the maintenance of their account; and

For the year ended 31 December 2019, the Administrator earned a fee of €302,000 (2018: €283,000), of which €76,000 was due and payable at the year end (2018: €72,000).

26. Depositary Fee

The Depositary ('Northern Trust Fiduciary Services (Ireland) Limited') is entitled to receive out of the assets of the Company, an annual fee based on a stepped percentage of the net asset value of the Company as at each dealing day. This fee is subject to a minimum annual fee of €44,000. The fee is accrued and payable quarterly in arrears. The Depositary is also entitled to a transaction fee for each purchase and sale of an asset of €500 per transaction. For the year ended 31 December 2019, the Depositary earned a fee of €248,000 (2018: €292,000), of which €60,000 was due and payable at the year end (2018: €73,000).

27. Funds committed

The Company had received new share applications with a cumulative value totalling €1,338,000 as at 31 December 2019 (31 December 2018: €11,141,000). These applications were considered by the Directors and were drawn down on 3 January 2020.

28. Changes to prospectus

The prospectus was reviewed and updated on the 9 May 2019.

29. Soft commission arrangements

There were no soft commission arrangements undertaken during the year ended 31 December 2019 (2018: none).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

30. Capital commitments

The Company had contracted capital commitments of €110,900,000 at 31 December 2019 (2018: €79,515,000) which related to construction contracts and design team fees for the refurbishment/redevelopment projects in progress at year end.

31. Litigation

From time to time the Company is involved in various legal matters and claims in the normal course of business. These matters are monitored by the Board of Directors on an ongoing basis and any potential outcome is not considered to have a material impact on the financial statements.

32. Events after the reporting year end

On 3 January 2020 the Company issued 1,207 shares for consideration of €1,338,000. This transaction, after the reporting year end, was not characterised by unusual size or frequency.

On 10 January 2020 the Company repurchased 1,041 shares at a cost of €1,140,000. This transaction, after the year end, was not characterised by unusual size or frequency.

The Company completed the acquisition of 3 Dublin Landings, Dublin 1 on the 20 January 2020.

On 24 March 2020 terms for a new €300,000,000 five year revolving credit facility were agreed with Wells Fargo Bank International, replacing the existing facility.

On 24 March 2020 the Company completed the issuance of €200,000,000 private placement notes. These funds will be drawn in May 2020 with maturities in ten and twelve years.

The outbreak of COVID-19 presents global challenges and uncertainties. Its severity, spread and likely duration remain largely unknown and its impact on the global and Irish economy, including real estate valuations and returns, is at present uncertain.

IPUT has taken the necessary measures to ensure the safety of our staff through the initiation of our business continuity procedures. The Board and Senior Management Team are closely monitoring the ongoing developments regarding the outbreak of COVID-19 and its impact on our operations and performance. Whilst we cannot be certain how long this situation will last, we continue to monitor and manage the situation closely as it evolves over the coming weeks and months and adjust our plans as appropriate.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of IPUT plc (the 'Company') will be held at the Company's registered office at 47-49 St. Stephen's Green, Dublin 2 on 30 April 2020 at 12pm to review the affairs of the Company and to consider and, if thought fit, to pass the following resolutions:

Ordinary Business:

1. To receive and consider the directors' and auditor's report and financial statements for the year ended 31 December 2019;
2. To re-appoint KPMG as auditors to the Company and to authorise the directors to fix their remuneration;

And to transact any other business which may properly be brought before the meeting.

In the event that shareholders are unable to attend the AGM in person we will ensure that teleconferencing facilities are available to dial into the meeting.

By Order of the Board

IPUT Secretarial Limited
Company Secretary
3 April 2020

GLOSSARY OF TERMS

Capital Raised
Cash received from the issuance of new shares.

Dividend Per Share
Annual dividend declared divided by the weighted average number of shares in issue.

Dividend Yield
Dividend per share expressed as a percentage of the average net asset value per share over the entire year.

Estimated Rental Value (ERV)
The open market rent that a property could reasonably be expected to achieve on a new letting or rent review.

Income Yield
Annual rent receivable on an investment property expressed as a percentage of the total acquisition cost.

Net Asset Value Per Share
Net assets divided by the number of shares in issue at the reporting date.

Net Rental Income
Gross rental income less operating property costs, net service charge costs and after accounting for the net effect of the amortisation of lease incentives.

