IPUT REAL ESTATE DUBLIN

Q4 2020

Fund NAV stands at €2.7 billion

Making Place research report launched

Dividend of €102.5 million paid in 2020

97% rent collection rate for 2020

GRESB 4 star rating achieved

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Pictured: Illustration by Dermot Flynn from our recent thought leadership report *Making Place*

Outlook

The resilience of our portfolio during this unprecedented period is demonstrated by a rental recovery of over 97% resulting in a dividend payment of €102.5 million for the year. This equates to €41.50 per share, a yield of 3.8%. While 2021 has commenced with a third lockdown to manage the latest wave of the virus, we are cautiously optimistic that we will progressively resume to everyday life in mid 2021.

Throughout the year, we continued to work with all our stakeholders to ensure a safe working environment at our buildings and construction sites. We have had regular engagement with our occupiers, particularly in relation to lockdown restrictions and we have worked with the businesses that needed assistance. The IPUT team adapted quickly to hybrid working to ensure we had continuity of business throughout this challenging period.

The office portfolio now extends to over 1.8 million sq ft, making IPUT the largest owner of CBD offices in Dublin. This is set to grow to over 2.6 million sq ft over the next three years as the current development programme reaches practical completion. Our occupancy levels are currently over 96% and the weighted average unexpired lease term (WAULT) is 6.5 years. The security of rental income going forward ensures we can continue to maintain a strong dividend yield.

At its core, IPUT is an income fund and the current contracted rent of €122 million will grow to over €160 million in tandem with the completion of our development projects, 87% of which are now fully de-risked through pre-leasing. The clear visibility of income growth in the next three years underpins our confidence in our progressive dividend policy and allows us to look beyond the current challenges to seek out further opportunity.

The logistics portfolio has been a stellar performer in 2020. Both rents and values have risen and demand for space is currently strong.

The growth of e-commerce and the impact of Brexit have fuelled tenant demand. We have strategically acquired additional land to develop new modern logistics facilities with sustainability credentials. We are currently building a new 120,000 sq ft facility at Aerodrome Business Park. We intend to continue to develop market-leading logistics units on this land and increase our capital allocation to this sector.

The challenges to retail have been evident and the current lockdown means all non-essential retail is closed for a third time. Retailers have been very adaptable to this challenge and many remain open for click and collect. Our retail parks continue to trade well, footfall is back to 2019 levels and, despite losing Mothercare in June in both Carrickmines and Mahon retail parks, both units have now been re-let, meaning both parks are again fully occupied.

We continue to adopt a prudent approach to balance sheet management, ensuring our debt is very modest and below our self-imposed 20% loan- to-value threshold (currently 8%) and that our exposure to speculative development is conservative (currently below 2%). This strategy enables the business to drive superior, risk-adjusted returns for shareholders in all market conditions.

Despite the current challenges, we are cautiously optimistic for 2021. We believe the new year will bring new opportunities to add value to our portfolio in line with our long-term objective to develop and own exceptional buildings that set new standards in design and sustainability.

Pictured: CGI of Unit G, Aerodrome Business Park

Portfolio Overview

Portfolio Value	Contracted Rental Income	Occupancy	WAULT
€2.9bn	€122m	96.6%	6.5 Years

Portfolio by asset mix

98% of portfolio located in Dublin by value

Office	Retail	Logistics	Other
71%	16%	11%	2%
€2.088 billion	**€454** million	**€319** million	
1.8 million sq ft	**874,000** sq ft	**2.6m** sq ft	
41 assets	**16** assets	**32** assets	

Q4 Highlights

Retail park lettings

We have re-let the vacant units at Carrickmines Park and Mahon Retail Park to restore full occupancy following the liquidation of Mothercare Ireland in June. These two lettings to Dealz and Equipet respectively, have secured €655,000 of income for the Fund with a combined WAULT of 6.3 years. This demonstrates the resilience of our out-of-town retail parks which are again fully let.

