

Q4

2022

INVESTOR UPDATE

€108 million dividend
paid FY 2022

17% increase
in contracted income

GRESB 5-Star rating
achieved for standing
and development assets

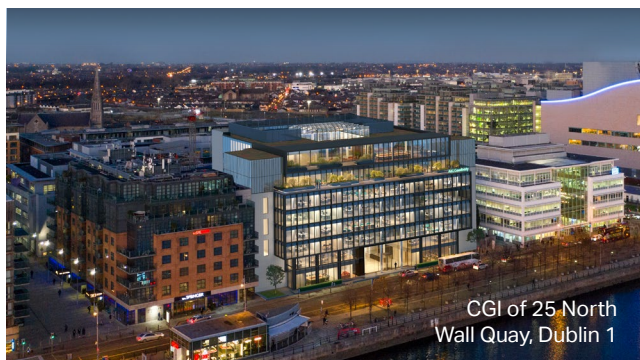
2022 total shareholder
return **-3.2%**

Highlights



Electrification of Riverside Two

A key step in our pathway to net zero is reducing the energy intensity of our assets and ensuring access to exclusively renewable power. During Q4, we completed a major retrofit of Riverside Two including the replacement of gas boilers with heat pumps, the installation of PV solar panels and a new building management system. The landlord plant is now entirely electricity powered by renewables and the energy use intensity is forecast to reduce by 33% compared to a 2019 baseline.



CGI of 25 North Wall Quay, Dublin 1

New Green RCFs

We put in place two additional green revolving credit facilities ('RCFs') with AIB Group and Barclays during the quarter. The facilities of €150m and €50m respectively are in addition to the existing green RCF in place with Wells Fargo. It is intended that the green facilities will be used to fund the ongoing regeneration of the IPUT portfolio.

Topping Out

Wilton Park is a major project for IPUT. One Wilton Park is now occupied by LinkedIn and construction of blocks Two-Four is advancing ahead of the original timetable. We are pleased to have completed the 'topping out' of these three blocks during the quarter. Completion of the three blocks is expected by the end of 2023 and will include a range of placemaking initiatives and further investment into the one acre park.



Enhancing our Sustainability Rating

Responsible investment is central to our strategy and we are proud to have our efforts recognised in the 2022 GRESB scores. We achieved a 5-star rating for both our development and standing assets in 2022 with a score of 95 and 89 respectively. The year-on-year improvement in our scores reflects a focus on the day-to-day management of our buildings, our hands-on approach to operations and our focus on driving innovation and efficiency in building design.



Recognition for our Team

We are proud that our team and our performance during the past year has been recognised. At the 2022 KPMG and Irish Independent Property Excellence Awards held in November, we won both the "Property Fund Manager" category and the overall award. The two awards are recognition of the efforts of the entire IPUT team during 2022 and the outperformance delivered during the year.



Portfolio value

€3.13bn

Contracted rental income

€134m

Loan to value

17%

WAULT

6.4 Years

Performance

Q4 2022

The Fund paid a total cash dividend of €108 million during 2022. This amounts to €43 per share which is a 5% increase on 2021. The total shareholder return (TSR) was negative for the quarter at -6.6% due to the expansion of real estate yields, this equates to a full year TSR of -3.2%.

Net asset
value

€2.6bn

Quarterly
dividend

€27.7m

Annualised
dividend yield

3.9%

Quarterly
shareholder return

-6.6%

The Fund collected 100% of contracted rent in the quarter which enabled a cash dividend distribution of €27.7m or €11 per share.

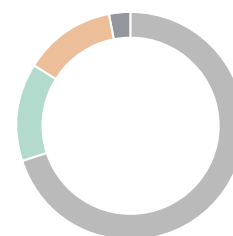
However, on the capital side, the persistently high level of inflation has resulted in Central Banks increasing interest rates. This is affecting investor sentiment, liquidity and transaction volumes. Globally, this has resulted in real estate yields expanding and values falling.