Occupancy Rate
The estimated rental value of let units as a percentage of the total estimated rental value of the portfolio, excluding properties which are undergoing refurbishment/development and are not available to let as at the reporting date.

QIAIF
Qualifying Investor Alternative Investment Fund.

Total Expense Ratio
Total Management and Fund expenses as a proportion of the weighted average net asset value of the Fund.

Total Property Return (MSCI)
The movement in property capital values during the period, less any capital expenditure incurred, plus capital receipts and net income, expressed as a percentage of the property value at the beginning of the year plus capital expenditure, as calculated by MSCI.

Total Shareholder Return
The movement in the net asset value per share plus dividends per share earned in the year, expressed as a percentage of the net asset value per share at the beginning of the year.

WAULT
Weighted average unexpired lease term.

PROPERTY PORTFOLIO MAP

95 Properties

Office

1. Block P1, Eastpoint Business Park, Dublin 3
2. Block P3, Eastpoint Business Park, Dublin 3
3. The Exchange, IFSC, Dublin 1
4. Block B, Georges Quay, Dublin 2
5. 25-28 North Wall Quay, IFSC, Dublin 1
6. Tropical Fruit Warehouse, 30-32 Sir John Rogerson's Quay, Dublin 2
7. 33-34 Sir John Rogerson's Quay, Dublin 2
8. Riverside One, Sir John Rogerson's Quay, Dublin 2 (70.8%)
9. Riverside Two, Sir John Rogerson's Quay, Dublin 2
10. 7 Hanover Quay, Dublin 2
11. Ten Molesworth Street, Dublin 2
12. 15 Molesworth Street, Dublin 2
13. 1 Grand Canal Square, Dublin 2
14. 46 St. Stephen's Green, Dublin 2
15. 47-49 St. Stephen's Green, Dublin 2
16. No. 2, Hume Street, Dublin 2
17. Ballaugh House, 73-79 Lower Mount Street, Dublin 2
18. Timberlay House, 79-83 Lower Mount Street, Dublin 2
19. Styne House, Hatch Street, Dublin 2
20. 2 Harcourt Centre, Dublin 2
21. 3 Harcourt Centre, Dublin 2
22. 5 Earslfort Terrace, Dublin 2 (75%)
23. 6 Earslfort Terrace, Dublin 2 (75%)
24. Deloitte House, Earlsfort Terrace, Dublin 2
25. One Wilton, Wilton Place, Dublin 2
26. Wilton Park House, Wilton Place, Dublin 2
27. Gardner House, Wilton Place, Dublin 2
28. 1 Shelbourne Buildings, Shelbourne Road, Dublin 4
29. 2 Shelbourne Buildings, Shelbourne Road, Dublin 4
30. 3 Shelbourne Buildings, Shelbourne Road, Dublin 4
31. Ericsson House, Beech Hill, Clonskeagh, Dublin 14
32. Block 5, Richview Office Park, Clonskeagh, Dublin 14
33. Block 9, Richview Office Park, Clonskeagh, Dublin 14
34. Waterside 1, Citywest Business Campus, Dublin 24 (50%)
35. Waterside 2, Citywest Business Campus, Dublin 24 (50%)
36. Waterside 3, Citywest Business Campus, Dublin 24 (50%)
37. Waterside 4, Citywest Business Campus, Dublin 24 (50%)
38. Waterside 5, Citywest Business Campus, Dublin 24 (50%)
39. 4 Fitzwilliam Place, Dublin 2
40. 51-54 Pearse Street & Magennis Court, Dublin 2