Planning permissions

In line with our journey to net zero carbon by 2030, we continue to look for opportunities to upgrade and improve the portfolio. We have received planning permission at 25/28 North Wall Quay, Dublin 1 and Block B George's Quay, Dublin 2 to redevelop these assets. These developments will be carried out over the medium term and will add 80,000 sq ft of office space with market-leading sustainability credentials. This ensures these offices will remain attractive for our occupiers and meet our long-term goal of net zero emissions.

Pictured: Carrickmines Park, Dublin 18

Performance

The 2020 performance is underwritten by strong rent receipts across all sectors with a full-year rent collection rate of 97%. A cash dividend of €25.8 million for Q4 brings dividends for 2020 to €102.5 million delivering a total shareholder return of 2.2%.

Q4 2020

Net asset value	Quarterly dividend	Annual dividend yield	Quarterly shareholder return
€2.7bn	€25.8m	3.8%	0.96%

Share price information

	30 Sept 2020	31 Dec 2020
Offer price per share	**€1,113.63**	**€1,113.78**
NAV per share	**€1,091.80**	**€1,091.95**
Repurchase price per share	**€1,075.42**	**€1,075.57**
Dividend per share	**€10.50**	**€10.50**
Distribution date	**07/10/2020**	**08/01/2021**

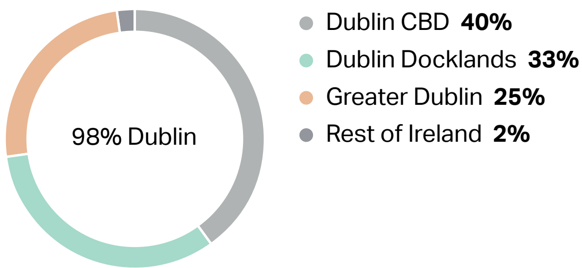
Key Dates
NAV announcement – Q4 2020 **4 January 2021**
Dividend payment – Q4 2020 **8 January 2021**
NAV announcement – Q1 2021 **1 April 2021**
Dividend payment – Q1 2021 **7 April 2021**

The value of the IPUT portfolio as at 31 December 2020 was €2.9 billion representing a 0.1% net capital value decrease over Q3 2020 and a total annual decrease of 1.5%. The majority of capital value decreases were recorded across the retail portfolio which represents 16% of the Fund. The overall impact of these losses was mitigated by the strong performance of our logistics portfolio and our development programme at Wilton Park. The RICS valuation uncertainty clause which was adopted by the external valuers (CBRE and JLL) across all asset classes has been lifted for office, logistics, residential and development land but remains in place for retail assets.

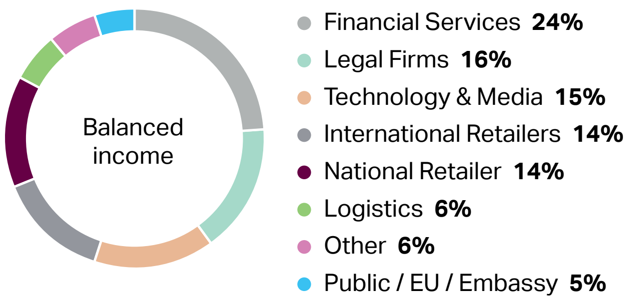
The prime city centre office and logistics sectors remained resilient during 2020. The positive valuation movement in the office sector was largely attributable to progress at our Wilton Park development, including the commencement of Two - Four Wilton Park (pre-let to LinkedIn) and the completion of rent reviews and asset management initiatives across the standing city centre portfolio. The logistics sector remained robust, with positive valuation increases recorded across the majority of assets due to yield compression, ERV movement and ongoing asset management initiatives.

The value of our retail portfolio, contracted by a further 1.5%. The total reduction, year to date is €69.2m which is a fall of 13% in the value of our retail holdings. Retail warehousing was more resiliant, relative to retail overall, recording a capital value increase during the quarter and a total year to date decline of 5%.