The IPUT Property Fund has not been immune to these headwinds and the value of the underlying real estate declined by 6.2% in the quarter.

- The office portfolio (excluding development and refurbishment projects) declined in value by 6.5%, with value resilience evident in our recently completed developments and more sustainable assets.
- During the quarter the retail portfolio declined in value by 6.2%. In line with strategy, the Fund disposed of 15-16 Baggot Street, Dublin 2, a non-core retail asset.
- The logistics sector which has performed strongly over the last 18 months also declined in value by 3.8%.

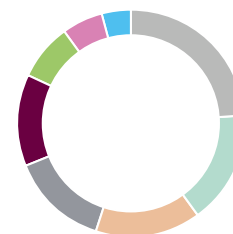
Portfolio by asset mix

- **67%** Office: €2,105 million
- **17%** Logistics: €514 million
- **12%** Retail: €382 million
- **4%** Other: €125 million



Occupiers by sector

- **24%** Financial & Professional services
- **16%** Technology & Media
- **15%** International retailers
- **14%** Legal firms
- **13%** National retailers
- **8%** Other
- **6%** Public / EU / Embassy
- **4%** Logistics



Share price information	31 Dec 2022	30 Sept 2022
Offer price per share	€1,048.75	€1,134.70
NAV per share	€1,028.19	€1,112.45
Repurchase price per share	€1,012.77	€1,095.76
Dividend per share	€11.00	€11.00

Key dates	
NAV announcement - Q4 2022	3 Jan 2023
Dividend payment - Q4 2022	9 Jan 2023
NAV announcement - Q1 2023	3 Apr 2023
Dividend payment - Q1 2023	11 Apr 2023

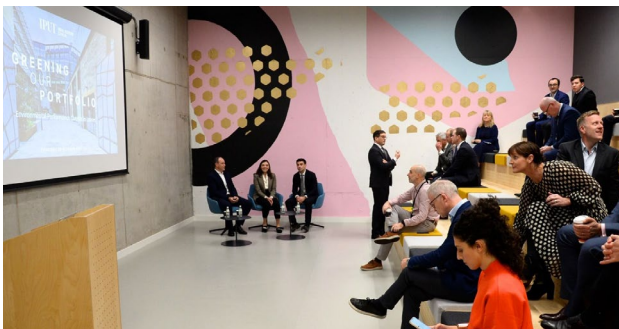
Responsibility

Greening our Portfolio

We made substantial progress on greening our portfolio this quarter. In addition to the electrification of Riverside Two, One Wilton Park has just been certified as LEED Platinum, the highest LEED rating.

Advocating for collective action

A key objective of our sustainability agenda is to advocate for improved sustainability performance by working with our stakeholders. During Q4, we published our thoughts on the use of environmental performance clauses in our leases as a way of facilitating dialogue with our occupiers on how we can collaborate to improve our buildings' environmental performance. We also held a learning event on this topic for Dublin's legal firms and commercial agents.



Environmental Performance Clause in Leases event in the auditorium at Making it Work, Pearse Street, Dublin 2

Appointment of Head of Sustainability

Sustainability is central to our business strategy and to building long-term resilience into our portfolio. During the quarter we appointed Shane Caldwell to the role of Head of Sustainability. Shane has been a major driver of our progress in this area over the years. He has played an important part in developing our net zero strategy, achieving industry leading GRESB scores and embedding sustainability in our decision making progress.

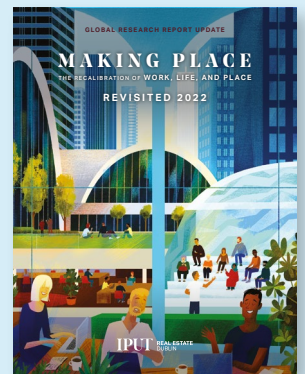
IPUT Property Fund update

As part of the Level 2 requirements under the EU's Sustainable Finance Disclosure Regulations (SFDR), we have updated the IPUT Property Fund Supplement. It now includes the required pre-contractual disclosures for a Fund within the scope of Article 8 under SFDR. These disclosures relate to the company's responsible investment strategy and follow the methodology and manner of presenting information specified in the regulatory technical standards under the SFDR which were published in July 2022.