Retail

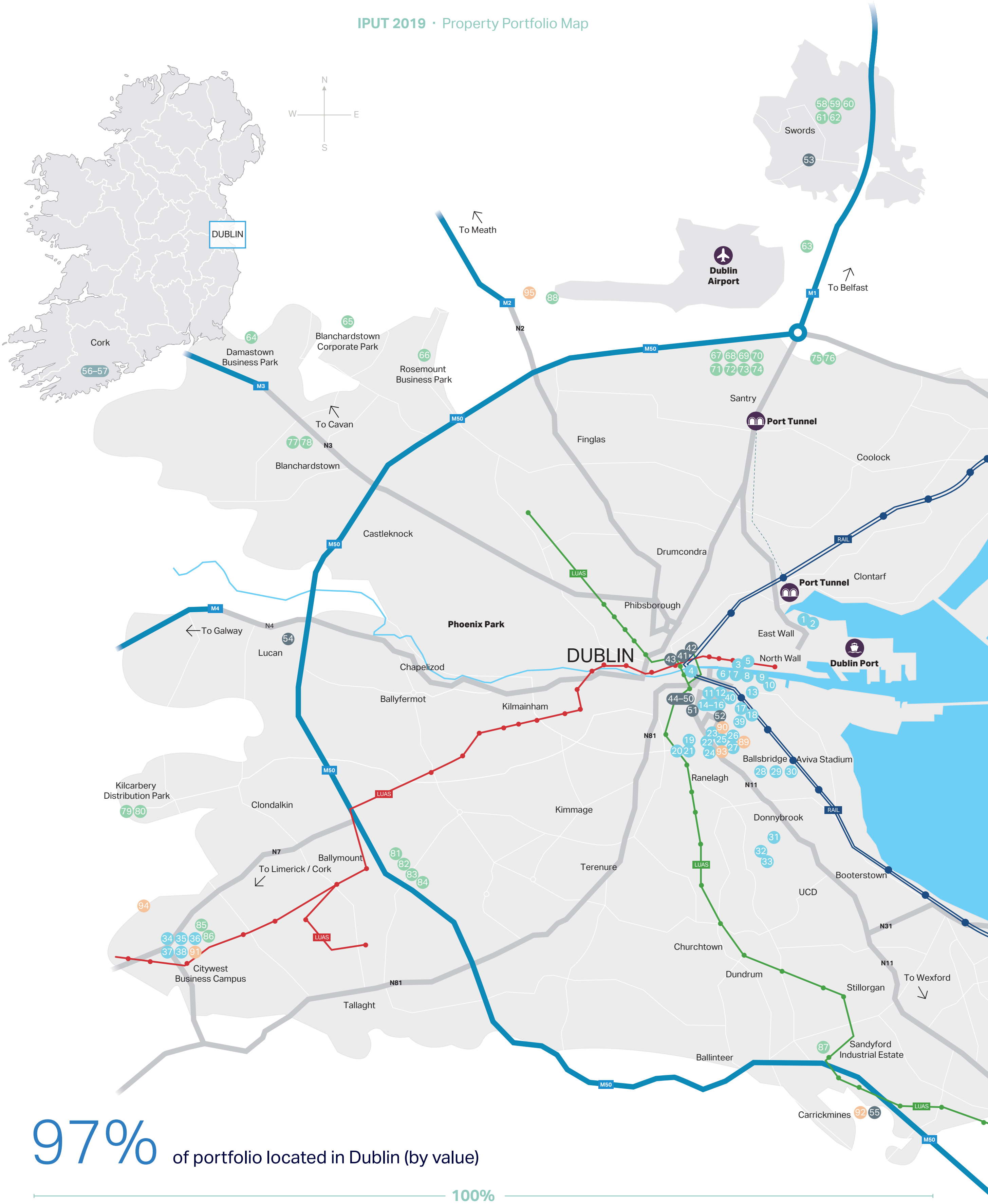
41. 45 Henry Street, Dublin 1
42. 16 Henry Street, Dublin 1
43. 17 Henry Street, Dublin 1
44. 83 Grafton Street, Dublin 2
45. 72 Grafton Street, Dublin 2
46. 69 Grafton Street, Dublin 2
47. 65-66 Grafton Street, Dublin 2 (60%)
48. 28-29 Grafton Street, Dublin 2
49. 36 Grafton Street, Dublin 2
50. 40 Grafton Street, Dublin 2
51. 6-7 St. Stephen's Green, Dublin 2
52. 15-16 Baggot Street, Dublin 2
53. Airside Retail Park, Swords, Co. Dublin (50%)
54. Unit 11, Liffey Valley Retail Park, Dublin 22 (50%)
55. Carrickmines Park, Carrickmines, Dublin 18
56. Opera Lane, Academy Street, Cork (35%)
57. Mahon Retail Park, Cork