Portfolio by Location



Occupiers by Sector



Responsibility

Making Place: The recalibration of work, life, and place

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In Q4, we released *Making Place*, our 2020 thought leadership report, in partnership with Arup, and have been actively engaging with key stakeholders across the business on its implementation.

In this report, we look at how to embrace new ways of working, alongside a renewed relationship with the office and the local neighbourhood.

As we see our working lives being transformed through technology, and against the backdrop of an unprecedented shift to remote working in 2020, we have reached a point at which we need to reflect on what this means for the future of physical offices and the communities surrounding them.

The report examines what employees are looking for from the workplace and what that teaches us about how we can narrow the gap between the physical make-up of the places in which we live and which we work.

We believe there is a unique opportunity to reassert the value of the workplace through 'workplacemaking'. The foundation for 'workplacemaking' is based upon five overarching spatial typologies that address how places shape social, economic and environmental outcomes. Through this research, we want to start the debate on how offices can maintain their important economic and social functions while at the same time contributing to making our cities more enriching and sustainable places.

Ultimately, successful placemaking underpins an enhanced experience for our occupiers and the local community which, in turn, translates into the long-term resilience of our portfolio and income for our investors.

PRI

IPUT became signatories of the Principles of Responsible Investment (PRI) in 2019. 2020 was our first year to disclose under the PRI assessment and we achieved an 'A' rating for both the Strategy & Governance and Direct Property modules. The 'A' rating underlines our leadership in responsible investment in the Irish real estate market, and reflects our continuous commitment to incorporate environment, social and governance (ESG) issues into how we manage our portfolio for the benefit of our stakeholders.

GRESB

2020 is our fifth consecutive year of participating in the Global Real Estate Sustainability Benchmark (GRESB) and we are pleased to report we achieved a 4-star rating for both Standing Investments and Developments with a score of 77% and 87% respectively. This is the first year that GRESB have separately scored the Development Projects and we are delighted to have ranked first in our peer group.

Net zero carbon

We also made a pledge to own assets operating at net zero carbon within areas of our direct control and develop assets that operate at net zero carbon by 2030. By taking a lead in the Irish property market to begin this journey, we have illustrated the immediate action needed to the meet the challenge of climate change. For more information visit worldgbc.org/thecommitment.

To read the full report visit:
iput.com/thought-leadership

Activity

Despite the challenging market conditions in 2020, it remained a busy period for the Fund. Over the last six months we completed five new leases or renewals, including the letting of three floors at No. 3 Dublin Landings to Microsoft. These lettings added €3.1 million per annum of income to the Fund. There was also considerable progress across our development projects.

Asset management

Our asset management team proactively seek to stabilise income, drive income growth and extend the weighted average lease length (WAULT). In Q4, new lettings and renewals added €1 million to income. In addition, we concluded 15 rent reviews, 10 in the office portfolio and 5 across the retail and logistics portfolios which resulted in an additional €2.35 million of income. We also renegotiated 11 lease regears, which extended the WAULT in these assets to 7.1 years.

Development update

At One Wilton Park, the structure of this 150,000 sq ft office building is now complete. The installation of the façade is underway and practical completion is on schedule for March 2021. Our development team are in regular contact with LinkedIn for the handover process.

The development of Four Wilton Park has been brought forward and will now be delivered 12 months ahead of the original schedule, in tandem with the delivery of Two and Three. Demolition works will complete in Q1 2021 and practical completion of the three buildings is scheduled for Summer 2023.

Our 83,500 sq ft office development at the Tropical Fruit Warehouse is progressing. The superstructure and frame which connects the warehouse to the new build is complete. The building is scheduled for practical completion in Autumn 2021.

Pictured: Tropical Fruit Warehouse, Sir John Rogerson's Quay, Dublin 2

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 5.1 million sq ft, with a net asset value of €2.7 billion.

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IPUT plc
47-49 St. Stephen's Green, Dublin 2, D02 W634, Ireland
T +353 1 661 3499
info@iput.com

iput.com