Understanding our Impact

In keeping with our ambition to lead conversations, we continued our programme of thought leadership. We revisited our global research project 'Making Place', originally published in 2020, which examined the relationship between work and workplaces and the recalibration of work, life, and place, to consider its ongoing relevance and application. Feeding in responses from a comprehensive survey of our office occupiers and previous contributors, we produced an interesting, updated report '**Making Place Revisited 2022**', which has been well received.

The next step in our research journey, entitled '**Making Impact**', will formally commence in 2023, applying the principles of 'Making Place' to our development at Wilton Park and focusing on the social, economic, environmental, and cultural drivers of this city neighbourhood.



Click to download report:
iput.com/publications

Support for our City's Homeless



Since 2020, we have led an annual fundraising campaign – Wow for Simon – to support Dublin's homeless charity, the Dublin Simon Community. We are pleased to have raised over €315,000 for the charity in 2022. In addition, our development team has been providing pro-bono advice and project management services to the Dublin Simon Community on the development of a Medical Residential and Treatment Unit project at Ushers Island. The project, which started in 2017, is making excellent progress with completion and occupation planned for 2024.



Making Good Things Happen

Activity

KEY TAKEAWAYS

€24 million per annum of new income generated through lettings/pre-lettings

15 George's Quay re-development underway

93% of development income is de-risked through pre-lettings

Construction at Two-Four Wilton Park, Dublin 2

Asset Management in 2022

Owning a market-leading portfolio with a strong tenant profile drives long-term income security for the business. Over the course of 2022, we completed 26 rent reviews securing over €19m of income across all sectors in the portfolio. On average the rents reviewed were 2% ahead of estimated rental values.

There was strong letting activity in our CBD office and logistics portfolio, both in standing assets and developments. During 2022, we completed 26 new lettings/pre-lettings, which will generate €24m of additional income once the current development pipeline is complete. We also extended the term on nine existing leases.

In the final quarter, we also pre-let 32,000 sq ft (half the floorspace) at 15 George's Quay to a leading professional services occupier. We have now commenced the redevelopment of the building which will reach practical completion in 2024.

Development

We continue to have an active but measured development pipeline. 93% of the future income from our development assets has been fully de-risked through pre-letting activity. As each development becomes income-producing, it will enable us to progressively grow our dividend and deliver enhanced returns to our shareholders.

Two-Four Wilton Park

The construction programme is progressing well with topping-out achieved during the quarter, and remains on target to complete by the end of 2023. This development has been fully pre-let to LinkedIn with a 12-year term certain (from practical completion). LinkedIn recently announced their plans to sub-let or assign buildings Two and Three Wilton Park. This decision does not impact on their obligations to take the pre-agreed leases once the buildings are complete.

Quantum Logistics Park

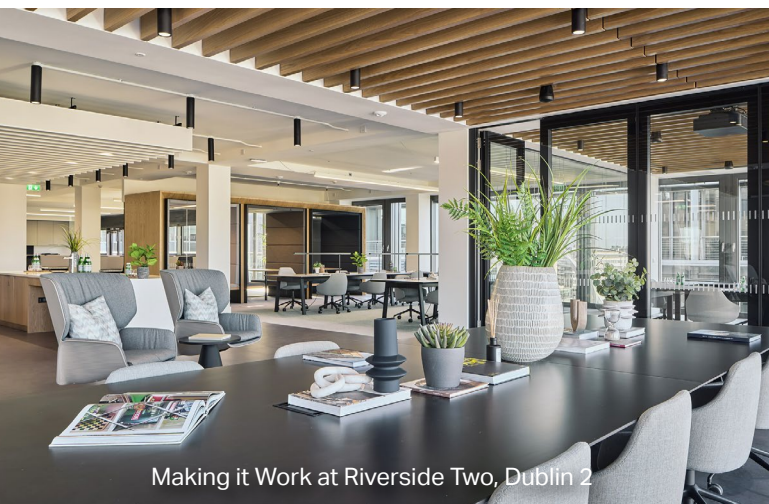
Quantum will be Ireland's most sustainable logistics park and development is advancing well. Unit 2 is now complete, with Harvey Norman having taken occupation in November. Unit 4 will be Ireland's first net zero logistics warehouse. This unit is fully erected and was constructed using a glue-laminated timber structural frame and cross-laminated timber roof structure. The remaining units 1 and 3 are progressing well and are due for completion in 2023. All four units are pre-let to international occupiers on long-term leases.