Logistics

58. Unit C, North Dublin Corporate Park, Swords, Co. Dublin
59. Unit D1, North Dublin Corporate Park, Swords, Co. Dublin
60. Unit D2, North Dublin Corporate Park, Swords, Co. Dublin
61. Unit E, North Dublin Corporate Park, Swords, Co. Dublin
62. Unit F, North Dublin Corporate Park, Swords, Co. Dublin
63. Unit D1, Airport Business Park, Swords, Co. Dublin
64. Geodis Building, Damastown Business Park, Mulhuddart, Dublin 15
65. Unit 14/16 Blanchardstown Corporate Park, Ballycoolin, Dublin 15
66. Unit 1A & 1B Rosemount Business Park, Dublin 15
67. Unit A, Furry Park Industrial Estate, Dublin 9
68. Unit D, Furry Park Industrial Estate, Dublin 9
69. Unit E, Furry Park Industrial Estate, Dublin 9
70. Unit K, Furry Park Industrial Estate, Dublin 9
71. Unit L, Furry Park Industrial Estate, Dublin 9
72. Unit M1, Furry Park Industrial Estate, Dublin 9
73. Unit M2, Furry Park Industrial Estate, Dublin 9
74. Unit N, Furry Park Industrial Estate, Dublin 9
75. Unit A, Willsborough Distribution Centre, Dublin 17
76. Unit B, Willsborough Distribution Centre, Dublin 17
77. Unit 103, Northwest Business Park, Ballycoolin, Dublin 15
78. Unit 624, Northwest Business Park, Ballycoolin, Dublin 15
79. Unit D, Kilcarbery Distribution Park, Clondalkin, Dublin 22 (50%)
80. Unit E, Kilcarbery Distribution Park, Clondalkin, Dublin 22
81. Unit 5, Westgate Business Park, Dublin 12
82. Unit 6A, Westgate Business Park, Dublin 12
83. Unit 6B, Westgate Business Park, Dublin 12
84. Unit 7, Westgate Business Park, Dublin 12
85. 4045 Kingswood Road, Citywest Business Campus, Dublin 24
86. 4058-4060 Kingswood Drive, Citywest Business Campus, Dublin 24
87. Unit 92, Bracken Road, Sandyford Industrial Estate, Dublin 18
88. Unit 1, Dublin Airport Logistics Park, Co. Dublin

Other

89. No. 43 Court Apartments, Dublin 2
90. Lad Lane Apartments, Dublin 2
91. 8.2 acre site, Waterside, Citywest Business Campus, Dublin 24 (50%)
92. 18 acres at Carrickmines Park, Dublin 18
93. 2-4 Wilton Place, Dublin 2
94. 13 acres site, Aerodrome Business Park, Rathcoole, Co. Dublin
95. 33 acre site, Kilshane Cross, Co. Dublin



97% of portfolio located in Dublin (by value)

100%

Office	Retail	Logistics	Other
67%	19%	11%	3%

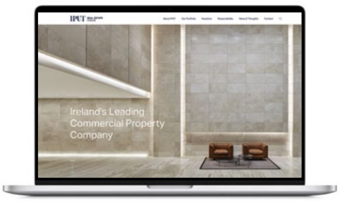
CONTACT DIRECTORY

Directors
John F. Mulcahy (Chairman)
Frank Close
Marie Collins
Simon Radford
Jim Foley
Donal Courtney
Eithne Fitzgerald

Company Secretary
IPUT Secretarial Limited

Registered Office
47-49 St. Stephen's Green
Dublin 2

Company Number
535460



For more information on IPUT visit our new website:

iput.com/investor_relations

IPUT Real Estate

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Follow us

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Lower Baggot Street
Dublin 2

Bank of Ireland
Lower Baggot Street
Dublin 2

Permanent TSB
56-59 St. Stephen's Green
Dublin 2

Barclays Bank Ireland
Two Park Place
Hatch Street
Dublin 2

Wells Fargo Bank International
2 Harbourmaster Place
IFSC
Dublin 1

Northern Trust
George's Court
54–62 Townsend Street
Dublin 2

Auditors
KPMG
1 Stokes Place
St. Stephen's Green
Dublin 2

Depositary
Northern Trust Fiduciary Services
(Ireland) Limited
George's Court
54-62 Townsend Street
Dublin 2

Administrator
Northern Trust International Fund
Administrators (Ireland) Limited
George's Court
54-62 Townsend Street
Dublin 2

Legal Advisors
A&L Goodbody
25-28 North Wall Quay
IFSC
Dublin 1

Property Valuers
Jones Lang LaSalle
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CBRE
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