Riverside Two

Along with the electrification of Riverside Two, we also completed a substantial fit out of the 10,000 sq ft penthouse which is now available for lease as part of our *Making it Work* platform. This floor is now being actively marketed and offers panoramic views of Dublin's docklands.

Styne House

The upgrade works at Styne House, Hatch Street, Dublin 2 are nearing completion. We are redeveloping the building's reception, adding a street level public café space and bringing our *Making it Work* flexible space to our third location.



Making it Work at Riverside Two, Dublin 2

Outlook

Economy

The global economic backdrop continued to weaken during the fourth quarter of 2022, primarily due to inflationary pressures and rising debt costs. While the Irish economy is not immune from these headwinds, it is currently performing better than many other European economies, and this has been supported by the continued strong labour market conditions, strong corporate tax receipts and healthy Government finances.

Job creation continued in recent months, albeit at a slightly slower pace than earlier in 2022 and impacted to some degree by widely reported rationalisation in the technology sector globally. Nevertheless, numbers in employment in the Irish economy reached a new record high during Q3 2022 with 2.67 million people now employed. This represents a remarkable 650,000 additional people at work in the economy in the last decade alone.

Meanwhile, the rate of unemployment fell to a 20 year low of 4.4% during November. Encouragingly, the IDA recently informed Government of visibility of a healthy pipeline of further job creation throughout the first half of 2023, with many multinational companies still looking to hire staff across a range of sectors.

Pictured:
Detail of Tropical Fruit Warehouse, Dublin 2

Property market

The impact of increasing interest rates has affected investor sentiment, market liquidity, transaction volumes and pricing in real estate markets worldwide. Property yields in Ireland didn't compress to the same extent as other European markets over the past number of years, which may better insulate us as interest rates rise. However, market pricing has softened and is likely to weaken further before stabilising.

While real estate investment remains compelling on a long-term horizon, the arbitrage that has existed between real estate yields and Government bonds in recent years has been eroded significantly.

The early part of 2022 saw record investment activity but many buyers have now paused their investment decisions. Transaction volumes are expected to remain more subdued in the early part of 2023, as many investors hold off making investment decisions until the economic backdrop and market conditions settle.

In periods of uncertainty such as these, stability and resilience of income becomes increasingly important, with astute asset management being a key differentiator from a performance perspective. Quality buildings with the best sustainability credentials will remain the most in-demand asset type, achieving premiums over secondary assets.

Despite the uncertain backdrop, occupational markets continue to perform relatively well with healthy levels of activity recorded in the Dublin office market during 2022, while the logistics sector continues to demonstrate resilience and rental growth.

The recent announcements from LinkedIn and Meta that they will seek sub-tenants or assignments of buildings they have committed to take, will impact the amount of grey space on the market in 2023. However, we expect that most new developments are now likely to be put on hold in the short-term, resulting in continued supply imbalances over the medium term at the prime end of the market.

Meanwhile, there is as yet no evidence of a marked deterioration in discretionary spending in the Irish economy, which bodes well for prime retail schemes.

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 an over 50-year track record in real estate. We own and manage a portfolio comprising over 5.3 million sq ft, with a net asset value of €2.6 billion.

IPUT REAL ESTATE
DUBLIN

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**SHAPING
OUR
CITY**